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A PATH TO MARGINALITY: THE RISE OF A PROVINCIAL CHILEAN MIDDLE CLASS

by

GERALDINE S. GRANT

A dissertation submitted to the Graduate Faculty in Anthropology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York.

1978

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This manuscript has been read and accepted for the Graduate Faculty in Anthropology in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

August 15, 1978
date

Edward C. Hansen
Chairman of Examining Committee

August 16, 1978
date

Lydel Silverman
Executive Officer

Dr. Jane Schneider

Dr. Eric Wolf

Dr. James Petras
Supervisory Committee

The City University of New York

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ACKNOWLEDGMENTS

The middle class in Latin America has been accorded a critical role in the process of sociopolitical change but has rarely been the subject of systematic observation by anthropologists, or for that matter, other social scientists. This neglect stems in part from conceptual problems involved in linking the behavior of real people to the ill-defined concepts of "class" and "the state." There are also methodological problems posed by field research by a single person using anthropological techniques among a large group in an urban center. And last but not least, there are difficulties posed by studying people whose lives appear neither strange nor exotic and at moments are uncomfortably familiar. The basic motivation for this research was to rectify this neglect by implementing a study designed to understand how the process of sociopolitical change impinges on and affects the lives of middle-class people living in a provincial city. A middle-class population in Temuco, Chile was selected for study because of the critical

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importance assigned to a middle class in Chile's socio-political development and because the Chilean experiment in socialist democracy contrasted with political conditions that middle-class groups lived under elsewhere in Latin America. The seizure of political power by the military within days of my arrival in Chile dramatically altered the structural matrix in which the lives of Chile's middle class were embedded. The difficulties of implementing a research project under the new political conditions were innumerable. But this situation also provided a unique opportunity to observe the impact of rapid economic and political change on the lives of ordinary middle-class people.

The conception and implementation of the research project, and the writing of this thesis required the cooperation and encouragement of many individuals. Of those who deserve special mention are Drs. Jane Schneider, Dan Gross, James Petras and Eric Wolf. A special thanks goes to my advisor, Dr. Edward C. Hansen, for help in designing the project, for the letters of encouragement during the field project, and for the advice, criticism, and support during the writing of this thesis.

For both constructive criticism and much needed

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emotional support I am indebted to my friends and fellow graduate students, Dr. Stephen Kaufman and Regula Muggli. For this and also for help in preparing the maps, genealogies and many of the charts, I offer a special thanks to Martin W. Boksenbaum. I am also indebted to Dotty Belferman for typing portions of the manuscript. And last but not least of my graduate school friends, my thanks to Kenneth Friedman, my husband, companion in the field, prime emotional support throughout the period of writing, for his advice, criticism and help in editing this thesis.

To all those Chileans who I had the pleasure of knowing during the year in Chile, I offer my gratitude. Without their friendship and warm hospitality it is doubtful that the project could have been completed. Certainly without them my experience would not have been as interesting or rewarding. More than all others, I wish to thank those unnamed families with whom I lived and worked in Temuco. To those who became my informants and my friends during those difficult times following the military coup, my gratitude is immeasurable.

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Center, The City University of New York. The write-up of the material was in part funded by a grant from the National Institute of Mental Health (1 FO1 MH57283-01). To both institutions I extend my gratitude for helping to make the project a reality.

Temuco is an actual city; no attempt was made to disguise its name or location. However, all names in this thesis are pseudonyms; the actual identity of all my informants was disguised. In most cases the individuals described are composites of a few informants.

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CHILEAN EXPRESSIONS AND ABBREVIATIONS USED

Asentado: member of an asentamiento.

Asentamiento: transitional system of managing lands expropriated under the land reform law.

Barrio alto: the upper-class or middle-class suburb or neighborhood of a city.

Beca (primaria-secundaria): scholarship (primary-secondary).

Callampas: squatter settlements.

Cámera de Comercio (Mayorista-Minorista): Chamber of Commerce (Wholesale-Retail).

Campesino: smallholder or landless farm worker.

Centros de Madres: mothers' centers, women's clubs organized under the Christian Democrats (1964-1970) and continued under the UP and military governments.

Clase media (media, alta, baja): middle class (middle, upper, lower).

Cola: a line.

Colegio: a private primary or secondary school.

Colono: a colonist.

Comerciantes (mayorista-minorista): entrepreneurs or businessmen (wholesale-retail).

Compañeros de curso (de la universidad, de pensión): schoolmates of the primary or secondary school (of the university, a roommate, or those who lived in the same housing facilities).

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Compra-venta: the rapid buying and selling of goods or other resources, that is used as a strategy for the accumulation of capital and wealth.

Comuna: commune, the jurisdictional subdivision of provincial departments.

Concesionario: contractor granted a plot of land for the settlement of colonists.

Confitería: confectionery, coffee shop.

Contador: bookkeeper with a technical diploma.

Contador-auditor: accountant with an advanced university degree.

CORA; La Corporación de la Reforma Agraria, Agrarian Reform Corporation.

Cordillera (pre-cordillera): Andean mountains (Andean foothills).

CORFO: La Corporación Fomento de Producción, state development agency.

Corredor (de comercio, propriedades, ganadero): broker or agent (commercial agent, real estate broker, cattle agent).

CORVI: La Corporación de la Vivienda, Housing Corporation.

Cuatrero: horse or cattle thief.

DIRINCO: Dirección Nacional de Industria y Comercio, National Board of Industry and Commerce.

Dueña de casa: housewife.

Empleada: maid or domestic servant.

Empleado (público-particular): worker whose tasks are of an intellectual nature (public-private).

El Once: the 11th of September, 1973. Date of the coup de'etat.

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Empleado de confianza: trusted employee whose task it is to manage the firm for the owner.

Fundo: large estate.

Golpe: coup de'etat.

Gremio: guild or professional organization.

Guía profesional: professional guide.

Huaso: Chilean cowboy or uneducated rural worker.

IDI: Instituto Desarrollo Indigena, Institute of Indian Affairs.

INDAP: Instituto Desarrollo Agropecuario, Institute of Land and Cattle Development.

JAP: Junta de Abastecimiento y Precios, Price and Supply Committee.

Inquilino: sharecropper or resident laborer on the large estate.

Interventor: state manager of privately-owned firm or organization. Military personnel assigned to administer private or public organizations.

MAPU: Movimiento de Acción Popular, Movement of Unified Popular Action; political party in UP coalition.

MIR: Movimiento Izquierdista Revolucionario, far left political group.

Momio: a person of very conservative political affiliations.

Novio(a): boyfriend or girlfriend.

ODEPA: Oficina de Planificcación Agricola, Office of Agriculture and Planning.

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ODEPLAN: Oficina de Planificcación National, Chilean Planning Ministry.

Onces: afternoon tea.

Onces con comida: light evening meal.

Patria y Libertad: ultra-right wing political group.

PDC: Partido Democrata Cristiano, Christian Democratic Party.

PN: Partido Nacional, National Party.

Población: working-class or lower-class neighborhood.

Políticos: politicians.

Reserva: allotted parcel of land given to expropriated owners under the land reform law.

Retoma: the forced retaking of a plot of land by expropriated landowners.

Riflero-oportunista: an illegal businessman.

Sede: university regional center.

SERMENA: Servicio Médico de Empleados, Employees Medical Service.

SNS: Servicio Nacional de Salud, National Health Service.

Sucesión: a legal entity formed on the death of the owner of property composed of all heirs and run as a single unit.

Sueldo vital: officially established minimum wage.

Toma de fundo: a forced land occupation.

UP: Unidad Popular, Popular Unity, Allende's governing coalition.

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CHAPTER I

INTRODUCTION

This study is concerned with the historical development, and the social and material conditions of a regional middle class in Temuco, Cautín Province, Chile. It attempts to place this middle-class group in the context of Chilean society and to assess their role in the political and economic development of Chilean society. Interest in the role of the middle class in Latin American development is not new; the literature is extensive although far from definitive. One major problem is that there is precious little information about what the middle class is in any behavioral sense. Much of the existing work is polemical and unverified by empirical observation.

One of the goals of this study is to provide empirical data on middle-class life. The heart of this thesis is an ethnographic account of the lives of 100 middle-class families--all in commerce, the professions, or government bureaucracy--in Temuco, where I did research

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from September 1973 to August 1974. My aim was to determine the social origins of these families, the social and material resources at their disposal at different times in the last 100 years, and their assessment of their own life chances.

Central to the lives of these people is their concern with standard of living, which is largely defined in terms of access to consumer goods. To maintain a high standard of living, an individual must secure a position in commerce, the professions or the government bureaucracy. Such positions are largely created and regulated by the Chilean state. From 1920 on, the state bureaucracy, most of which manages the domestic economy, grew prodigiously. It will be argued that the middle class is a creation of the Chilean state and that it is a dependent sector with little room for independent social and economic maneuvering. Furthermore, the military junta that took power in 1973, by applying principles of cost accounting to the government bureaucracy, poses a greater threat to the middle class than the previous socialist government of Salvador Allende.

Before developing these points, I will review and evaluate existing research on the role of the middle class in the development process in Latin America.

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Literature Review

The two schools of theory that have dealt with the middle class issue in Latin America are modernization theory and dependency theory, both of which suffer from major weaknesses. Modernization theory, in vogue since the end of World War II, has been most explicit in viewing the middle class as both a critical agent in and marker of the transition to modernity.[1] The decisive position assigned the middle class stems from two major premises of modernization theory. First, the transition to modernity is assumed to involve radical alterations in the domestic economy. Rostow identifies the "take-off" phase of modernization as requiring changes in methods of production, expansion of manufacturing sectors and an increased capacity to mobilize domestic capital--in short, an industrial

---

[1]Tipps (1973) suggests that modernization theory developed as a response of elites and intellectuals in the United States to the international setting of the Cold War era, the expansion of U.S. economic, political and military interests, and the emergence of Third World nations as actors in world politics. Modernization was seen as a long-term solution to instability and communism. Concurrently, Latin American studies was institutionalized in North American universities. It was not uncommon for the major political theorists of the modernization school to serve as government advisors, and for government bureaucrats and military specialists to receive training from these specialists (Fagen, 1977).

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revolution (Rostow, 1971: 50-51, 57). Second, since modernization is a multidimensional process, it simultaneously has critical political, social and ideological components. An elite that regards modernization as a possible task is necessary. "Sociologically this new elite must supersede in social and political authority the old landed elite" (Rostow, 1971: 26). Additionally, some group must exist that is prepared to accept innovation and behave as if "it were moved by the profit motive" (Rostow, 1971: 26). Modern society, according to these theorists, is characterized by the commercialization and industrialization of the economy, urbanization, the rise of functional distinctiveness in government and politics, the use of performance criteria in political recruitment, and a party system that functions by interest aggregation (Almond and Coleman, 1960).

> It is clear from this list of attributes that the Anglo-American politics most closely approximate the model of a modern political system described in . . . Shil's model of "political democracy." (Almond and Coleman, 1960: 533)

Thus, an equation is set up between economic growth, industrialization, the emergence of new social classes, and the role of such groups in economic and political

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processes.[2]

Modernization theorists analyze specific structures and groups in contemporary industrializing societies as the functional equivalents of their counterparts in the early history of the industrial nations.

> After 1850 the middle-sectors began to benefit politically from the economic transformations. The entrepreneurs, managers and technicians and scientists associated with commerce and industry represented a new and dynamic type of wealth and influence. They were the intellectual-professional middle-sectors strongest allies in the sharpening contest for power with the traditional ruling elites . . . Thus was formed the political compound that in this century have been so instrumental in breaking the monopoly of the traditional ruling elites. (Johnson, J.J., 1958: 180-181)[3]

Thus, the growth of a middle class becomes a priori an indicator of modernization. It is associated with economic dynamism, peaceful revolution, the rationalization of the productive process, economic and political democracy, and political stability (Nun, 1968).

---

[2]Despite the acknowledged multidimensional features of modernization, the causality is seen as running from economics to politics (Apter, 1965: 460; Rostow, 1971: 39) in that economic development is defined as the necessary precondition for the emergence of stable, democratic institutions.

[3]Johnson (1958) recognizes at least one major peculiarity of the Latin American middle class--its small size. Consequently, the challenge to elites requires alliances, ordinarily with urban labor. (See also Ratinoff, 1967.)

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However, it soon became apparent that the reality of Latin American society did not conform to the model. The characteristics of the middle class differed radically from those forecast by the modernization equation. Lipset noted this lack of fit in the area of culture.

> The relative failure of the Latin American countries to develop on a scale comparable to those of North America or Australia has been seen as . . . a consequence of variations in value systems dominating the two areas. (Lipset, 1967: 4)

Values or an ethos centering on Parson's pattern-variables of ascription, particularism and diffuseness were "antithetic to the basic logic of a large-scale industrial system" (Lipset, 1967: 32; see also Gillin, 1965; Wagley, 1968). Whether such factors delay or even prevent modernization was debatable, for the precise connection between culture, and economic and political development was often unclear.

For many writers the modernization model was not static; it could be altered to make it more compatible with empirical conditions, or empirical conditions could be altered to fit the model. If structural conditions made development possible and cultural factors determined whether possibility became reality (Lipset, 1967), then the task was to alter the "culture." This alteration

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could be behavioral, such as encouraging entrepreneurs to put their stock on the open market (Bresser Perreira, 1962: 324), or it could involve change in critical institutions. The Latin American university, for instance, could be reorganized to meet the demands of the modern economic and political system (Lieberman, Walker and Glazer, 1972; Ribeiro, 1967; Solari, 1967; Willems, 1975). Alternatively, modernizing entrepreneurs could be found among groups unhampered by the cultural constraints of the Latin American heritage (Lipset, 1967; Willems, 1975). Immigrants and their descendants, in Brazil, Argentina, Uruguay and Chile, made a disproportionate contribution to commerce and industry (Galofré, 1970; Remmer, 1976; Solberg, 1969, 1970; Willems, 1975) and had a major impact on the class structure of urban society (Willems, 1975).[4]

One of the critical difficulties in early modernization theory was the absence of an entrepreneurial class even remotely similar to the prototypical nineteenth

---

[4]The emphasis on immigrants leads to minimizing the role of native groups, whose role is often substantial and critical (Petras, 1969; Willems, 1975). Furthermore, the immigrants' success cannot be automatically attributed to culture. Cochran and Reina's study of the Italian immigrant di Tella suggests that his success was in part due to his ability to organize human relations along "traditional lines" (Cochran and Reina, 1962: 263-265).

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century European bourgeoisie. The theoretical dilemma was patent; as a theory of capitalist development, the theory required entrepreneurship. Yet the requisite entrepreneurial class was everywhere absent. One way out of this dilemma was to suggest the locus of entrepreneurship was to be found in the political process, rather than in the market place. Thus Kling stated:

> An analysis of the distinguishing characteristics of the economic bases of power in Latin America suggests that . . . while the conventional economic bases of power . . . represent essentially economic constants in the contemporary equation of power . . . government and the army represent notable variables. For in Latin America government does not merely constitute the stakes of a struggle among unique base of economic power that, unlike the conventional economic bases of power, is subject to fluctuations in possession [sic]. (Kling, 1968: 90)

Politics provided a path for upward mobility, and often, a direct source of wealth. It attracted both innovators and cultural "misfits" (Anderson, 1967: 20). Entrepreneurial tasks in modernizing societies, as viewed by the modernization theorists, were performed by bureaucrats linked to the power apparatus of the state; entrepreneurship in Latin America was "political entrepreneurship" (Chaffee, 1976). The growth of secondary and tertiary sectors of the economy and an expanding state bureaucracy was seen as stimulating the growth of a "new middle class"

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(Gillin, 1960; Johnson, 1958, 1961; Skidmore, 1967; Soares, 1966, 1968).

This new middle class was accorded the role of modernizing vanguard, partly because of a shared cultural orientation that stressed modern values, norms and expectations (Johnson, 1958, 1961; Skidmore, 1967).[5] This modern orientation includes democratic leanings for J.J. Johnson which led him to link the growth of the middle class to the emergence of pluralistic government (Johnson, J.J., 1958, 1961). On the other hand, chronic political instability was not necessarily incompatible with middle-class hegemony since, as Kling (1968) suggested, instability promoted socioeconomic mobility.

The new focus of politics not only muted the inclination to associate democratic and pluralistic politics with modernization (Fagen, 1977; Morris and Ropp, 1977), but also stimulated a resurgence of interest in the authoritarian-corporate tradition, especially the

---

[5]Johnson (1958) used the term "middle-sectors" instead of middle class in recognition of this group's obvious heterogeneity and also because he considered that class in the Marxist sense had not emerged in Latin America (see also Halpern, 1969, 1970).

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role of the military in Latin American development.[6] The reasons for the increasing prevalence of authoritarian-corporate regimes were unclear.[7] Some writers once again sought answers in culture and tradition; they saw corporate tendencies as elaborations and extensions of the Ibero-Catholic heritage (Moreno, 1969; Wiarda, 1973).[8] At the same time, others regarded the military as a modern, highly political institution that functioned as an arbiter in the struggle for economic and political power (Horowitz, 1967) and was capable of ensuring economic and

---

[6]Huntington (1968) is an early example of the line of thought questioning the assumption that "less developed" politics is destined to change to "more developed" politics. Recent work on neocorporate theory can be found in Malloy (1977), O'Donnell (1973), Pike and Stritch (1974), and Wiarda (1973).

[7]As an ideal type authoritarian regimes are hierarchical systems, lacking an elaborate or guiding ideology and exhibiting a low level of political mobilization (Linz, 1964: 252-283). "Corporatism"--a term roughly synonymous with Linz's (1964) concept of limited pluralism--refers to a pattern of state-group relationships in which formally organized, noncompetitive, officially sanctioned functional associations monopolize interest representation and in turn are supervised by agents of the state bureaucracy (Kaufman, 1976: 7; Schmitter, 1974: 93-94. See also Wiarda, 1973).

[8]Writers in this vein were vague about how much conditions influenced contemporary politics, how patterns were transmitted through time, why they were visible in some eras and not in others, and why similar developments occurred outside the Latin culture area (Morris and Ropp, 1977; Schmitter, 1974).

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political development (Kautsky, 1964; Pye, 1961) in cooperation with the middle class (Alba, 1962; Johnson, J.J., 1962).[9]

Stepan (1971) suggested that until recently (1964 for Brazil) the traditional role of the military was a moderating one. In Latin America, where all political institutions were highly political but simultaneously weak, all groups attempted to co-opt the military to augment their own political power.[10] José Nun (1968) maintained that the military was the most independent and politically effective exponent of middle-class interests and aspirations. His principal argument was that the majority of Latin American army officials were of middle-class origin and that their orientation reflected the ideological contradictions of the middle class (Nun, 1968: 156-157). Nun could not demonstrate just how the military

---

[9]The traditional perspectives, the "aristocratic model" and the "liberal model" are summarized in Stepan (1971). An example of the view of the military as a barrier to achieving democracy is found in Lieuwens (1960, 1964).

[10]For example, Stepan argued that between 1924-31 in Chile, Arturo Alessandri attempted to politicize army officials so they would pressure a conservative and recalcitrant congress to pass reform legislation (Stepan, 1971: 71).

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acted in the interests of the middle class.[11]

The role of the middle class as a base of political support for military governments continues to be an issue. Kaufman (1976: 43) states that in Chile during the post-1940 multi-party political period "the army, led by Carlos Ibañez, had played a significant role in mediating the integration of the middle-sectors" into the system. In the case of the current military regime, he also attributes a critical political role to the middle class.

> As was true at many junctures in Chilean history, the critical "swing" sectors in the attempted transition to authoritarian-corporatist rule are the "established upper and middle class civilians" . . . Like their counterparts in other successful transitions, these sectors constitute potential "pillars of support" for the new regime--or possibly fatal sources of opposition. (Kaufman, 1976: 48)

The pivotal position Kaufman assigns to the middle class follows lines evident in earlier writings on Chile. Much of this literature discusses the role of the middle

---

[11]Other recent studies argue that the military is motivated by institutional norms and situational considerations (Astiz, 1969; Miguens, 1970), and that it acts primarily to preserve its institutional integrity (Stepan, 1971). Einaudi and Stepan (1971) argue that threats to the institutional integrity of the military promote a broadening of the military's concern to include all aspects of the development crisis. For the treatment of the military as a modernizing force, see Kautsky (1964), Pye (1961), and Stepan (1971). For a recent general review of the literature in Latin America, see Rankin (1974).

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class in politics, either as a major force for democratic stability (Johnson, J.J., 1958; Vega, 1950), or more commonly, as one component of a coalition consisting of traditional agrarian elites and new industrial groups (Gil, 1966; Pike, 1968; Zeitlin, 1968b). These writers view the Radical Party, or more recently, the Christian Democratic Party, as the representative of middle-class power. However, since middle-class leadership and rank-and-file membership appear in all major political parties (Gil, 1966) and all political parties, perhaps with the exception of the Communist Party, receive electoral support from a wide range of social groups (Cope, 1970; Grayson, 1969; Petras, 1965a, 1971; Valenzuela, A., 1976), it is doubtful that the role of representative of middle-class interest and political power can be assigned to any one political party.

Clearly, modernization theory does not provide an explanation of Latin American development or the role of the middle class in Latin American development. Its defects are both conceptual and empirical, as the vast critical literature suggests (see Bendix, 1976; Bodenheimer, 1970; Fagen, 1977; Frank, 1966, 1967; Tipps, 1973; Weinberg, 1969). The conceptual problems include:

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reification of the western development process; inability to systematically define the human agents of change (both individuals and classes), and ahistoricism. The theory cannot explain the empirical record of the development process because of its conceptual difficulties. Frequently, it does not even attempt to do so. The paucity of empirical studies of any kind on the middle class, despite its purported theoretical importance, is a reflection of the conceptual problems.[12]

Over the past decade a new and critical perspective on the cause, course, and consequence of modernization has emerged--dependency theory.[13] The literature on dependency covers a wide range of approaches and concerns. Nevertheless there is a core of shared assertions. One axiom is that Latin American development has been conditioned by external forces. The economies of dependent states (also

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[12]For example, to my knowledge only two ethnographic accounts of Latin American middle-class life exist, and both were researched and written after modernization theory had come under severe attack. These studies are Hansen (1977) on a middle-class neighborhood in Sao Paulo, and Miller (1976) on middle-class networks in Belo Horizonte.

[13]This perspective is not "new"; it has clear historical roots in the work of Marx, Lenin and Trotsky (Cardoso, 1973b). For recent articles summarizing the multiple perspectives of dependency theory, see Bath and Jones (1976), Chilcote (1974), and Fagen (1977).

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referred to as satellites, or the periphery) are conditioned by the development and expansion of dominant states (also referred to as the metropolis, or the center) (dos Santos, 1968a, 1968b; Frank, 1966, 1967; Sunkel, 1972). Thus underdevelopment and development "have been historically simultaneous processes that have been linked in a functional way, that is, have interacted and conditioned themselves mutually" (Sunkel, 1973: 135-136). Dependency has produced conditions in the periphery that are not a temporary evolutionary stage, but a permanent condition. Latin American societies are not "modernizing"; they are already modern and the consequence of their modernity is their underdevelopment (Cockroft, Frank and Johnson, D., 1972; Furtado, 1973; Johnson, D., 1972; Stavenhagen, 1974).

Directly relevant to this study is the contention that the interdependence of economies is intrinsic to the system "with manifold and sometimes hidden or subtle political, financial, economic, technical and cultural effects inside the underdeveloped country (Sunkel, 1972: 519; see also Cardoso, 1973a; dos Santos, 1970).[14] If

[14]Analysts view the ultimate consequences of these conditions in various ways. While no one seems to hold out the possibility of autonomous capitalist development,

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dependency extends to internal political, social and cultural arrangements, then social forces (classes, groups or elites) must be understood in light of national and international interactions.

Dependency theorists argue that the Latin American middle class lacks autonomy, that it is essentially a dependent and derivative body.[15] Thus for Stavenhagen,[16]

> The sectors which compose the middle class . . . (i.e., those who work on their own or receive a salary for nonmanual labor) . . . they are economically and socially dependent upon the upper strata. They are tied politically to the ruling class; they are conservative in their tastes and opinions; and they search only for individual privilege. Far from being nationalists, they like everything foreign--from imported clothing

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some see the possibility of some form of growth within the context of dependency (cf. Cardoso, 1972, 1973a; dos Santos, 1970; Jaguaribe, 1968), while others see persistent and worsening underdevelopment (cf. Frank, 1967).

[15]In the following discussion I refer to persons who may or may not see themselves, or be characterized by others, as dependency theorists. However, it seems to me that their work falls within the dependency framework. I also refer to persons whose work is clearly not within the dependency framework but whose contributions have been used to corroborate dependency analysis.

[16]Stavenhagen (1968: 24) warns that the term "middle class" is a frequent euphemism for a ruling elite (industrialists, entrepreneurs and financiers), and that it refers to groups that occupy the apex of the economic, political, and social hierarchy.

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> to Reader's Digest. They constitute a true reflection of the ruling class. (Stavenhagen, 1968: 24-25)[17]

According to Stavenhagen and others, the multiple changes in the economic and political order of this century have produced neither a modernizing middle class, nor a clearly defined middle class. Sunkel (1965) argues that "traditional" societies have shown great flexibility in absorbing elements of modernization without altering their structures.[18] The requirements of modernization can be met by preexisting social and political arrangements (Leeds, 1973). The expansion of liberal capitalism

> . . . can be done in the context of a two-class system where the creation of a new entrepreneurial-technocratic class such as appeared in Euramerica is made unnecessary because of the absorption of its positions and functions directly into an extant elite class which shifts major portions of its resources to the new entrepreneurial-technocratic endeavors added to its old agrarian-commercial ones at all levels. (Leeds, 1973: 60)

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[17]The values ascribed to the middle class vary from a "Reader's Digest mentality" to a bastardization of aristocratic values, as ascribed by Pike to Chile's siúticos (Pike, 1968).

[18]Thus Latin American societies may "modernize" but not "develop." To paraphrase Schneider, Schneider and Hansen (1972), modernization is social change in response to inputs from the outside (ideologies, behavioral codes, commodities, institutional models): development is the acquisition of an autonomous and diversified industrial economy (1972: 340).

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Dependency theorists contend that the middle class is not a "class," either conceptually or empirically, and that a two-class system is analytically correct for Latin American societies (Adams, 1970; Leeds, 1965, 1973; Stavenhagen, 1968; Sunkel, 1965). Leeds (1973: 49) is quite explicit: he states that the term refers to no structurally or functionally delineated unit. For him "classes" are bounded units, aggregates of people that divide off from, and stand forever against, each other by virtue of organization, position, and network of interaction, as well as by other cultural mechanisms (Leeds, 1973: 52). Though similar functions exist within all state-level systems, because classes emerge in an historical context, these functions need not be carried out by segregated units in all societies. Functions performed in the United States and Europe by two segregated classes, the "middle class" and the "elite," are carried out in Latin America by a single body, the "classes" (Leeds, 1965, 1973).

Within the classes all members perform at least one of the functions characteristic of the whole; they make decisions, allocate resources or "lubricate"

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decision-making and resource allocation.[19] Complex intra-class hierarchies exist that are structured around a variety of networks (kin, personal, patronal and institutional) (Leeds, 1965, 1973; see also Adams, 1970; Gillin, 1960; Lomnitz, 1972; Ratinoff, 1967). The ranking of persons is based both on the functions they perform and on their access to different resources. Within the classes everyone has some exchangeable resource at his disposal, but there are "no significant, enduring, internal boundaries demarcating one group over, against another, although small grouplets--cliques and "circles" form and reform" (Leeds, 1973: 56).[20] The absence of middle-class organization and

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[19]The functions of the European and United States middle class are mostly "lubricatory": the making of effective transactions, involving strategic resources of society; the implementation of the exchange of resources, including money; the collection of information, transmission of knowledge, the processing of information for ultimate users (Leeds, 1973: 53).

[20]Other analysts of the internal manifestations of dependency have reached similar conclusions. Furtado (1965) sees increasing social differentiation but concludes it contributes nothing to the development of "class consciousness." Sunkel (1965) holds that in Chile the fusion of new and traditional groups have not produced a "middle class" but fragmented interest groups attempting to press for their own economic benefits. (See also dos Santos, 1970.) Some analysts take the position that the middle class appears only at specific junctures, performing only certain functions. For example, Cardoso (1960) traces the development of a middle class to the new roles that provide connections between increasingly

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consciousness is paralleled in politics.

Dependency theorists have not, however, really addressed the problem of the middle class. Much of their treatment has been negative--a critique of the assumptions of modernization theory. While they view the middle class as a dependent body, they have failed to identify both the structural basis of middle-class dependency and the historical process that has produced this dependency. Positive contributions have been hampered by conceptual problems; the middle class simply has no easily assigned place in the two-class model of Latin American societies. These conceptual problems have led to highly abstract statements as to what the middle class is or is not (a statistical aggregate, a status group, en route to being a class) and have produced contradictory evaluations of

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diversified and fragmented sectors of the economy. These are filled by persons with kin connections to the old elite. A theme of "downward mobility" is, at least, implied--that is, the middle class is drawn from fallen members of the elite. Lomnitz (1972) argues that Santiago's middle class is concentrated in the bureaucracy and lacks control over decisions or strategic resources. As a defense mechanism they have developed a system of favors that has rites and cultural idioms peculiar to the middle class.

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its role in the development process.[21] Thus dependency theory has encountered difficulties equal to those of modernization theory in accounting for the complexities of the development situation. Yet the middle class is clearly a real phenomenon; it exists and needs to be accounted for.

The value of dependency theory is that it does place social groups in an international system of power. In order to apply this insight, it is necessary to identify the forms of capitalist expansion (Baran, 1957; Baron and Sweezy, 1966), the resulting types of dependencies (dos Santos, 1970), the forms of development that occur within dependent situations (Cardoso, 1972) and

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[21]Using this Marxist definition of class, groups distinguished by relations to the productive process, the middle class is obviously not a "class." Exemplifying this approach is the definition offered by the Chilean political organization MAPU (Movimiento de Acción Popular) which identified two broad classes in Chile, the bourgeoise and the proletariat, each with several subdivisions (Johnson, D., 1973). From this perspective the expression "middle class" "does not mean anything; it is a hollow phrase, since it includes . . . classes and strata with interests so different that they cannot be grouped under the same name" (MAPU, 1971, excerpted in Johnson, D., 1973). Yet other dependency theorists persist in treating the middle class as a "class" that is associated with political organizations and political power. Allegedly, this group is conservative, antirevolutionary, and oriented to the status quo (Adams, 1970; Petras, 1965; Pike, 1968), or it is associated with the military (Nun, 1968; see also Kaufman, 1976; Johnson, D., 1973). Such designations assume monolithic political behavior and imply "class consciousness."

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the consequent effects of dependency on internal economic, political and class relationships. For Latin America, various forms of dependency have been suggested: colonial dependency characterized by a monopoly on trade and financial-industrial dependency, consolidated at the end of the nineteenth century, that centered on the investment of metropoli capital in raw materials and agricultural products consumed by the metropoli (dos Santos, 1970). The effect of the expansion of specialized production for export markets in the early twentieth century was the emergence of a nucleus of industrial activity (Furtado, 1976). After the depression, industrialization was based on import-substitution (Cardoso, 1973a; Furtado, 1976); see also Collier, 1975; Hirshman, 1971). State capital, indigenous capital and foreign capital (in descending order of importance) were the propellers of economic internal growth (Cardoso, 1973a: 144).

The consequences for the internal political and class arrangements were that throughout Latin America the state emerged as the only possible buffer between metropolitan demands and the citizenry of a country. This was especially true with the onset of import-substitution industrialization, at which time the state underwent

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massive expansion. The setting in which the state became increasingly independent was one in which foreign capital and foreign control of strategic resources distorted class cleavages and retarded the development of class consciousness, making it difficult for political movements to evolve. Simultaneously, the authority of existing state institutions grew. In cases in which a constitutional apparatus, a populist electoral system, existed, legislative and ministerial positions were filled by an active political class that specialized in the mobilization of electoral support (Kaufman, 1976: 16; see also Linz, 1967). But real power remained in the authoritarian infrastructure, primarily in the civil bureaucracy (Kaufman, 1976: 16-17). One of the consequences of state expansion and the accompanying populist-electoral system was the creation and growth of a middle class. The circumstances of this class formation will be discussed in the following section.

Theoretical Issues and Research Hypotheses

From the preceding review of the development literature it should be clear that neither modernization theory nor dependency theory offers much in the way of an explanation for the middle class. Yet both sets of theory

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recognize the existence of some groups that might be a middle class and these groups cannot be readily assigned to the traditional upper or lower classes. They might be a class (cf. Vega, 1950) or a sector (cf. Johnson, J.J., 1958, 1961) or even a set of status aggregates. It is clear that these groups have at least a phenomenological reality. Yet the conceptions of both theories are not adequate to the task of explaining the phenomenon.

Part of the problem is not conceptual, but stems from the lack of close observation of the phenomenon itself. It is in this context that this study may provide useful data that would allow us to make a mesh between the behavior of the actual people concerned and broader development theories. The question now is--how do the lives of the 100 families I lived with in Temuco relate to the role of the Chilean middle class in political and economic development? Briefly, the argument is that the Chilean middle class is a product of the workings of the international economy from 1850 on.[22] In the last decades of the nineteenth century Chile's capitalist classes were

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[22]This date marks the beginnings of a new phase of international dependency in which Chile supplied agricultural products and, more importantly, minerals to industrial centers.

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displaced from their positions of control over Chile's strategic resources (nitrates and later cooper) by foreign capitalists. Consequently, the role of mediator between international capitalism and all Chileans fell to the state. After 1879, the Chilean state became the most powerful force in national development; it controlled the flow of wealth from the international to the domestic economy. Expressed in terms of hierarchies of power (Adams, 1966, 1967b; Mills, 1956), state power was derived from the international sector and was manipulated by the international sector through price, market and credit arrangements.

Initially, the new wealth was used to build a national infrastructure (including an enlarged bureaucracy) aimed at integrating the nation. Offshoots of this were urban growth, the expansion of commerce and manufacturing, and increased demand for agricultural products. National integration also stimulated the government sponsored settlement of Chile's final frontier, Cautín province. Cautín was linked to the national economy through the province's lumber resources, which were vital to the construction boom occurring in Chile's major urban centers.

The collapse of the nitrate market (by the early

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1920's) and the world depression resulted in an unprecedented internal economic crisis that highlighted Chile's vulnerable and dependent position. The defensive response was to further concentrate and institutionalize power in the hands of the state. At this juncture, power and resources were distributed as follows: the top layers, occupied by foreign corporations, controlled Chile's one critical resource--copper; the state controlled most of the national wealth, which was derived from taxing the export sector; Chile's classes (landowners, industrial and commercial groups, and emerging middle-class groups) controlled land and non-mining industry; and lastly, Chile's workers and peasants, that is "the masses," controlled their own labor, if that much.

Beginning in the 1930's, defensive "statism" emerged in the form of government management of the development process. The state interceded in the economy by redistributing resources and creating a new economy and class structure. Development policy centered in import-substitution industrialization; a corollary of this new policy was the relative neglect of Chilean agriculture, which placed the agricultural province of Cautín in a secondary position vis-a-vis the national economy. To

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control investment and direct industry, a vast government bureaucracy came into being. This bureaucracy created job opportunities for professionals and bureaucrats. Not only did the state emerge as the major employer of professionals and bureaucrats, but after 1940, it subsidized the standard of living of private and public employees. Thus, the Chilean state financed development through direct investment and through subsidies to both industries and consumers, and in so doing, created a middle class. This class was by definition a political, rather than an economic, class in that it was a product of central government policy not the market economy.

The new statism was mirrored in political change: access to power and resources became synonymous with access to the political arena and the civil bureaucracy. The heights of political power were occupied by a small "political class" (the holders of legislative, ministerial, executive, and top bureaucratic positions), drawn from the "classes." The political constituency consisted of the increasingly dependent capitalist classes, the middle class, and segments of the working class. Demands on power holders were articulated through mass parties and state-sponsored corporate groups. The political parties sometimes

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espoused class interests, but more often were no more than loosely structured clientelistic affairs. Political parties and the occupational and interest groups, the syndicates in public and private enterprise, competed for government patronage. A key component of the emergent patronage system was the ability to allocate government jobs. In turn, the acquisition of these jobs became increasingly important to the middle class.

By the late 1950's state sponsored industrialization was stagnating, although the policy continued as the mainstay of the economic and political system up to and including the socialist government headed by Salvador Allende. The socialist experiment was unique in the extent of redistribution to new political contenders, groups that supported the socialist coalition, but redistribution was not new to Chile. These policies accentuated existing economic and political tensions (a mounting national and foreign debt and competition for shrinking state controlled resources). On September 11, 1973, Chile's forty-year experiment with state development ended with the seizure of power by the military.

Military rule in Chile is tied to the emergence of a new international division of labor. New forms of

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dependency involve direct investment by multinational corporations in the manufacturing sector of dependent countries. To attract foreign capital Chile must guarantee economic and political stability. The junta has tried to do this by ending statist development and dismantling its attendant political apparatus. In the new context a politically effective middle class is unnecessary and expendable. However, for the "internalization of the internal market" (Cardoso, 1973a: 156-157), an effective consuming middle and upper class is required. Yet, the middle-class consumerism of the recent past was tied to a dysfunctional economic and political system. It is doubtful that the current regime can continue to underwrite the standard of living of the vast majority of Chile's middle class. Thus the military regime threatens the institutional parameters of middle-class life. The details of this model will be discussed in Chapter II.

I propose to study the link between the growth of state power and the emergence of a middle class in Temuco by examining the strategies in the use and accumulation of resources by selected families over several generations. This perspective should provide insights on three issues central to the middle-class controversy: (1) the social

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origins of the middle class; (2) the quality and quantity of social mobility involved in the formation of this class; and (3) the structural position of the middle class in different phases in national development.

Over the last seventy-five years, the regional bourgeoisie in Cautín has suffered from a shrinking resource base as the state came to define and control access to resources. Initially, one segment of the emerging bourgeoisie concentrated on marketing local, and to a lesser degree, national products in the province. Others focused on marketing local products in the national market. Differences in social organization and cultural forms existed between these two groups. Following World War II, the state intensified its control over the regional economy, resulting in an homogenization of the regional bourgeoisie. The vast majority of urban entrepreneurs turned to marketing products from national and transnational corporations. These groups constitute a visible and socially active segment of Temuco's middle class.

The contraction of resources drastically affected the offspring of Temuco's founding and leading citizens. Declining agriculture pushed the descendants of rural landowners into other sectors of the economy. The end of

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the family business and its replacement by subsidiaries of large corporations have affected the offspring of the urban bourgeoisie.

Beginning in the early 1960's, numerous government institutions, for example the Agrarian Reform Agency, the National Development Corporation, began to appear in the province. The expanding bureaucracy sought to revitalize the agricultural sector and to extend state development and welfare programs to provincial areas. In doing so, the state provided jobs for the natives of Cautín and for migrants from other parts of Chile. However, state expansion affected more than jobs; it had a pervasive effect on the regional economy, in that the state either owned or otherwise took control of virtually all strategic resources. Thus, the middle class in Chile neither owned nor controlled the means of production. The majority of Temuco's middle class were non-manual workers (in government or private enterprise); they controlled no concrete resources. Temuco's entrepreneurial groups (the owners of small and medium scale businesses and related persons) had their independence circumscribed by credit, price and marketing regulations. However, I have suggested the power of the middle class was exercised in the political

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arena. In so far as individuals or groups had access to or gained influence over, top political and bureaucratic positions, they exercised initiative over the allocation of resources.

The literature on the middle class in Chile (and elsewhere in Latin America) suggests that recruitment to the political arena and civil bureaucracy involves political patronage (Goldberg, 1975; Kaufman, 1976; Leeds, 1965; Lomnitz, 1972; Ratinoff, 1967). For most of the middle class, political patronage provides jobs and bureaucratic favors; for a few it serves as the base of a political career (Lomnitz, 1972). However, if the form and organization of political institutions are tied to power, jobs and other elements of life-style, then politics should be an outstanding middle-class concern. Simply stated, the middle class is political and this is mirrored in the intense politicization found among Chile's middle class.

At the time of field work, the systematic study of formal political behavior (party affiliation, ideologies and related phenomena) was not possible. With the military junta's ascension to power, all political institutions and overt political behavior became illegal. However, Lomnitz

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(1972) suggests that political patronage is but one aspect of an institutionalized network of friendship and reciprocity of favors through which an individual's "middle-classness" is defined. Thus, for the middle class, a critical resource is sets of interpersonal ties. In Temuco, maintaining and improving one's standard of living hinges directly on interpersonal ties. These ties also operate in the process of achieving social recognition within the community. Furthermore, constellations of interpersonal sets serve to demarcate subsegments of the regional middle class. More importantly, middle-class networks show how the state has come to define middle-class life, and how various political regimes have operated in Temuco. Chapters III and IV describe the growth and social organization of the regional middle class in relation to increases in state power. Chapter III focuses on the commercial segments and Chapter IV on the professional-bureaucratic segments of the middle class.

If the middle class does exhibit distinctive traits, is it appropriate to speak of a single regional middle class? I will argue in the affirmative for two reasons: (1) because, through time, there has been a consistent movement towards homogeneity in cultural forms

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and the patterns of social interaction; and (2) because all groups have experienced a decreasing latitude in the defense of their "life-style." Chapter VI discusses the emergence and organization of middle-class "culture."

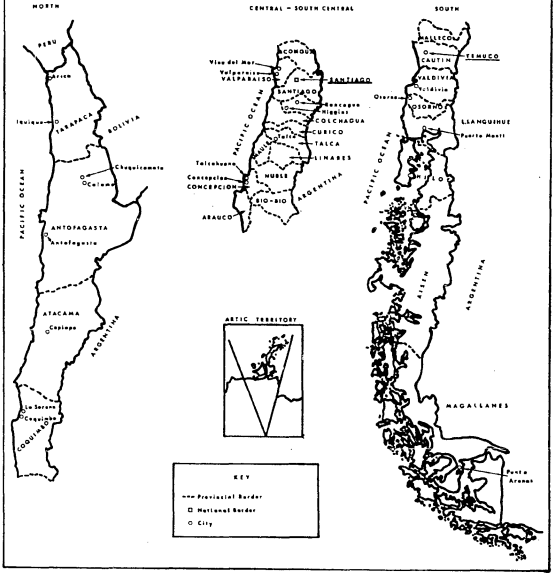
In short, this ethnography attempts to relate the lives of these 100 families to changes in the economic, political and social order of Chilean society of this century. I expect to show how the behavior and the concerns of this group can be explained by the fact that it is a creation of the Chilean state. In the concluding chapter, I will attempt to reevaluate the class character of the middle class and its role in economic and political development. Additionally, I will offer some general remarks on a model of state and class formation that may be applicable to other underdeveloped areas.

The Field Site and Methodology

The data for this study were collected in Temuco, the provincial capital of Cautín, from September 1973 through August 1974. Cautín is situated in the southern central zone of Chile (see Figure 1). Ecologically this zone, which also includes the provinces of Malleco, Valdivia, Osorno, Llanquihue, and Chiloe, is distinguished from adjacent areas north of the Bio-Bio River by its

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Figure 1. Chile.



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heavier rainfall and dense natural forest cover. Cautín's distinctive history sets it apart from the other provinces of the zone: it was the last area to be incorporated into the national polity. The territory was controlled by the Araucanian Indians until 1880. Fort Temuco was established in 1881 and the first wave of colonists arrived shortly thereafter. Initially Cautín provided Chile with lumber. Since the late 1930's, Cautín has been primarily an agricultural area, ranking first nationally in the production of wheat, cattle, oats and raps.

Cautín is Chile's fourth most populous province. According to the 1970 census, 422,810 persons live in Cautín, more or less equally divided between urban and rural areas. Nearly one-quarter of the population consists of Mapuche Indians, most of whom live on reservations in the eastern half of the province.[23] Temuco lies in the center of the province and is approximately 450 miles south of Santiago (see Figure 2). In 1970 the population of the city was 104,372, making it Chile's

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[23]Anthropological research has been exclusively on these indigenous peoples (see Faron, 1956, 1961, 1964, 1968; Melville, M., 1976; Melville, T., 1976), with no previous work on either rural or urban groups. During the same period as my field work, a study was conducted on Cautín's landowning classes.

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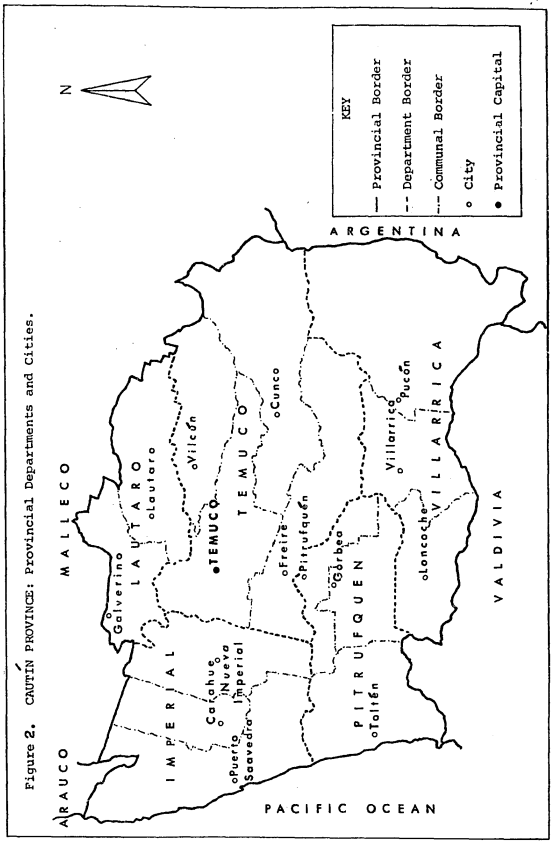


Figure 2. CAUTÍN PROVINCE: Provincial Departments and Cities.

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seventh largest city. Temuco is Cautín's major urban center. Only two other communities, Lautaro in the north and Villarica in the southeastern Andean foothills, have populations over 9,000. Four other towns have between 5,000 to 10,000 people, and fifteen between 1,000 and 5,000 people. The populations of Cautín and the city of Temuco have grown steadily throughout the twentieth century. Between 1881 and 1930, Temuco grew because it was the administrative and commercial center for the immediately adjacent agricultural population. When the province was created in March 1887, it was divided into two jurisdictional units, the departments of Temuco and Imperial. Because Fort Temuco was the major military outpost, the town was designated provincial capital. Until the 1940's, when the silting of the Cautín River closed it to commercial traffic, Temuco vied with Nueva Imperial on the Cautín River as the hub of provincial commerce.

Growth in the 1930's and 1940's was linked to the completion of the railroad spurs from the main trunk line into the lumber rich regions in the west of the province. After the 1940's urban expansion resulted from agricultural stagnation that led to out-migration from rural areas; and

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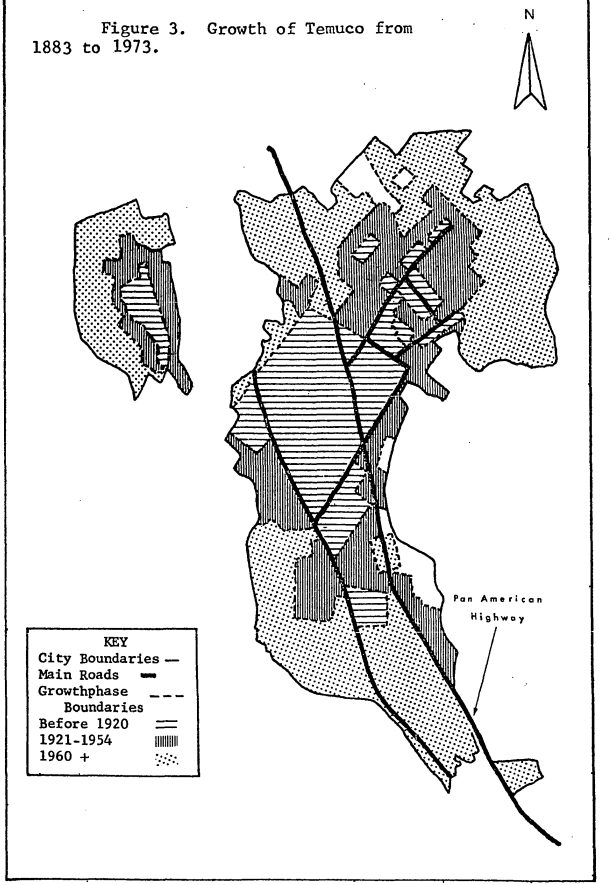
more recently (the 1960's on), urban growth has been a product of Temuco's position as a regional center for the expanding state bureaucracy. The changes in urban boundaries through time are shown in Figure 3.

Temuco was selected as the field site because it was large enough to house a sample of all major segments of the middle class found on the national level. While a major city (Santiago, Valparaíso, or Concepción) might have yielded a more representative cross-section, I felt that a city the size of Temuco was a convenient unit for the analysis of social organization. In a larger center, I undoubtedly would have been confined to a specific social or physical unit--a government or private institution or a middle-class neighborhood. I hoped to avoid these limitations and to be able to combine institutional and network analysis. My expectations proved well-founded, for in terms of its middle class, Temuco is a very small city indeed.

For the purposes of this study, the term middle class is used in a descriptive sense to refer to groups defined along a manual-nonmanual labor axis (Soares, 1968). Temuco's middle class included three major categories: professionals, including physicians, lawyers, engineers,

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Figure 3. Growth of Temuco from 1883 to 1973.



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agronomists, university professors, and others in similar positions; bureaucrats, including administrators and personnel in government agencies; and entrepreneurs, including the owners of wholesale and retail businesses, and the managerial staff of the subsidiaries of national and international companies. By this definition, Cautín's middle class makes up approximately 16 per cent of the provincial work force (see Figure 4).

Figure 4. Middle class occupational groups in Cautín, 1970.

Category	Population	Per Cent	Total
Professionals	5,423	4.7	16.3
Bureaucrats	6,825	6.0	
Entrepreneurs	6,290	5.5	
Work Force	113,562	-	
Provincial Population	422,810	-	

Source: XIV Censo de Población, 1970. Características Básicas de la Población, Cautín. Instituto Nacional de Estadísticas, República de Chile. Santiago de Chile.

While most analysts employ descriptive categories when referring to the middle class (cf. Johnson, J.J., 1958, 1961; Kaufman, 1976; Lomnitz, 1972), it is possible to approximate the place of the middle class in the national income hierarchy. In theory, major segments of the labor force are paid in percentage multiples of a government set

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minimum wage, a sueldo vital (SV). The salary or wage varies with a legally defined distinction between empleados (employees) and obreros (workers). These categories are associated with specific social and economic prerogatives--welfare programs and salary schedules. Empleado programs have existed longer and tend to be more extensive than those provided obreros.

Annual government readjustments operate to maintain salaries and wages approximately on a par with inflation.[24] However, given the high rate of inflation, purchasing power, hence standard of living, can decline drastically in the interval between salary readjustments.[25] This instability forces middle income groups to seek alternative means with which to defend their standard of living. Primary among these are additional sources of income that may not appear in income calculations, such as second jobs, savings in foreign currencies, and investments in areas relatively immune to inflationary pressure, including real

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[24]Readjustments do not always keep apace with inflation. See Chapter II for a discussion of wage and salary levels and inflation.

[25]During the field work period, inflation rates were running on the order of 300 per cent.

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estate and more recently, all consumer products.[26]

Figure 5 presents the national income hierarchy for 1969 and 1971. These years were selected because the data indicate that the distribution pattern remained unchanged throughout the Allende government (Lagos and Rufatt, 1975). Income data for the years of the Marxist government would have had to be adjusted for the abnormally high inflation rates of that period.

Using income criteria, Chile's middle class can be described as those groups earning between two and eight sueldos vitales. They consist of the 36.8 per cent of all Chilean families that collectively receive 33.4 per cent of the national income (Bandeira, 1975; Machicado, 1974). Or it could be argued that the middle class is composed of families with earnings in the top 20 per cent of the nation, which would include the families earning at least four sueldos vitales that control 64.1 per cent (58.1 per cent after 1971) of the national income. I believe the latter to be more accurate. Figure 6 shows average family income

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[26]Apparently these forms of savings do not appear in statistical calculations. In fact, all income groups in Chile, with the exception of the very highest brackets, show annual indebtedness ranging from 12.4 to 63.0 per cent of their annual incomes (Machicado, S., 1974).

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Figure 5. Distribution of total available national income in 1969 and 1970.

Span of Average Family Income in SV's	1969 Number of Homes (thousands)-%		1969 Total Income %	1970 Number of Homes (thousands)-%		1970 Total Income %
0-2	1,023	54.3	17.2	1,061	54.3	20.6
2-4	483	25.7	18.7	501	25.7	20.7
4-6	156	8.3	9.8	162	8.3	10.5
6-8	52	2.8	4.9	54	2.8	5.2
8-10	34	1.8	3.9	36	1.8	4.0
10+	134	7.1	45.5	138	7.1	39.0
Totals	1,882	100.0	100.0	1,952	100.0	100.0

Source: ODEPA and ODEPLAN summarized in Machicado (1974: 25, 47).

and average consumption (essential foods and other items) (in sueldos vitales). Families in the lowest 80 per cent (0 to 4 sueldos vitales) of the national income hierarchy do not attain average levels (of income and consumption) near the national average. The average income and consumption of the upper 20 per cent of the population is much higher than the national average. In other words, the income level separating Chile's "masses" from "classes" is approximately four sueldos vitales.

Figure 6. Average family income and consumption in sueldos vitales (SV), 1971.

Span of Average Family Income in SV's	Average Family Income in SV's	Average Family Consumption in SV's
0-2	1.33	2.18
2-4	3.07	3.96
4-6	4.98	5.60
6-8	7.47	8.48
8-10	9.10	10.28
10+	26.93	18.78
Averages	4.21	4.42

Source: ODEPA and ODEPLAN summarized in Machicado (1974: 22).

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Those occupying the upper 20 per cent of the income hierarchy accurately describes the people with whom I worked in Temuco. Salaried persons earned at least four sueldos vitales, and often considerably more--six sueldos vitales or above. The similarity of standard of living among entrepreneurs suggests an equal or higher income. I write "suggests" because income data for all families were not available. I found informants reluctant to provide this information though general economic problems were openly and frequently discussed. Class self-perception did not include income criteria but rather indices of standard of living (occupation, home ownership, number of vehicles, frequency of vacations, and so forth). Figure 7 shows the distribution of some of the commonly mentioned indices among the 100 families. The emphasis accorded such measures of standard of living suggests that neither occupational categories nor income aggregates captures the way in which middle-class persons view themselves. Being clase media means living a particular kind of life.

The research techniques used in this study were those traditional in anthropological research--participant-observation, various forms of interviewing, archival research. During the initial period of research, I relied

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primarily on participant-observation. Having arrived in Chile with a family, including a child, I found myself in what appeared to be a typical middle-class situation.

Figure 7. Standard of living measures among the research population.

Category	Number: N = 101	Percentage
Dwellings*		
Own		
House	60	
Apartment	8	
Total	68	67.3
Rent		
House	27	
Apartment	6	
Total	33	32.6
Vehicles		
One	43	
Two	14	
Total	57	56.4
Telephone	54	53.4
Domestic Servant		
One	54	
Two plus	8	
Total	62	61.4
Real Estate		
Summer House	24	
Farm	13	
Total	37	36.6

*Houses and apartments are located in specific areas of the City. See Chapter V.

In the weeks immediately preceding and following the coup d'etat, I spent what appeared to me as an inordinate

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amount of time provisioning a household. Supply problems were a focal point for all residents of Chile. As the power of the new regime coalesced, I encountered financial problems as did many others. The disbanding of the former government's rationing and price controls, sent prices skyrocketing. My costs finally stabilized at approximately twice the level I had originally anticipated. Fortunately, in the first weeks I purchased an automobile. This item was to be my "savings" for the year. Its subsequent sale financed my return to the United States.

My middle-class situation was the way I gained access to the lives of the people I was to study. When I arrived in Temuco, I contacted two local residents, an anthropologist working at the local university and a friend of an anthropologist from Santiago. After I explained my project, these individuals helped me search for what they regarded as "appropriate" housing, at an appropriate cost, in an appropriate area of the city. Once this was accomplished, further contacts emanated from daily activities: hiring household help, professional ties at the university, language instruction, neighborhood and school contacts, and archival work at the local newspaper, government agencies and private associations.

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During the initial four- to six-month period the political climate affected the field situation in several ways. Chileans view all social science as highly political, although anthropology tends to be seen as one of the least political.[27] This made formal interviewing difficult, although I did request and was granted interviews with specific figures (heads of agencies, corporations and community groups). Curiously, I found people willing to be my "friend" but less willing to be my "informant." During this phase of field work the data collected were an outgrowth of ordinary social activity. The junta's depoliticization drive made all phrases containing the word "class" suspect. Consequently, I often phrased my interests in historical terms. I told people I was studying the history of the middle class, or the history of the city and the province.

During the last six months, interviewing became easier as I became known and accepted in the community.[28]

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[27]I obtained a safe conduct pass from the local regimental headquarters early in the field work (it proved invaluable). The ease with which it was obtained was, I am convinced, related to the fact that the officials equated anthropology with archaeology.

[28]Political considerations intervened throughout the field work. If I can specify the three factors which made my field work possible, they would be (in descending

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Open-ended interviews were conducted to complete information gathered earlier. Specific individuals served as key informants, providing detailed information on themselves, their families, and other persons in the community who, for a variety of reasons, were not readily accessible to me. Some of these individuals provided information critical to reconstructing the history of the area. Because there is no systematic history of Cautín or Temuco, the historical material had to be gathered from older informants, several of whom were the sons and daughters of the original colonists, the archives of the local newspaper, and scattered published accounts.

The families I worked with were friends and friends of friends. Although I encountered these people in a variety of contexts, I found that their networks overlapped, and many were known to each other. In this sense, Temuco's middle class is very small. I maintained personal contact with about 75 people. Together with various forms of interviews, these contacts provided

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order of importance) my child, the lawn I put in to replace the tangled mess of weeds in my front yard, and the course I taught on a volunteer basis at the local university. The first gave me a family, the second respectability, and the third a middle-class occupation. In short, I was a member of a respectable middle-class family--a peer and a participant.

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reasonably complete data on about 100 families. From among these 100 families I collected approximately 50 genealogies. Each genealogy included from two to six generations and from 20 to several hundred persons from Cautín and other areas. Career histories were also collected. Some of these are complete, and others are schematic outlines of the phases in career development. Towards the end of the field work I also supervised the administration of a closed questionnaire to an additional 60 people by anthropology students at the Universidad Católica. My assistants were instructed only to gather data on specific career types. They were then allowed to follow their own networks. Interestingly, I found that some of these questionnaires produced data about people on whom I already had information. This suggests that in terms of networks of interaction, Temuco's middle class is even smaller than numbers alone would suggest.

Among the central 100 families there are differences in occupation, social and geographic origins, family income and other sources of wealth, and political affiliation. How representative these families are of the several thousand middle-class families living in the city is not completely clear. Although I tried to include a

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cross-section of occupational groups, the sample tends to be biased toward those located in jobs in the upper portion of the bureaucratic hierarchy, those with professional degrees or at least some post-secondary school education, and established entrepreneurs. These entrepreneurs are often the largest in the city, though an "established" position does not depend solely on economic resources. Lower-rung bureaucrats and petty entrepreneurs (the owners of stalls in the central or open market) are under-represented. By income criteria or occupational criteria, these families can be included in the middle class. However, if standard of living and organizational criteria are used to define the middle class, they may be marginal to the regional middle class.

The sample is also biased toward those with "rightist" or "centrist" political stances. This does not mean that "leftist" Chileans were excluded from the sample, but that generally such persons tended to be less visible and accessible for study. But because political positions are somewhat randomly distributed in family groups, the genealogies provided valuable information on persons of all political persuasions.

While there are biases in the sample, I believe

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these families provide an accurate picture of middle-class life in Temuco. Not all facets of this life will be described in the following chapters. Rather, I have chosen to focus on activities and behavior that distinguish this group from others in the city and on the processes involved in the creation of a single regional middle class from people with diverse social and geographic backgrounds. Before discussing either the creation of Temuco's middle class or the life of the middle class in Temuco, it is necessary to place this group in the context of Chilean history. The next chapter is devoted to an outline of the economic and political phases of Chilean society during the last 100 years. Hopefully, this discussion will help us understand how and why Temuco's middle class is what it is.

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CHAPTER II

ECONOMIC AND POLITICAL PHASES OF CHILEAN DEVELOPMENT AND THE FORMATION OF A MIDDLE CLASS

In this chapter I will show how Chile's position in the world economy produced internal conditions that gave rise to a dependent middle class. The chapter is organized according to the four major phases of Chilean economic and political development from 1830 to the present. While each phase is distinct, an evolutionary process that is characterized by the expansion of claims made by foreign powers on Chile's resources and a concentration of capital in the international sector can be discerned. Increasingly, Chilean capitalists were unable to compete with foreign capitalists, leaving the Chileans ever more insecure and vulnerable. In response, the Chilean state, the only institution capable of amassing sufficient funds to avoid total takeover of the national economy by foreign capitalists, assumed the role of defender of the national economy. That defense

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placed the Chilean state in a contradictory position: the capital accumulating ability of the state was directly dependent on the foreign capitalists against whom it was trying to defend its constituency. The claims by foreign capitalists against the Chilean economy and the efforts of the state to accommodate these demands has been the supreme task of the political order over the last 125 years. The reorganization of the state necessary to meet each new challenge gives each phase its unique flavor. The passage from epoch to epoch is marked by a crisis resulting from the inability of the state to make these impossible accommodations.

In this chapter I will discuss in brief Chilean development before 1930 and in depth the post-1930 period during which the state became an active manager of the development process and thereby organized the class structure of Chile. I will show that in this period, Chile's class structure was defined by the state, not by the market, and that the middle class is a political class.

The Genesis of the Modern Political Economy, 1830-1891

The 1830-1891 period demands attention primarily because in this era the underlying contradictions of Chilean

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political economy developed. The growing dependency of the economy on foreign markets after 1830 subjected Chilean capitalism to enormous pressures. Native capitalists found themselves in competition with aggressive foreign interests who penetrated the economy, exercising ever growing control over markets and resources. Chile's capitalist class sought to defend their position in the international economy by creating a strong centralized state. The state was called upon to do what the indigenous capitalist class could not do--amass capital from the international sector.

The Chilean state was, however, faced with a major problem. Its source of revenues was ever more directly linked to the international economy. After the War of the Pacific (1879), the state pursued a policy that expanded its own power but that undermined the position of native capitalists in the strategic nitrate mining. The benefits of nitrate wealth accrued to the state; this wealth was used to initiate a program of national development. Chilean capitalists, by this time closely tied to and dependent on foreign capital, rejected this untested path. In 1891 they dismantled the centralized state and eliminated the major institution that might have provided

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some protection from the insecurities of a foreign controlled economy.

The expansion of exports after 1830 benefited all sectors of the economy although Chilean agriculture clearly played a predominant role (Galdames, 1941; Pinto, 1962). New markets for agricultural products, primarily wheat and barley, in North America, Europe and other areas induced a rapid expansion of export agriculture. This, in turn, produced the commercialization of land caused by a growing number of traditional landowners turning toward the commercialized production of grains for exports (Bauer, 1971; Ratcliff, 1973). This commercialization process was coupled to the development of a labor-intensive system of cultivation that came to have strong resemblances to feudalism (Ratcliff, 1973; see also Bauer, 1971).[1] While the prosperity of this sector has led some observers to characterize Chile as an agricultural country (cf. Reynolds,

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[1]For a description of this "feudal" system, see McBride (1936). It should be noted that despite appearances, this system cannot rightly be seen as a holdover from a prior feudal era. It was tied in origin and function to the expansion of export agriculture (Ratcliff, 1973). It allowed landowners to expand production without mechanizing their operations. As Moore (1966) suggested for Eastern Europe, in Chile the development of grain exports reduced formerly free peasants to serfdom. (See also Wallerstein, 1972.)

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1965; McBride, 1936), the agricultural sector was never a source of steady earnings (Pinto, 1962; Sepulveda, 1959). By 1870 export earnings were cut by competition from mechanized agricultural producers (Mamalakis, 1976; Pinto, 1962; Sepulveda, 1959); by 1880 the role of Chilean agriculture as a strategic and dynamic sector ended (Encima, 1955; Mamalakis, 1976). Chile was then left highly dependent on another set of resources.

In this era, and in subsequent periods, mining made the most significant contributions to exports. The production of copper, silver and coal increased throughout the nineteenth century and mining was clearly the primary source of exportable wealth by 1860. (See Figure 8.) The expansion of mineral wealth led to the emergence of new fortunes tied to coal, nitrate, and silver production (Galdames, 1941; Pike, 1968; Vitale, 1973). Although these interests are often described as a "middle class" (cf. Pike, 1968; Silvert, 1948), they were in fact capitalists who occupied the heights of both economic and political power (Vitale, 1973).[2]

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[2]For example, in 1882, El Mercurio, the Valparaíso daily, published a list of 59 fortunes over one million pesos. Only 24 of these were colonial in origin; the remainder derived from coal, nitrate and silver interests (Cademartori, 1972: 63; Pike, 1968).

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Figure 8. A comparison of mining and agricultural exports, 1840-1860. (Amounts in Chilean Peso)

	1844	1852	1860
Mining	3,618,987	7,807,106	18,893,600
Agriculture	879,025	3,933,149	4,751,652

Source: Dirección General de Contabilidad. Ministerio de Hacienda. Cited in Vitale (1973: 146).

While mining and agricultural interests were tied to distinct productive bases and dependent on different labor arrangements, this did not inhibit an economic, social and political merger. Mining interests invested in land, as did commercial and banking groups (Frank, 1967; Pike, 1968; Ratcliff, 1973).[3] Correspondingly, landowners branched out into commerce (Godoy, 1971; Vitale, 1973) and some landowners were prominent financial backers of mining enterprises (Glade, 1969). Socially, Chile's traditional landowning class was relatively open, and intermarriage was not only accepted, but actively encouraged (Heise, 1950; Pike, 1968; Ratcliff, 1968; Willems, 1971). The political arena of the era reflected this homogenization

[3]The end of the entailed estates (mayorazgos) in 1857 permitted new wealth to acquire land for the development of commercial agriculture. It also freed commercially oriented landowners from any restrictions on the buying and selling of land. Apparently many of the "new" owners were actually "old" Chilean families (Ratcliff, 1973: 76).

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process. A variety of economic and political interests were brought together in shifting alliances. By 1860 politics lacked the quality of clear-cut struggle between distinct capitalist groups (Vitale, 1973).[4]

The merger of Chile's capitalist classes to form a single, united upper class reflected their shared commitment to the development of primary products for export as the surest and safest way to maintain their positions in the highly competitive international market. This strategy, successful in that Chile experienced a period of internal prosperity that lasted, with minor fluctuations, until the great depression, nonetheless subjected all Chilean capitalists to enormous pressures. These pressures emanated from foreign penetration of the economy, that left Chilean capitalists in the contradictory position of being both competitive and dependent on foreign capital.

Foreign dominance of the economy, spearheaded by the British, was a characteristic feature by 1850.[5]

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[4]Vitale (1973) argues that this intermingling was not tranquil. He sees the civil wars of 1851 and 1859 as essentially regional struggles between northern mining groups, and central and southern landowning interests.

[5]Britain gained a foothold in Spanish America in the eighteenth century (Stein and Stein, 1970). By 1850, Britain and her colonies purchased some 50 per cent of Chilean exports and provided some 30 per cent of all imports (Blakemore, 1965: 11).

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British commercial houses were the source and distributors of manufactured goods, as well as the bankers for agriculture and mining enterprises (Blakemore, 1965; Frank, 1967; Vitale, 1973). While there was little direct foreign investment in agriculture (Petras and Zeitlin, 1970), many of the most important wheat traders were British companies (Sepulveda, 1959). Increased production of minerals was brought about by advances in technology, by-products of the British industrial revolution (Vitale, 1973) and many national ships were the property of British subjects (Ramirez, 1960: 73-75; Supulveda, 1958: 98; Vitale, 1973). British interests were also critical in the construction of the rail network. In the north the railroads were completely owned and operated by British interests. In the central zone, where the first lines were constructed by Chileans, British capital was used to import equipment and maintain the lines (Blakemore, 1965; Galdames, 1941; Pinto, 1962).

As foreign interests gained dominance in the economy, opportunities for domestically controlled endeavors were curtailed. In many cases Chilean owners were forced out of business; others saw their potential for expansion limited (Blakemore, 1965; Ratcliff, 1973;

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Vitale, 1973; see also Joselin, 1963). Yet it was not unusual for foreign capitalists to involve Chileans as subordinates or junior partners in their operations. Throughout the century, foreign capitalists forged economic and social ties with Chilean capitalists (Blakemore, 1965; Kinsbruner, 1973; Ratcliff, 1973).[6] Undoubtedly these connections were highly lucrative for specific persons, but for Chile's capitalist class as a whole it meant an increasingly insecure and marginal economic position.

Clearly the nineteenth century was marked by the growing weakness of Chilean capitalists as competitors in the international market. Competition from aggressive foreign interests pressured Chilean capitalists to modernize their operations so as to remain competitive. Mining interests faced the enormous task of overcoming the financial and technological advantages enjoyed by foreign capital. At a time when modern plantation economy was in ascendency elsewhere in Latin America, agricultural interests were tied to a labor-intensive system that

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[6]Wealthy Chilean capitalists of English extraction and British capitalists were often partners in mining ventures (Blakemore, 1965; Kinsbruner, 1973). Prominent Chileans served as lawyers, advisors and agents of British interests (Brown, 1958; Ratcliff, 1973).

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suffered from inherent inefficiencies (Ratcliff, 1973). A partial solution to this disadvantaged position was sought in the creation of a strong centralized state. The state could accomplish what Chilean capitalists could not. It could develop policies that supported the position of Chilean capitalists vis-a-vis the international market.[7] More importantly, it promoted national interests by amassing capital from the international sector for the development of the export infrastructure on which the prosperity of all Chileans depended. Mining received little direct subsidization though it was no less dependent on state action. After 1850 the state organized and directed the elaboration of the infrastructure necessary for mineral exports.

Beginning with the Montt administration (1851-1861), the main function of the state was to provide

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[7]Chile's landowning class in particular sought heavy support from the state. Minimal tax burdens, the progressive devaluation of paper currency and, more importantly, privileged access to credit, were important cushions allowing landowners to survive both slumps in the market and bad harvests (Subercaseaux, 1922; see also McBride, 1936). Powerful socio-political forces also dictated a strong alliance with the state. The labor intensive system required that landlords retain de facto authority in rural areas. The state also underwrote landed interests through the forced extension of arable land for commercial production (Ratcliff, 1973; see also Bauer, 1971; McBride, 1936).

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infrastructural support for export production. The 1850's saw the establishment of a national banking system, the development of a rail network in the central zone, the introduction of the telegraph, the construction of roads, and the enlargement of custom facilities in major ports (Galdames, 1946). Yet the state was no less dependent on foreign capital than its constituency. Much of the infrastructural growth was made possible by loans from British capitalists to the Chilean state. During the Montt administration, for example, a loan of eight million pesos was contracted with British capitalists for the completion of the Santiago-Valparaíso and Santiago-Talca spurs. This was the third such contract since independence (Galdames, 1941: 291).

Clearly, by the last decades of the nineteenth century the positions of both the capitalist class and the state were fraught with contradictions. For one, Chile's capitalists were both competitive and dependent on foreign interests. For another, the state faced the dilemma of balancing the need to protect the indigenous capitalist class against the need to maintain a favorable relationship with foreign capitalists. The difficulties of accommodating these contradictory pressures crystallized after the War of

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the Pacific (1879).

In the aftermath of this conflict the Chilean state pursued policies that undermined the position of native capitalists in nitrate mining.[8] However, nitrate wealth was not lost to Chile. The benefits of the nitrate bonanza accrued most fully to the state since it was able to tap the new wealth with export duties.[9] This greatly strengthened its independent power and allowed it to take a more active role in national development. In the mid-1880's the state embarked on a large and varied public works scheme.

Both the state's undermining of native capital and the restricted nationalism of the era were consistent with a dependency on exports controlled by foreign capital and with the state's assigned task of protecting the economy and nationalist capitalists from the insecurity of the

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[8]The policies that undermined the position of national capitalists were demanded by the inability of the state to pay off nitrate certificates held by private interests, and a belief that the payment policy would enhance Chile's foreign credit standing (Blakemore, 1965: 11). While estimates vary as to the actual amount that came to be controlled by foreign capitalists, it is clear that the control of nitrate wealth was lost to Chile's capitalist class (Blakemore, 1965; Encima, 1955; Pinto, 1962).

[9]By 1889 export duties on nitrates provided 45 per cent of the national exchequer (Blakemore, 1965: 15).

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international market. The state acted to defend its power base, a power base increasingly independent of national classes but directly tied to the international economy. The most direct threat to state power was not foreign domination, but the practices of foreign capitalists that curtailed nitrate production and, in turn, government revenues (Blakemore, 1964: 81-87).[10] Further improvements in the infrastructure and other programs of national development were necessary for the continued growth of the national economy and success of national capitalists. These programs could only be sustained if the state could maintain a steady flow of wealth from the mining sector. However, at this juncture in Chilean political history, the economic and political interests of the Chilean capitalist class placed them in opposition to state-sponsored efforts to derive permanent benefits from the nitrate wealth. The close ties of Chilean capitalists to foreign interests produced a conception of their own

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[10]By the early 1880's, nitrate producers had developed monopolistic practices designed to mediate the impact of the cyclic agricultural market on profits. This reduced output and, consequently, government revenues. Higher taxes on existing units would have been ruinous to the smaller producers, many of which were Chilean owned and already at a competitive disadvantage (Blakemore, 1965).

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interests that favored direct and uncompromising dependency on foreign investors. In short, Chilean capitalists chose to be junior partners rather than risk the untested path of economic nationalism. The prosperity of the era was surely a major cause for this decision because in the following era, under conditions of economic decline, they chose quite another path. In 1891, a coalition of nitrate, agricultural, financial and commercial interests dismantled the centralized state (Blakemore, 1965; Frank, 1967; Pike, 1963) and, as such, eliminated the major institution that might have provided some protection against the insecurities of a foreign controlled economy.

The Paralysis of the Capitalist Class 1891-1930

The distinct quality of the 1891-1930 era was that the basic contradictions of the Chilean political economy became more apparent and demanded resolution. The position of indigenous capitalists was further undermined as foreign control of the economy intensified with the development of economies of scale. Ever more distant from the control of strategic resources, Chilean capitalists reactively turned toward non-strategic areas in an effort to maintain their positions. The state supported this through the use of

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export revenues for the development of the infrastructure necessary for domestic investment.

With the collapse of the nitrate market in the 1920's, the powerlessness of Chilean capitalists and the vulnerability of the national economy became apparent. Operating through a decentralized parliamentary system that expressed the growing economic fragmentation of Chilean capitalists, the internal divisions of this class prevented it from protecting the national economy from continued manipulation by outside forces. In the mid-1920's the capitalist class was forced to relinquish its exclusive control over formal political institutions. The military effected a transition to new political forms; forms accurately reflecting the reality of the distribution of power and resources.

Between 1890 and 1920 nitrate production constituted the major prop of the national economy providing investment, employment and tax revenues (Pinto, 1962; Reynolds, 1965). Although control of this valuable resource was largely in British hands, high profits from nitrates accrued to Chilean capitalists well into the twentieth century (Reynolds, 1965: 220) and native capitalists continued to encourage foreign control of national mineral resources.

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In the first decade of the twentieth century, United States based corporations gained control of Chile's vast copper deposits.[11] Between 1900-1910, advances in copper technology made Chile's well-known low grade deposits profitable for large-scale vertically integrated operations. All three members of the Gran Minería (units that produce at least 25,000 metric tons per year) were functioning by 1924. U.S. interests held 80 per cent of all copper deposits and Chilean interests only 11 per cent, compared to the 90 per cent Chileans controlled in 1874 (Reynolds, 1965: 221).

The takeover of Chilean copper mining by foreign investors reflected both the inability of native capitalists to embark on such costly ventures and, as yet, a lack of clear-cut conflict between national and international interests. The technological and financial requirements of large-scale mining were such that foreign investors could easily outbid Chilean investors.[12] Native

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[11] In the first part of the twentieth century the United States replaced the British as the major foreign investor in Chile (Pike, 1963).

[12] While nineteenth century copper production was based on rich surface deposits, requiring little capital investment and no machinery, twentieth century production was far more costly primarily because of enormous overhead costs. For example, the Chuquicamata deposits were

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capitalists confined their operations to those that yielded high returns with little capital investment (Reynolds, 1965: 222). The state, the only institution capable of generating the required capital, was unwilling to invest at this point. It granted concessions to foreign interests and as a conscious policy encouraged foreign control of mining (Zeitlin and Ratcliff, 1976). Little effort was made to derive benefits for Chile from copper mining; the state's low tax on copper (something less than 5 per cent before 1925) was an important incentive to foreign capitalists to embark on such costly ventures (Reynolds, 1965). Nitrates provided the state with ample revenues and Chile derived few immediate benefits from copper mining.[13]

As foreign interests came to dominate strategic sectors of the economy, indigenous capitalists sought to protect their position by investing in agriculture, and urban commerce and industry. In this era the ownership of large agricultural properties became a secure retreat

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purchased for a mere $1 million (U.S.) but required an additional $100 million investment over an eight-year period before it showed any return (Bohan and Pomeranz, 1960: 87). All major copper deposits were located in remote or inaccessible areas and ores ran about 3 per cent or less of copper.

[13]Capital intensive industry provides little employment; the copper industry directly employed only about 1.5 per cent of the Chilean labor force (Bohan and Pomeranz, 1960: 88). Since most materials and equipment were imported, copper stimulated little in the way of internal industrial development.

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from foreign competition for wealthy Chileans (Ratcliff, 1973: 165). Production for the domestic market provided low but stable profits (Mamalakis, 1976). Simultaneously, the expansion of exports generated the growth of a market for local consumer industry (Remmer, 1976; see also Furtado, 1976). A nucleus of industrial firms producing non-durable consumer goods dates from this period (Petras, 1969: 48). Moreover, it was an era of commercial and industrial concentration. Chile's largest firms date from this period (Petras, 1969), and the number of firms declined from 6,000 to slightly under 2,500 between 1910 and 1915 (Valenzuela, S.J., 1976: 139).

The state supported the diversification of native interests by prompting national integration and by the continued development of the infrastructure. Chile's final frontiers were opened for colonization. Government policy facilitated the acquisition of agricultural properties by wealthy Chileans in these areas. Rail, harbor and road facilities were extended and there was extensive infrastructural development in urban centers (the installation of water, sewage, lighting systems, and road construction) (Galdames, 1941; Pike, 1963). Urban services were necessary for the expansion of commerce and

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manufacturing. The state did not encourage foreign penetration of the urban sector and it often supported the relatively weak industrial class (Hirschman, 1963; Remmer, 1976).

The diversification of the national economy produced changes in the character of socioeconomic groups in Chile. The working class grew by 50 per cent (Ramirez, 1956); much of this growth took place in urban centers (Ramirez, 1971; Valenzuela, S.J., 1976).[14] In this era the first reference to a middle class appeared in the Chilean press (Pike, 1968). Although it was often unclear as to what groups were being referred to, this middle class apparently included groups tied to the expanding state bureaucracy and urban commercial and industrial infrastructure--salaried bureaucrats and private employees--and those capitalists whose resource base was restricted to urban areas.[15]

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[14]Formal working-class organizations date from this period. The Chilean Workers Confederation (La Federación Obrera de Chile, FOCh) was founded in 1909 and as early as 1921, Chile's working class was represented in the formal political arena (Ramirez, 1971).

[15]A host of new government agencies and administrative posts produced a spurt in the number of public functionaries from 3,408 in 1880 to 27,469 in 1919 (Godoy, 1971: 213).

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For Chile's capitalist class, the socioeconomic changes of the era were divisive. Pike (1968) maintains that many members of Chile's landowning class lost their fortunes. The concentration of wealth in mining and industry suggests that the capitalist class shrank in size and national wealth was increasingly concentrated in very few hands (Escobar Lagos, 1965). It is significant that in Ratcliff's (1973) study of Chilean capitalists, only one group's wealth dates from this period; all others to agriculture, mining and commerce of the nineteenth century. Moreover, the diversification process accentuated preexisting intraclass cleavages. Chile's capitalist class was by then an amalgam of landowning, mining, commercial, and industrial interests based on a conjunction of "feudalistic" commercial agriculture and free labor mining, industry, and commerce. This fragmented economic base was problematic. Policies designed to favor the economic activity of one often worked to the disadvantage of another. It is possible that the same individual or family was both aided and hurt by the same policy. The formal political institutions of the era exaggerated this problem.

From 1891 to 1924, Chile's capitalist class ruled

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with a decentralized parliamentary system. Intraclass cleavages that reflected their economic fragmentation appeared as organized partisan conflict.[16] Because there was no longer a strong executive capable of creating unity, the legislative process was often bogged down in internecine feuds. This prevented the ruling class from dealing with mounting external and internal problems (Kaufman, 1976; Nunn, 1970; Pike, 1963).

In the early 1920's, the vulnerability and powerlessness of the Chilean capitalists became apparent. The development of low-cost synthetic nitrate production during World War I dealt a death blow to the Chilean nitrate monopoly. Although the industry's decline was a slow and erratic process extending over two decades (Ellsworth, 1945), the impact was immediately apparent. Customs revenues dropped dramatically, the budget deficit increased, and internal labor strife escalated (Nunn, 1970). The

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[16]Because there was no longer a strong force to arbitrate, political factions began to mobilize support outside the parliamentary arena through the activation of patron-client ties and the dispensation of patronage to new constituencies. (Valenzuela, S.J., 1975). Rural electoral manipulation was accomplished through classic caciquismo; in cities the richest people simply purchased the votes (Galdames, 1946; Gil, 1966; Petras, 1969). The new constituencies included the upper echelons of the state bureaucracy and urban entrepreneurs.

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capitalist class attempted to resolve mounting problems by electing a reform candidate (Ratcliff, 1973).[17] However, its internal contradictions along with the operation of the political system made reform impossible. The multiple economic bases of Chilean capitalists made them something less than receptive to programs of either rural or urban reform (Glade, 1969), and reforms introduced by the executive were blocked by the parliament (Nunn, 1970).

Economic conditions worsened in the early 1920's and any alleviation was due to temporary increases in nitrate sales (Nunn, 1970). Politically bankrupt, Chile's capitalist class was forced to relinquish its exclusive control of formal political institutions. The transition to new political forms was effected by the military.[18]

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[17]The reform movement appeared with the election of Arturo Alessandri in 1920 on a platform of strong executive action, social justice and sound fiscal policy (Nunn, 1970; Pike, 1963). Sometimes seen as a representative of a new "middle class coalition" (cf. Pike, 1963; Petras, 1969), Alessandri was in fact an upper-class conservative reformer. Alexxandri did, however, run Chile's first populist-style campaign. This might be interpreted as an effort to develop a power base outside the upper class (Nunn, 1970; Ratcliff, 1973).

[18]The military was not outside politics. However, its role had been confined to immediate problems--the repression of the working class. Alessandri encouraged the intervention of the military, seeking to co-opt military leaders in his struggle with parliament (Nunn, 1970).

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From 1924 to 1931, Chilean politics were dominated by the figure of Carlos Ibañez, a junior military officer. During his regime, a variety of constitutional and legal reforms were enacted to cope with the most pressing internal problems.[19] These new policies were embodied in the Constitution of 1925 that defined the political order until the 1973 military coup d'etat. The powers of the executive were strengthened vis-a-vis congress; limitations were imposed on congressional control over finances and budgets and congressional salaries. The president was afforded extensive executive powers. The constitution guaranteed civil liberties and made provisions for progressive taxation and the inviolability of property in conformity with "the general interests of the state" (Article 10, section 2; cited in Heise, 1950). In line with this ultimate provision, the general economic and social functions of the state were expanded to include the control and restructuring of the labor movement, and the integration of white-collar workers into the state apparatus. Thus an attempt was made to reduce internal conflict through

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[19]Ibañez was president of Chile only from 1927 to 1931. However, it was clearly the military, acting through him, that allowed the conditions for the passage of the 1925 constitution under the civilian Alessandri regime.

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the development of corporate structures (Kaufman, 1976; Valenzuela, S.J., 1976).[20]

Simultaneously, the military devised ways to deal with the most pressing external problems. Monetary policy was revamped; a modified gold standard was adopted; and a central bank, which included representatives of private credit users on its governing board, was established (Hirschman, 1963). The decline of nitrate revenues was counteracted by instituting a special tax on the copper industry (Bohan and Pomeranz, 1960) and through the contraction of foreign loans and imported capital (Ellsworth, 1945; Godoy, 1971).[21] In the short run, these measures proved effective. During the late 1920's, Chile enjoyed a favorable balance of payments and relative internal prosperity that produced a false sense of security (Ellsworth, 1945). Because the country still depended on mining, these measures reaffirmed Chile's dependency on

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[20]Labor legislation enacted under the 1925 constitution weakened and fragmented the Chilean labor movement. Rural unions were banned, and urban unions were subjected to the possibility of extensive state supervision (Valenzuela, S.J., 1976). The extension of social service legislation to white-collar workers expedited their integration into the state apparatus (Kaufman, 1976).

[21]By 1929, Chile's loans amounted to 443 million pesos (Ellsworth, 1945).

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exports and intensified ties to external sources of capital.

The significance of the brief period of military rule was that it allowed political structures to be brought more in line with economic conditions. At this juncture in Chilean history, the state was the prime mediator between international interests, the national economy, and all Chilean classes. State power was based on the control of national wealth, derived from taxing the foreign controlled export sector. The authoritarian interlude formalized this distribution of power and resources, and produced the corporate structures that integrated Chile's classes and masses with the organs of state power.

The political restructuring of the late 1920's in no way altered Chile's basic position in the world economy. Chile was tightly integrated into the system of world trade. Its dependence on capital goods imports for mining and industry and food imports that were difficult to replace, left the economy in an extremely vulnerable position (Furtado, 1976). This became obvious with the onset of the depression, after which the Chilean state was forced to devise new means to cope with its internal contradictions.

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The Depression and Its Aftermath: The Nationalist-Development Model and the Formation of a Middle Class, 1930-1973

The world depression highlighted both the vulnerability of the Chilean economy and the growing opposition between national and international capitalists. In response to the depression, Chile embarked on a new development path--the nationalist-development model (cf. Cardoso, 1973a) that centered on import-substitution industrialization. Because of the contraction of exports during the depression, Chile was unable to import foreign goods. The state's resources, derived from taxing cooper, were then used to foster the development of national industry, to replace wholly or in part goods previously purchased abroad. This model was thus another form of dependent capitalist development that intensified Chile's ties to the international economy.

Under this approach the state restructured the internal economy. This occurred in two ways. First, the state created conditions conducive to the growth of consumer industry. This was accomplished by state investment in the infrastructure necessary to national industry and in areas where private capital was unable or unwilling to invest, and by subsidies to private industry.

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Second, since domestic consumption was the key to the success of the model, the state actively created a consumer market. This was done by systematic government spending designed to maintain the standard of living, and hence, purchasing power of specific groups. The overwhelming mass of these consumers were middle class. Thus, classes in Chile came to be defined by government policy. A critical aspect of the arrangement of classes was the creation of a middle class.

All groups were equally dependent on the state and integrated with the organs of state power through corporate groups and political parties. The critical issue of Chilean populist politics was the demands of these groups for their share of the state's resources. For the middle class the central issue was both the state's income distribution policy and government jobs which allowed them to maintain their standard of living.

The nationalist-development model faced objective limitations. It required imported technology and thus was dependent on the export sector that generated foreign exchange. Because the terms of trade for primary producers on the international market had grown more unfavorable, the Chilean state was increasingly unable to capitalize

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this form of development. In an attempt to cope with mounting internal economic and political pressures, modifications in the model appeared in the 1960's and early 1970's. These modifications exacerbated internal pressures but brought the national economy in line with the new patterns in the organization of the international economy. Ultimately, these new organizational forms undermined the model, leading to the military coup d'etat of 1973.

Chile was one of the world's countries most violently affected by the crisis of 1929, despite the delayed reaction. It was not until 1930 that contractions in production set in. The first sector hit was mining. By 1930, exports had shrunk by 58 per cent from that of 1929, and by 1932 they were down approximately 87 per cent from the 1929 level (Bohan and Pomeranz, 1960: 232). Imports fell less rapidly, to 86 per cent of the 1929 level in 1930. The export-import equilibrium of the late 1920's was dependent on large foreign loans, which continued until 1930. The drop in export earnings forced Chile to raise money to service past debts by the export of gold from Central Bank reserves. When borrowings ceased in 1931, Chile defaulted on her foreign obligations (Ellsworth, 1945).

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Through the early 1930's, the devastation of the export sector spread slowly to other sectors of the economy. Generally, construction suffered the most, and industrial production the least, particularly those industries not directly dependent on the importation of machinery or other productive factors. Unemployment skyrocketed through the early 1930's, reaching its highest level in 1932 (Ellsworth, 1945).

The immediate political response to the depression was a resurgence of instability. Ibañez, increasingly dependent on violence to repress workers and students, was forced to resign in 1931. His regime was followed in rapid succession by a conservative civilian regime, the "100 day Socialist Republic," a brief military junta, and finally the restoration of constitutional order with Alessandri's second term (1932-1938).

Chile's initial response to the devastation of the depression focused on efforts to deal with the contraction of exports. Government activity between 1931 and 1938 included a system of multiple exchange rates and tariffs, and quotas on imports (Baklanoff, 1958; Ellsworth, 1945). These measures indirectly stimulated industrial growth by insulating the internal market from external pressures. By

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1934 industrial production had reached its 1929 level and grew thereafter. An added impetus to economic recovery was the improved conditions for export as the mining sector rallied with the specter of war (Ellsworth, 1945).[22] By 1937, copper production had surpassed its 1929 level (Reynolds, 1965). Unemployment declined from the 1932 high (129,000) to a normal level in 1938 (28,000).[23]

Ultimately, reduced foreign exchange and the imposed restrictions on imports were the most important elements in recovery and the resumption of industrial expansion (Ellsworth, 1945). In Chile, as elsewhere in Latin America, the expansion of exports in the first part of the twentieth century had produced a phase of industrial growth

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[22]Despite the reorganization of the nitrate industry, it continued its slow decline. The greatest beneficiary of the wartime demand for copper was the Gran Minería. Small and medium copper units, mainly Chilean owned, faced declines in production with the loss of their usual German market (Reynolds, 1965: 236-239).

[23]The decline in unemployment was the result of the recovery of private industry and construction. Government did not initiate public works projects during this period since the prevailing financial view was a concern for a balanced budget, and in fact there was a reduction of government expenditures and a cutback in public employees (Ellsworth, 1945).

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(Furtado, 1976).[24] The sudden collapse of the capacity to import during the depression led to a second phase of industrialization geared to the home market. The state's initial defensive measures provided concrete benefits to segments of the Chilean capitalist class who had already invested in urban industry. By insulating the internal market, national capitalists were left with an arena virtually free of foreign competitors. Thus, the reforms of the early 1930's were amenable to the interests of native capitalists.

However, Chile faced great obstacles to industrial growth geared to the internal market. It was impossible to curtail food imports and there was also a need to increase imports of fuels and raw materials, such as cotton. In a period when import capacity had been reduced by half, these factors produced a slow rate of industrial growth (compared to Brazil or Argentina) in the mid-1930's (Ellsworth, 1945; see also Furtado, 1976). Additionally, the weakness of Chilean capitalists materialized as a

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[24]The increased income from exports led to the establishment of a nucleus of non-durable consumer goods industry--textiles, leather, processed foodstuffs and clothing. Urbanization created new demands in the building sector, and provided an impetus to the manufacturing of building materials (Furtado, 1976: 108-109).

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relatively low rate of investment (Felix, 1960: 18; see also Davis, 1969). Earlier than elsewhere in Latin America, the special features of Chilean development required state intervention in the economy (Furtado, 1976: 111-113). After 1939, the state explicitly assumed responsibility for national economic development. This new posture was a logical outgrowth of the initial defensive moves and had already been tacitly agreed upon by native capitalists.[25]

Over the next several decades, the primary mission of the Chilean government was to harness state power and resources to stimulate economic development. During the 1940's and 1950's, a combination of state capital, native capital and foreign capital was conceived of as the main propeller of internal economic growth. The resources for the state's role came from new taxes on copper; after 1939 an explicit effort was made to use the proceeds from the export industry to finance domestic economic development (Reynolds, 1965: 238). Thus, the tensions that had plagued Chile's dependent capitalist development in the past

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[25]The impetus the state provided for industry is indicated in the industrial production index, which rose dramatically after 1939, particularly for light consumer oriented industry--cotton textiles, clothing, paper (Ellsworth, 1945: 31). Chile was clearly less a case of spontaneous import-substitution industrialization than of state fostered industrialization (Furtado, 1976: 11).

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continued to pervade the new development paradigm.

The task of the state was to create a climate conducive to the intensive use of existing productive capacity by developing the infrastructure and broadening the demand for products and equipment. According to the model, increased demand would generate the capital goods and consumer durable industries necessary for sustained growth (Furtado, 1976; Hirschman, 1968). The state was preeminent in high risk areas such as the extraction of raw materials (petroleum) and public utilities (electricity), and was also committed to public education, hospital facilities, sugar refinement, pharmaceuticals production, and other chemical products. A few major state enterprises buttressed and reinforced Chilean private capital concentrated in light manufacturing. Foreign interests remained dominant in the mining sector (Ratcliff, 1973; Zeitlin and Ratcliff, 1976: 315-316).[26]

The agency charged with implementing the state's

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[26]State investment was concentrated in the National Petroleum Enterprise (ENAP) and the National Electricity Enterprise (ENDEAS). Not including the state railroad, these industries accounted for 75 per cent of state investment in the 1940's. Chilean capitalists controlled 52 per cent of aggregate capital assets in the largest non-financial corporations. If mining is excluded, their share was nearly one and a half times as large (Zeitlin and Ratcliff, 1976: 315).

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development scheme was the Chilean Development Corporation (La Corporación Fomento de Producción, hereafter referred to as CORFO). CORFO was created to,

> . . . draft a general plan for the promotion of national production for the purpose of increasing the standard of living of the people by utilizing the natural resources of the country and . . . for the maintaining in said plan the proper proportion in the development of mining, agriculture, industry and commercial activities. (Article 25 of Law 6640, quoted in Reynolds, 1965: 237-238)

As the basic agent of state development, CORFO was the major entrepreneur, investor and innovator, dominating Chilean economic life from 1939 on. Between 1940 and 1954, CORFO controlled an average of more than 25 per cent of public investment and as much as 18 per cent of gross domestic investment (Mamalakis, 1965: 19). The role of the state was not limited to CORFO; a multitude of autonomous agencies in the fields of credit, banking, exchange, development, agriculture, mining, insurance, petroleum, colonization, education and health, controlled resources equal to, if not surpassing, those of CORFO. During the period 1946-1954, public investment represented 47 per cent of the total gross domestic investment (Bohan and Pomeranz, 1960: 211).

Through its investment and regulatory powers, the

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state defined the basic parameters of the economy and internal class arrangements. From the onset, government intended both to fund public projects and to underwrite private capital (Ratcliff, 1973). State enterprises were established in areas essential to the growth of consumer industry but in which private capital did not invest, either because of high capital requirements or the uncertainty of returns. The most important aid went to major Chilean capitalists. Joint ventures between CORFO and private interests guaranteed huge profits to private investors while the state bore the risk. CORFO also promoted industrial concentration in the private sector since successful ventures were turned over to a limited number of buyers (Ehrman, L., 1966: 117-132; Silvert, 1948: 167; see also Bohan and Pomeranz, 1960; Zeitlin and Ratcliff, 1976). Additionally, foreign exchange policy permitted the importation of raw materials and fuels at preferential exchange rates. Prices were held down in this manner. Importation by government agencies was also carried out under favorable exchange rates (Baklanoff, 1958). Import restrictions and exchange rate subsidies limited competition (Silvert, 1948). The state provided tax exemptions and easy long-term credit, as well as technical services for

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new investors. Government credits to industry were in reality provided at negative real rates of interest (Davis, 1963, 1969; Felix, 1960). Ultimately the "inflation subsidy" given large industry became necessary to maintain profits, and hence productivity (Felix, 1960). Undoubtedly, Chilean capitalists were now virtual creations of the Chilean state.

In contrast to government's impetus to industrial growth, Chilean agriculture was neglected. CORFO credits and investment in agriculture were minimal until the 1960's. Foreign trade, exchange and price policy were consistently discriminatory. Internal prices of many agricultural products were set below world market prices and many food imports were included in the preferential exchange category. Taken together with fiscal policy, these amounted to a food subsidy to the urban working and middle classes (Mamalakis, 1965). The reasons for these policies are unclear; however, by whichever school of economic thought, all point out that agriculture subsidizes industrial growth.[27]

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[27]Although economists agree that a resource release from agriculture to industry is essential, they disagree on the measures that will accomplish this release. For some (cf. Sunkel, 1958), Chile's land tenure system was inherently inefficient; a rise in productivity could only

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Since the rate of return on invested capital in industry, urban real estate and gold (foreign exchange) was consistently higher than farming, there was little inducement to invest in agriculture. However, because inflation was an endemic feature of the economy, rural land purchased as real estate was used as a hedge against inflation (Mamalakis, 1965). Entrepreneurs, industrialists and salaried persons invested in land, boosting land values (Pike, 1968). This fostered absentee landownership and further reduced the impetus to modernize the agricultural sector. Simultaneously, it squeezed the small producer, stimulating the mass exodus from rural to urban areas (Mamalakis, 1965). The discriminatory agriculture policy and the physical and geographic concentration of industry also prompted by government policy in the Santiago-Valparaíso urban matrix, resulted in a steady flow

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be accomplished by instituting land reform. Land reform was blocked by the political power of the landowning class. Mamalakis (1965) argued that a resource release from agriculture was effected by a reduction in the rate of return on investment in agriculture. However, government policies overshot their mark. Foreign agricultural products were given preferential treatment and the resources available from domestic agriculture were siphoned off by food imports.

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of people to the central valley in search of employment.[28] The labor force released from the agricultural sector could not find ready employment in the capital intensive industry of the central valley. The inability of industry to absorb this labor force led to tertiarization characteristic of Latin American economies.

Urbanization was a critical component of the nationalist-development model primarily in the way it influenced both the working class and the urban market. Urban industrial growth stimulated the growth of an urban working class. Because of the organization of industry, the size of this force was small. The economic power of the emergent urban unions was continually eroded by the increasingly large pools of under-employed workers (Kaufman, 1976; Ratcliff, 1973). Even more important to the success of the model was the size of the urban market; the model was based on domestic consumption. Urbanization enlarged this market because even the poorest inhabitants of urban centers were in the market for limited quantities of manufactured goods--minimally clothing and foodstuffs.

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[28]By 1940 there were more Chileans in urban than in rural areas; by 1960, two-thirds of Chile's population was urban (Sunkel, 1965: 123). Much of this growth was concentrated in Santiago, Valparaíso and Concepción.

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Thus, the largest and most successful industries of the era produced shoes, clothing and foodstuffs. Additionally, the largest component of the market was the middle class, which was concentrated in urban centers. If we take the middle class to include white-collar workers, professionals and technical personnel, and small and medium sized entrepreneurs, between 1930 and 1950 this group grew at a faster rate than the total population. (See Figure 9.)

Figure 9. Labor force distribution by types of occupations, 1930, 1940, 1952.

	1930	1940	1950
1. Workers	56.3	60.5	55.2
2. Employees	13.9	13.0	20.1
3. Employers	29.8	26.5	2.2
4. Self-employed	n.a.	n.a.	22.5[a]

[a]Statistics did not differentiate between self-employed and employers until modifications in the Chilean Labor Code in 1945 and 1948.

Source: Grunwald, Survey and Perspectives of Chile's Economic Development, 1940-1965, Chile, Universidad de Santiago, 1957.

State-sponsored development was the main force behind the growth of a middle class. Government was, for instance, the major employer. The total number of government employees increased from 72,000 to 116,000 between

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1940 and 1955, that is from 4.1 to 5.4 per cent of the active population (Sunkel, 1965: 124). However, this underestimates the increase since it includes only the central government administration. It was in autonomous agencies and public service administration that expansion was greatest. State power was an indirect stimulant to middle-class growth through the expenditures that modernized industry and commerce. These expenditures increased the overall demand for managers, technicians and related personnel. Government social service expenditures augmented the professional category and industrial subsidies stimulated the growth of small and medium scale commerce and industry, most of which date from the 1930-1950 period (Petras, 1969).[29] Thus the state has been the major factor in the formation of the middle class. This fact does not, however, explain the function of this group in the new economic order. To explain its function, we must examine the financial bases of state directed development.

The financing of the nationalist-development model

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[29]Between 1940-1954 the increase in government expenditures on education, health and social services rose from 28 to 37 per cent; expenditures on development projects increased from 18 to 25 per cent (Bohan and Pomeranz, 1960: 23-24).

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was based on export revenues and deficit government spending. Through fiscal and monetary policy the state made an effort to integrate the wealth created by the export sector with the national economy (Furtado, 1976; Reynolds, 1965). The first income tax legislation, passed in 1934, provided for an 18 per cent tax on the copper industry's profits. In 1939, the establishment of CORFO was financed by an increase in this tax, raising it to 33 per cent (Reynolds, 1965). This was the first explicit effort to use export proceeds to finance domestic development. Direct taxes on copper rose from 11.5 per cent of the production value in 1939 to 63.5 per cent in 1953, falling to a level somewhere between 25 and 30 per cent in the 1955-1964 period. Foreign exchange policies that gave rise to other direct and indirect taxes were even more substantial (Mamalakis, 1976: 225-226). There is no doubt that after 1939, taxation on copper became the major source of the state's increased participation in industrial development (Reynolds, 1965).

The second critical component of state financing was systematic government deficit spending, which emerged after 1940. While in theory retaining the orthodox view of a balanced budget, the Chilean government abandoned this

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notion in fact (Felix, 1960: 118). In doing so, Chile followed the lead of the industrial nations. The new policies of the industrial nations were based on the economic theory of John Maynard Keynes. Keynes' contribution to economics was his theory of money, which stressed that changes in the volume of money exercised a marked influence on the behavior of the economy. Specifically, he suggested that the government might alter the natural propensities of a population to save, invest and consume through government spending (Harrod, 1965; Mitchell, 1969). A depressed economy could thus be revived through deficit spending.

While Keynesian theory was not meant to be applied to underdeveloped economies,[30] in Chile, deficit spending, sanctified by a fascile Keynesianism, was used as a device to accumulate capital (Felix, 1960; see also Crocco, 1948). These views became strongly entrenched in Central Bank policies during World War II. Although the supply of money was expanded, inflation was kept within bounds by the accumulation of foreign reserves made possible by the war

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[30]In industrial economies, government spending could serve to reactivate idle capital stock and, consequently, recovery. However, in underdeveloped economies, the problem is the absence of capital stock.

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(Davis, 1963). Between 1939 and 1952, inflation averaged between 15 and 20 per cent (Hirschman, 1963; Mamalakis, 1976). Deficits quickly accelerated, reaching a point where they lost all linkage to capital accumulation (Felix, 1960). Inflation reached 80 per cent by 1955 (Davis, 1963).

Through the years the government instituted a variety of measures to curtail the inflationary spiral. Yet these steps were largely unsuccessful for the inflationary pressures were part of the very structure of the development strategy.[31] In an export-dominated economy, domestic economic activity expands and contracts in response to the cyclic rise and fall of exports. Under the nationalist-development model, the rate of growth was partially independent of export growth. This was achieved through credit expansion that compensated for export induced declines in demand. Government was both unwilling

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[31]Chilean inflation has been treated in detail from a number of perspectives. There are essentially two schools of thought on the issue, the monetarists and structuralists. Monetarists attribute inflation to excess demand. The structuralists view inflation as a by-product of a structurally defective economy. According to this view, inflation produced by credit expansion is a circumstantial factor that is engineered by basic inflationary pressures which result from factors such as the inelasticity of the supply of agricultural products, among others. For a summary of these perspectives, see Furtado (1976) and Mamalakis (1965).

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and unable to use taxation to cover its operating and investment expenditures. Hence, it relied on printing money through its partner, the Central Bank (Mamalakis, 1965, 1976). This placed the various sectors of the Chilean economy in the position of being directly dependent on government policy (Davis, 1969). During this period the government's policies maintained industrial dominance (Mamalakis, 1965, 1976). Although these policies are often linked ex post facto to an import-substitution ideology (Davis, 1969: 67), they were less a matter of doctrine--than a necessity, required to reinforce the weak urge of Chilean capitalists to invest (Felix, 1960: 18; see also Goldberg, 1975). As mentioned above, many of Chile's largest industries became dependent on the government subsidy provided by negative interest rates for credit to maintain profits at an acceptable level.

A major problem that faced development planners was the small size of the domestic market. Concentrated and dominated by economies of scale, the economic structures produced a weak demand for an industrial work force, and hence a very small market for industrial consumer products. The major problem of Chilean industrialization was to create and maintain effective demand. The solution to

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these problems was sought in government action. The government attempted to underwrite the consumer market by supporting the rich, the middle class, and the upper reaches of the working class. In the words of one of Chile's presidents of the era, Pedro Aguirre Carda (1938-41):

> As war is restricting our exports . . . our production finds its principal markets right here at home and it has found it thanks to the enlarged purchasing power that the government has helped create through higher wages and salaries to the middle and working classes who are the consumers par excellence since they are unable to save. (Banco Central-Boletin Mensual, October 1946: 212-213; and November 1946: 236)

The creation of the consumer market, in effect, created a middle class. This was accomplished by maintaining wages and salaries in excess of productive capacities (Hirschman, 1963). This trend appeared as early as 1941 when the Chilean congress passed a series of laws designed to protect the standard of living, and purchasing power of various groups. Wages and salary increases were linked to the cost of living and inflation rates. However, the protection offered differed from group to group. The Chilean labor code distinguished between obreros (manual workers) and empleados (workers whose tasks are of a more intellectual nature (Chilean Labor Code, 1931). Comprising one-tenth of the labor force in the period between 1940 and

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1954, empleados received 17.8 per cent of the national income; obreros, making up 56.9 per cent of the labor force, received only 23.8 per cent of the national income. An unbridgeable gap, accentuated by the unequal distribution of public services, separated the two categories (Mamalakis, 1976: 217).

Salary adjustments often overshot cost of living increases, so that the middle class stayed ahead of the game. Felix (1960: 122) estimates that average real salaries increased by 30 per cent between 1940 and 1952, and Hirschman (1963) states there was an eighteen-fold increase in salaries and only a twelve-fold increase in prices. Wage earners fared less well (Hirschman, 1963) since wages increased by just over a third in the same period (Kaldor, 1964: 245).[32]

The cost of this legislation was enormous, not only for its contribution to the inflationary spiral, but

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[32]Differences within obrero and empleado groups were also a function of government policy. Between 1940-1954, wage policies maintained an income spread among obreros that was considerable and depended on the sector affiliation. Wages were highest in mining and industry, and lowest in agriculture, where workers suffered real income losses (Mamalakis, 1976). Government defined differentials also appeared among empleados though they tended to be less marked between sectors of the economy and more marked within the overall employee hierarchy (Felix, 1960: 122).

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in the sheer drain on government revenues. The wage readjustment bill amounted to approximately one-fourth of all government revenues (Hirschman, 1963), and this figure does not include expenditures for the elaborate and substantial social service benefits granted empleados during the period. Clearly, through direct investment in industry, and subsidies to private industry and consumers, the state had come to be the driving force behind national development. The overwhelming mass of these consumers were the middle class, and the function of the Chilean middle class was to consume. Chilean politics of the era reflected the dependency of all groups on state power and the central position state-controlled resources held in the lives of all participants.

As the state came to assume the responsibility for the direction of the economy, new political arrangements emerged. Although obvious only after 1939, the groundwork for the political system was laid in the first decades of the twentieth century.[33] Under the new system, the formerly

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[33]During the parliamentary era the capitalist class, immobilized by its own divisiveness, sought support outside of the parliamentary arena through patronage networks to electoral constituents--the forerunner of the Chilean multiparty system (Valenzuela, A., 1975, 1976). The authoritarian interlude of the 1920's saw the development of another set of essential ingredients--the expansion of

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dominant capitalist class came to share power with groups created by urbanization and industrialization--the middle class and restricted segments of the working class. The very features of socioeconomic change essential to the development of the new political system also produced its most basic feature--the dependence of all groups on the state and their resulting incapacity to exercise independent power. External dependence served to undermine the position of all power contenders by encouraging the development of a social order characterized by fragmented classes. The divisive impact on the Chilean capitalist class was clear by the first decades of the twentieth century; segments of white and blue collar workers were set apart from others by their ties to mining and new capital intensive industry. This inhibited the formation of strong class-based political associations (Kaufman, 1976; see also Cardoso, 1973a; Schmitter, 1977).

The import-substitution policies already tacitly approved by the capitalist class were made explicit by the Popular Front government of the early 1940's. The policy offered something to all contenders--security and profits

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the electorate, enfranchising all literate males over age 21--and the development of corporate structures for control of the working-class movements.

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to the capitalists, the extension of employment and welfare benefits to the middle class, and urban and mining working class (Kaufman, 1976:30). The arrangement depended on specific compromises forged during the early years of the coalition--the retention of the agrarian structure, and the restriction on mobilizing the rural masses by the left (Kaufman, 1976: 31). Chilean "democracy" was thus based on a restricted electorate, between 15 and 20 per cent of the total population (Goldberg, 1975; Kaufman, 1976: Valenzuela, A., 1976).

The system was institutionalized through a highly competitive multiparty system comprised of five major contenders. Each of these parties came to be associated with a different position on the ideological spectrum--the Radicals, and later the Christian Democrats with the center, the Liberals and Conservatives (the fused National Party in the 1960's), on the right and the Socialist and Communist Party on the left. The Radicals, drawing their support from the middle class, were predominant through most of the 1940's and early 1950's. Although segments of the coalition were more prone to identify with one party than another, a major characteristic of the system was its cross-class basis for electoral purposes (Kaufman, 1976;

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Valenzuela, 1976). Representatives of the parties were elected largely on the basis of their ability to deliver patronage and material benefits to their supporters (Goldberg, 1975). All participants shared the basic commitment to the nationalist-development model. The real issue of Chilean politics was income distribution: that is, government wage and salary policy, patronage, jobs, welfare benefits, and favorable government subsidies to small groups (Goldberg, 1975).

The "political classes" at the apex of the system, highly skilled professional politicians, were drawn from the upper class and the middle class. Representatives of the Socialist and Communist parties, also drawn from these groups, while not fully accepted as legitimate power contenders (Kaufman, 1976), were allowed a fairly wide latitude. Despite the antagonism among the sectors they represented, these políticos were crucial in holding the system together and giving it legitimacy. The task of the políticos was to mediate and suppress the antagonisms of the social sectors they represented. Since their own material interests lay within the system, they were adept at compromise and anxious to avoid the stalemates that had undermined the constitutional order in the 1920's.

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Alongside the formal democratic system there was a bewildering array of private and public organizations that comprised part of the institutionalized order. Private groups included special interest groups, professional associations, unions and class organizations (Valenzuela, A., 1976; see also Johnson, D., 1967-68, 1968-69; Menges, 1966; Silvert and Bonilla, 1965). Public groups included the powerful civil bureaucracy and a multitude of independent government agencies. The political parties served as one set of links between these groups (Valenzuela, A., 1976). The placement of middle-class professionals and technical personnel within government agencies was one way the middle class sought to protect their interests. The independent agencies not only had a fair degree of financial autonomy; they were also successful at pressuring legislators for mid-year supplementary funds. In turn, other groups pressured the agencies for funds and patronage (Cleaves, 1974: 24-26). The upper class offset their electoral weakness through the incorporation of their class representatives within all important decision-making bodies. For example, representatives of the major credit users were included on the board of directors of the Central Bank. Similarly, the

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directorate of CORFO included representatives of the class organizations and the General Secretary of the Chilean Workers Confederation (Ellsworth, 1945: 85).

The vast assortment of corporate groups was undoubtedly as important as the legislative branch in working out the relationships among the state, the upper class, the middle class, and to some extent the working class.[34] Although Chilean political history is often seen in terms of the evolution of a competitive party system (cf. Pike, 1968), in fact, it can just as aptly be described as the evolution of an authoritarian-corporate infrastructure that served to suppress and mask the fundamental antagonisms of Chilean society (Kaufman, 1976).[35]

The central issue of Chilean politics was the struggle for the control of the state's resources. The major participants in the formal political arena--native

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[34]The Chilean labor movement has been less subject to corporate manipulation than elsewhere in Latin America. The relatively small union movement (some 10 to 12 per cent of the total work force) has had a long and independent history (Kaufman, 1976; Valenzuela, S.J., 1976).

[35]In this sense, the reappearance of the military on the scene was not a political aberration; rather, it was an attempt to restore some of the legal and bureaucratic apparatus that had deteriorated in an effort to save the national-development model (Kaufman, 1976).

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capitalists, the middle class, and segments of the working class--were equally dependent on these resources. For the middle class, the critical issue was their standard of living. Standard of living was a function of the annual wage and salary readjustment bill. On this issue the claims of the middle class for the state's resources were decided for the forthcoming year. Aside from its general provisions, the bill also provided for the multitude of small group claims for patronage (Goldberg, 1975).

Another indicator of the importance of standard of living and inflation to Chilean politics was the setbacks suffered by the controlling party in mid-term elections. Often taking power with the economy operating below capacity, the new party would increase government spending to stimulate the economy. However, beyond a certain point, inflation forced a cutback in government expenditures. Mid-term austerity programs then produced an economic slowdown, which resulted in declines in electoral strength. During the second part of each political term, the battle shifted from the legislature to the autonomous agencies, which could implement or block price and salary increases (Goldberg, 1975).

Over time, this political system became increasingly

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open and competitive. Specific political groups gained in strength and the previously restricted issues--land reform, control of the economy by foreign interests--began to dominate the political debate, replacing the earlier consensus on the viability of import-substitution (Kaufman, 1976). Political reforms were introduced in the 1960's and early 1970's. These reforms were provoked by the difficulties the nationalist-development strategy faced from 1955 on.

The development policies of the 1940's and 1950's made the manufacturing sector the most dynamic in the Chilean economy. The economy was already fairly self-sufficient in traditional consumer goods--textiles, prepared foods and drinks, furniture and shoes--that had a ready market among workers and the middle class. In contrast, the growth of consumer durables industry was limited. Industrial growth was a product of government action; even during the most dynamic periods, private investment in fixed capital actually declined (Kaldor, 1964: 226). Lacking a fully-developed capital goods sector, Chile remained dependent on foreign technology, and on the export sector that generated the foreign exchange necessary for the purchase of foreign equipment.

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However, trends in world trade dating from the 1920's placed the producers of primary products in an increasingly weak position (Furtado, 1976).[36] Chilean copper was no exception. While distrubances in the copper market, such as those provoked by World War II, reversed the downward trend in Chilean exports, copper production and exports did not increase significantly between 1940 and 1955. Two members of the Gran Minería actually produced more copper in 1941 than they did in 1958 (Raynolds, 1965: 371). Whatever gains were made in the capacity to import were negated by a decline in agricultural production that necessitated increasing food imports (Mamalakis, 1965, 1976; Reynolds, 1965). The growth rate for the economy in the post World War II decade was unimpressive (Reynolds, 1965) and, although industrial output rose significantly, most of it was stimulated by the immediate wartime demand (Mamalakis, 1976).[37] Following

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[36]For a discussion of these trends in the development of the international economy and the patterns of world trade, see Furtado (1976, Chapter 19).

[37]Between 1940 and 1945, industry's share in Gross Domestic Product (GDP) rose from 16.7 to 22.4 per cent. All subsequent increases were minor; in 1971 it was 26.1 per cent. The annual growth rate for industry was 9.3 per annum in 1940-1945, but a meager 7.9 per cent in 1946-1950. This was the highest growth rate in the entire 1940-1970 period (Mamalakis, 1976: 163).

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the war, rising taxes and competition from other producers led the major companies to cut back in their investments in Chile.[38] Between 1948 and 1953, Chile's share of world copper production declined from 21 per cent to 14 per cent and the level of output was virtually at a standstill (Furtado, 1976: 191; see also Reynolds, 1965). With the end of the Korean War, the world market copper prices plummeted. U.S. dollars desperately needed for imports were rapidly exhausted and inflation topped 80 per cent (Davis, 1963). The crisis of 1955 signaled the end of the phase of easy import-substitution.

Faced with these pressing economic problems, the state embarked on a new phase in the evolution nationalist-development model. President Carlos Ibañez (1952-1958), on the advice of the Klein-Saks Mission, a Washington financial firm, adopted an austerity program. The program called for an orthodox approach to stabilization--a cutback in government expenditures, restrictions on credit to the private sector, and exchange reforms lowering tariff barriers to force local industry to compete with foreign imports (Davis, 1963, 1969;

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[38]At times, tax levels reached levels which threatened "to kill the one goose that could lay golden eggs" (Reynolds, 1965: 244).

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Hirschman, 1963).

The stabilization program forced a slowdown in the inflation rate in 1956 and 1957. Cuts in government expenditures included a 50 per cent annual wage and salary increase at the same time prices rose 80 per cent (Davis, 1963). Simultaneously, credit flow to the private sector was restricted. While slowing the rate of inflation, many of the measures had an overall negative impact on the economy. The industrial firms dependent on the inflation subsidy, cut back on production and anticipated return on investment declined drastically (Davis, 1963). Between 1956-59 the Chilean economy contracted. There was a drop in the real wage index, a negative balance of trade, a drop in national reserves, a negative growth rate for industry, and increased unemployment (Mamalakis, 1976; NACLA, 1973).[39] The economy was dependent on inflation and for this reason the Klein-Saks Mission drew the animosity of all political participants (Davis, 1969; Hirschman, 1963).

However, ties between Klein-Saks and the international lending agencies, the World Bank and International Monetary Fund, helped to moderate the negative impact.

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[39]Between 1955-1960, the industrial growth rate was -0.4 per cent.

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Orthodox stabilization policies were a prerequisite for international financial assistance (Felix, 1960). Between 1958 and 1961, Chile's foreign debt nearly doubled (La Economia de Chile, 1963: 60). These funds flowed to the state and were used to forestall economic disaster. Chile became heavily indebted to international lending agencies to sustain industrial production (Felix, 1960). The public share of total fixed investments increased substantially in the first part of the 1960's, reaching approximately 70 per cent by 1967. The growth rate of the public sector increased while that of the private sector declined (Galofré, 1970: 34). The state intensified its intervention in the economy. The functions of CORFO were elaborated and new agencies, particularly the Oficina de Planificación Nacional (ODEPLAN), were given new regulatory functions and responsibility and economic incentives.

Early efforts to deal with economic stagnation included a policy shift towards a concern with regional imbalance in economic development and population growth. Efforts to counteract the concentration of industry in the Santiago area, centered on tax exemptions for industry located in other provinces. In the private sector, industries whose products involved bulk--cement, pulp and

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paper, chemicals, and copper refinement--showed shifts to regions outside the industrial axis. Shifts in food manufacturing toward closer proximity to supply areas occurred for products characterized by a large number of small producers (Weaver, 1968). In general, these measures did little to stimulate greater regional balance in industry, although freer importation policies and improved transport did allow large industrial conglomerates to penetrate regional markets previously supplied by local cottage industry. More important to regional growth was the extension of the state social service bureaucracy to areas outside Santiago. All together, these processes were fundamental to the formation of a regional middle class.

In the early 1960's the state sought to deal with economic stagnation by encouraging a more proportional growth of the manufacturing sector. The development of consumer durable goods industry, and capital and intermediate goods industries was emphasized instead of the earlier emphasis on mass consumer goods industries. These policies were designed to reduce import requirements and hence foreign dependency. (Mamalakis, 1976). The funds for this were provided by foreign credits and investments, a portion of which went to the private sector.

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Between 1957 and 1959 there was an upswing in direct foreign investment. It totaled over 224 million dollars (U.S.), dwarfing the 72 million of the three previous years. A major portion of the foreign credits went to private commercial banks (NACLA, 1973: 5). After 1960, and more dramatically after 1965, foreign corporations occupied an important role in the ownership of companies created from new investments. Of the 100 largest corporations in 1960 and 1968, 40 were controlled by foreign investors, and a significant portion of the rest maintained varying levels of foreign participation. Foreign investment was growing in specific areas--industrial chemicals and materials, basic steel and iron fabrication, electrical machinery, equipment and accessories fabrication, automobile fabrication and assembly (Lau, 1972; Chapter I; see also NACLA, 1972a; Ratcliff, 1973; Zeitlin and Ratcliff, 1976). International groups had previously supplied these goods through imports. They prevented a loss of their markets by decentralizing their economic activity, setting up subsidiaries to operate local assembly plants or factories manufacturing components hitherto imported. To the extent that foreign companies ceased to operate in extractive industries and entered in manufacturing or trade, they

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gained access to local resources (Furtado, 1976: 199-202).

By now, the state, like Chilean capitalists, could no longer capitalize its own programs. Thus, it turned to external sources for the financing of development schemes. The state openly adopted a policy of foreign indebtedness (La Economia de Chile, 1963: 79). The United States and the international lending agencies deemphasized austerity and provided lavish support for the stagnating economy (NACLA, 1973). The magnitude of this aid was matched by the number and variety of agencies, projects and short-term aims involved.[40] Further expansion of state activity apparently was directly dependent on foreign financial aid, as some 60 per cent of government financing in the 1960's was of foreign origin (Galofré 1970: 36). While such funds helped to adjust the balance of payments, Chile became caught in a "spiral of indebtedness" since new loans were needed to pay off old loans (NACLA, 1973).[41] The power of the United States and multilateral credit agencies operating in Chile grew, introducing yet another variable

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[40]For a summary of U.S. and multilateral aid and credit programs, see NACLA (1972a, 1973).

[41]Servicing the foreign debt absorbed an ever-increasing proportion of the value of exports. This situation grew worse in the second half of the 1960's because of an increase in interest rates in the international capital market (Furtado, 1976).

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into the political equation.

Both state and private emphasis on consumer durables and intermediate capital goods industry stimulated a trend toward increased concentration and monopoly in Chilean industry (Escobar Lagos, 1961; Marini, 1973; Ratcliff, 1972, 1973; Zeitlin and Ratcliff, 1976). For example, in the industrial sector, 144 firms controlled all branches and sub-branches of manufacturing (NACLA, 1976a: 7). In the mid-1960's the top 50 national corporations controlled over 80 per cent of the total net assets reported for all non-financial corporations and the top ten of these controlled nearly half of the assets (Ratcliff, 1973: 259). A small number of families, clans of people with common sets of investments, emerged as powerful forces in the private sector (Ratcliff, 1973; Zeitlin and Ratcliff, 1976). A similar pattern existed for foreign corporations (NACLA, 1972a). The concentration of industry also produced an interpretation of foreign and national corporations, and many Chileans invested in foreign corporations (Zeitlin and Ratcliff, 1976). Where national groups were fused with foreign groups, foreign groups retained control over technical, commercial and financial decisions in order to safeguard the effectiveness

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of the supranational complex. Hence, where national capitalists functioned in this context, they were junior partners at best (Furtado, 1976; see also Ratcliff, 1973).

Ironically the spurt in large consumer durable industries also produced growth in the number of small and medium size firms and petty entrepreneurial units (NACLA, 1973, 1976a). This arose because of the possibility of subdividing work in these industries. For example, while the auto industry was controlled by a few firms, the industry required a huge number of small machine shops to provide essential parts and to service equipment. Moreover, entrepreneurial activity was generated by the need for intermediaries to the consumer market as the middle class became avid buyers during the 1960's.

These new developments produced the following pattern in Chile's private industrial sector. On the one hand, there was a group of large national enterprises; the most important were established in the first quarter of the century, in textiles, foodstuffs, and building materials. These expanded rapidly during the first phase of the national-development model, before 1950. On the other hand, there was a smaller but growing group of large enterprises, which were the subsidiaries of organizations

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with headquarters in the major industrial centers. These were concentrated in consumer durables and capital goods industry. Segments of the national capitalist class became tied to the new concentrated industry linked to foreign elements, while others, those in mass consumer industries, were set apart (Ratcliff, 1973; see also NACLA, 1976a). These patterns were to have critical political implications by 1970.

While it is clear that concentration increased during the 1960's, it is less clear whether this resulted in dynamic growth. Between 1960 and 1965, gross domestic production rose at 5 per cent per year and the industrial product advanced an average of 7.3 per cent per year (Ffrench-Davis,1973: 252-254). Middle-class consumerism undoubtedly helped this advance. However, in the period between 1967 and 1974, the Chilean economy experienced a recession (NACLA, 1973, 1976a; Reflections on the Chilean Experience, 1974). The annual industrial growth rate was 3.6 per cent during 1965-70 (Mamalakis, 1976: 163). While it is difficult to say exactly why this occurred, indications are that private capital did not reinvest profits. The rate of private investment dropped between the first and second half of the 1960's (Marini, 1973; Reflections on the

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Chilean Experience, 1974; see also Galofré, 1970; NACLA, 1976a). And as had happened in the past, the state came to take up the slack; public investment soared throughout the 1960's (Galofré, 1970). By 1970 the public sector accounted for 46.7 per cent of the Gross Domestic Product, 74.8 per cent of total investment in fixed capital, and employed 40 per cent of the economically active population (NACLA, 1976a: 8).

These new developments were to cause a major political crisis. The economic difficulties experienced under the national-development model coupled to the aforementioned changes in patterns of interaction with international capital, led to the erosion of the political consensus on the model. As early as the late 1950's, the major premises of the political compromise of 1939 gave way, and the restricted base of Chilean democracy and the agrarian order were brought into question (Kaufman, 1976).[42] During the late 1950's the urban electorate, pressured by inflation and rising food costs, clamored for solutions. Landowners, under pressure from international sources to modernize agriculture (Moran, 1972), showed little resistance

[42] One of the earliest indicators was the search among Chilean intellectuals for the structural causes of inflation (cf. Sunkel, 1958).

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to the implementation of a moderate agrarian reform program (Kaufman, 1967, 1972). The aim of the reform was to increase agricultural production and ease the drain on foreign exchange earnings. Simultaneously, the land reform program provided a vehicle for the incorporation of the rural masses into the political arena. Within this group lay a new and untapped power base, albeit a potential threat.

The Christian Democrats, the party associated with the modern and progressive segments of the capitalist class (Edwards, T., 1972; Petras, 1965a, 1969), led the democratization drive. Between the late 1950's and early 1970's the size of the electorate increased to 45 per cent of the total population; the franchise was extended to women, the urban poor and the peasantry (Goldberg, 1975; Valenzuela, A., 1976). As the party in power, the Christian Democrats were able to cement a power base in the rural areas through an administrative complex consisting of the land reform agency (La Corporación de La Reforma Agraria--CORA) and rural unions. CORA supplied credits and various forms of technical assistance to the newly-created land reform settlements, the asentamientos (Lehmann, 1971). But the patronage flow did not include

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all segments of the newly-emerging campesino movement, and in 1970 substantial segments shifted their electoral allegiance to the left. In 1970 a socialist coalition, the Unidad Popular (UP), headed by Salvador Allende, captured the Chilean presidency.

The electoral democratization of Chilean society presented new challenges to the political system that strained the system's capabilities and contributed to the growing political crisis. Yet the history of the Unidad Popular coalition cannot be ascribed only to the political power of the peasantry. Not unlike its forerunners, the electoral support for the UP was cross-class, including segments of the working, middle and peasant classes (Petras, 1971). A major factor in the victory of the left was the split within the capitalist class that was provoked by the new pattern of industrial development. This prevented the capitalist class from agreeing on a common political candidate in 1970 (NACLA, 1976a; Reflections on the Chilean Experience, 1974). As the power structure changed, internal conflicts arose. These conflicts were partially resolved in the next three years.

Although some of the ideological tenets of the Marxist coalition fell outside the range of the nationalist

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development model, the Allende government was, in fact, a variant of this model. The extension of state control under the UP was "new" only in the sense that the state traditionally had been supportive of and not competitive with private capital. Throughout the 1960's, as the private sector slackened the pace of investment, increasingly the state was called upon to take on regulatory and investment functions. Significantly, the object of the first UP expropriations was the takeover of the under-utilized mass consumer goods industry which was controlled by the weakest segments of the capitalist class--groups that were socially and economically isolated from the other factions of the capitalist class (Ratcliff, 1973; see also NACLA, 1976a).[43]

The second front of Popular Unity action, the agrarian sector, was another area dominated by relatively powerless owners. The massive expropriations, that

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[43]The nationalization of the copper industry was an outgrowth of the "Chileanization" policy initiated under the Christian Democrat government of Eduardo Frei (1964-1970). This policy was both an attempt to integrate the industry into the national economy and encourage its expansion to increase Chile's share in world copper production. Expansion was to be financed by the state and government-backed international loans. When it became obvious that the expansion plans were overoptimistic and had allowed copper companies to reap exceptionally high profits during the early 1970's, a political consensus on nationalization of the industry developed. (Furtado, 1976).

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drastically redefined Chilean land tenure, provoked little in the way of organized resistance.[44] This contrasts with activities in the industrial sector, in which the bourgeoisie organized for direct political action against the UP government. Much of this resistance circumvented the organized political parties, and operated through corporate structures--the national manufacturing and commercial associations, the professional associations, and the gremial (guild) organizations.[45] The UP sought to control and contain the new political forces it helped to create through administrative procedures not unlike those used by the Christian Democrats (de Vylder, 1976).[46]

The third front of Popular Unity action and potentially one of the most disruptive, was income

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[44]There was virtually no resistance on the part of Chilean landowners to the massive expropriations under Frei or Allende, and in some cases landowners voluntarily relinquished control of their properties.

[45]For a discussion of the organized resistance which began during the 1971 period, the reader is referred to any one of the NACLA publications of the period or to any Chilean newspapers of the period. The way this resistance was organized suggests the importance of the corporate infrastructure for Chilean politics.

[46]For general discussion of the land reform movement, the reader is referred to de Vylder (1976), Kaufman (1967, 1972), Petras and Zemelman (1972), Petras and Zeitlin (1970), and Swift (1971).

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distribution. The events of 1970-1973 represent the apogee of the transformation begun in the 1930's. Official proclamations notwithstanding, interclass redistribution of income was a major concern of Chilean politics only after 1964. Although interclass inequalities persisted in the 1960's, the general trend was a move toward the gradual elimination of the marked distinction between workers and the middle class. During the 1960's, salary-wage differentials declined in all sectors except agriculture. They disappeared in construction, electricity, trade, banking, and were negligible in transport, public administration and services. They persisted in agriculture, mining, and industry. On the other hand, interclass distribution among workers was large, pervasive, and rising. Segments of Chilean workers achieved middle-class income levels while agricultural wages declined. The salary spread between sectors narrowed considerably, and agricultural employees emerged as equal partners with other members of the middle class (Mamalakis, 1976: 218-219). Generally, the trend in the 1960's was toward a more homogeneous middle class, which stood above a fragmented working class.

The policies of the Popular Unity coalition changed

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this in several ways. First, they attempted to create unification within the working class by reducing differentials between sectors and categories.[47] Second, there was a move toward reducing interclass differentials by upgrading workers' wages. Consumption levels in 1971-1972 rose rapidly (Reflections on the Chilean Experience, 1974). Middle-class salaries were kept apace with inflation. The redistribution of income within the national hierarchy was away from the very top rung alone (Mamalakis, 1976; Machicado, 1974; see also Lagos and Rufatt, 1975).

Generally, the policy objectives of the UP were aimed at distribution and consumption; production was stagnant (Mamalakis, 1976). The key levers were salaries, prices and public spending by which the consumer market would be expanded, and investment stimulated (Reflections on the Chilean Experience, 1974). In this sense, the Popular Unity government was more Keynesian than Marxist (Angell, 1974) and followed policies used for thirty years to promote national development. But what had not worked

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[47]The income redistribution and consumption policies were to include the rural masses. In this sense, Chilean socialism was unlike others in that it did not attempt capital accumulation on the backs of the peasantry.

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before was even less likely to work in the 1970's.[48]

From the early and mid-1960's on, an increasing share of the costs of development was being borne by forces external to the system, that is, aid programs from abroad. These programs were critical to the ordinary functioning of the system. After the election of Allende, neither the World Bank nor the Inter-American Development Bank granted new loans to Chile, though both agencies continued to dispense loans previously negotiated. Credit from private banks was also cut, partially because the Export-Import Bank refused to guarantee new loans. In effect, these measures reduced the amount of U.S. short-term credits to Chile from 78.4 per cent of the total to around 6.6 per cent (NACLA, 1974: 21). Chile's need for credit was critical. Immediate credit was needed to import parts and equipment for U.S. made machinery, for consumer items, and for the financing of its debt obligations. The credit blockade

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[48]In 1971 these policies produced favorable results: an increase in industrial income, a drop in unemployment, and a decline in inflation. However, in 1972 the basic problems of the Chilean economy reappeared. Private investment contracted, import demand rose, while export capacity contracted. By 1973 a serious economic crisis had developed. While there is no doubt that some of the policies of the UP amplified this crisis, its ultimate cause lies with the basic fabric of Chilean political economy.

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imposed by the United States on Chile resulted in an economic and political disaster.[49] Other sources of external financing needed to underwrite the socialist version of development were inadequate.[50] The pool of resources shrank dramatically while the number of competitors grew substantially. The shortage of consumer products and food items coincided with the rising abilities of the working class to consume. This provoked intense political and economic competition between segments of the consumer market. Distressed by the decreased ability to acquire the goods associated with a middle-class standard of living, many middle-class women became avid opponents of the UP government. Truckers, and other petty entrepreneurial groups, added their voices to the protest because their sources of supply were cut off and they were faced with competition from government distribution networks.

The immediate causes of the downfall of the Allende government were no doubt both internal and external

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[49]For discussion of the credit blockade, see Birns (1973), Farnsworth, Feinberg and Levenson (1976), NACLA (1973), and Sigmund (1974).

[50]Credits from socialist countries to the government were not only inadequate in gross amount and aim (NACLA, 1976a), but also difficult to use precisely because of Chilean capitalism and its ties to the world capitalist system.

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(including internal and external economic and political sabotage).[51] Yet the ultimate undermining of the nationalist-development model resulted from its own contradictions. A form of dependent capitalist development based on state subsidies to producers and middle-class consumers, its own development stimulated democratization and greater reliance on immediate external inputs. The external forces necessary for the system's existence became increasingly unwilling to subsidize so costly a system that bore increasingly little benefits for international capitalism.

More importantly, there was a modification in the pattern of dependence that conditions or limits development policies in countries located at the periphery of the international system (Cardoso, 1973a). Essentially, the dynamics of the international productive system shifted toward the establishment of productive units such as factories and corporations in underdeveloped countries (Barnet and Muller, 1974; Cardoso, 1973a; Cockroft, Frundt, and Johnson, 1973). As the main axis of international power shifted, so did internal power arrangements. Segments of the Chilean capitalist class developed close

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[51]For a discussion of this sabotage, see NACLA (1974).

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ties to international capitalism involved in the new modes of organization. Groups expressing the interests and modes of organization of international capitalism gained political and economic strength at the expense of those segments closely tied to the older development model. However, the internationalized Chilean capitalists were closely integrated through economic and social ties to other Chilean capitalists. This acted to limit this group's ability to restructure its own economic base (Ratcliff, 1973).

During the Allende government, the segments of the national capitalist class tied to the international bourgeoisie found allies among other disenchanted groups within and outside Chile. None of the entrenched political groups, tied as they were to the national-development model, could muster sufficient strength to undertake the restructuring of the economic and political order necessary for their own survival. Consequently, they sought an alliance with segments of the military. Changes within the military beginning in the 1950's had produced certain ideological affinities to new internationalized capitalist groups. These affinities centered on the military's commitment to the maintenance of internal security

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necessary for the orderly functioning of the economic order.[52] On September 11, 1973, a military junta overthrew the UP coalition, abruptly ending more than thirty years of state-directed development. Military rule has had a greater effect on the nature of the Chilean system than the short-lived Allende government.

Associated Dependent Development and the Future of the Middle Class

The new development paradigm that has emerged under the military junta is linked to the decentralization of industrial activity on a world-wide scale. Under this model, growth in the economy is centered on the expansion of industrial exports and the attraction of foreign capital. To achieve these ends, the junta must guarantee economic and social stability, which has required a restructuring of the economic and political order. This restructuring is designed to eradicate (or at least minimize) the economic and political crisis that characterized the nationalist-development model. Thus, a

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[52]The rise of a new professionalism centering on internal security and national development (cf. Stepan, 1971) was not as elaborated in the Chilean military as it was elsewhere in Latin America. For this reason, their ascension to power was marked by internal splits, though these were not serious enough to prevent the military from acting as a corporate body (Kaufman, 1976).

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key component of the model is a dismantling of the political apparatus through which Chile's "classes" and "masses" (at least segments of the masses) pressured for and defended their interests. Under the new paradigm, the function of the middle class as a consumer class, created and maintained by the state, has changed. It has lost its position as a class because the state can no longer afford to underwrite such a large consumer market. This, however, does not preclude the possibility that segments will survive and come to perform new functions in the system.

The recent literature on the junta and the new model is inadequate because a great deal is polemical. There is little in the way of analysis. Thus, this section is highly speculative. It presents a general outline of what the trends appear to be.

The essential task of the military junta after 1973 was to stabilize the economy and implement recovery. The junta's programs included free market prices, liberal imports, a tightened money supply, frequent devaluations of Chilean currency, and increased taxes on income and rent. The effect of these policies was extensive. Because of price increases associated with the easing of government controls, demand fell. Lowered import duties forced efficient

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competition with external producers. The restricted money supply raised the cost of credit. Currency devaluation reduced the price foreign importers had to pay for Chilean goods. New taxes provided sources of revenues for government expenditures (NACLA, 1976a: 13-14). The short-term results were variable. For example, 1974 saw an improvement over 1973; 1975, an economic recession (New York Times, 12/29/75, 2/19/76; Kaufman, 1976); and 1976, a move toward stabilization (NACLA, 1976a). The junta's failure to score consistently on standard economic indicators can, in part, be attributed to a conflict between short-term goals and the restructuring of the economy to favor exports.[53] This has clearly been accomplished.

Since the driving force for growth under the new paradigm is exports, conditions were developed to maximize Chile's position as a competitor in the world market. This was done by reducing prices and by developing resources to enhance the quality of Chilean products to be competitive on the world market. The emphasis has been on rational and modern economics, particularly economies of scale.

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[53]For example, policies designed to make Chilean exports more attractive on the world market worsened the balance of payments situation and set off an inflationary spiral (NACLA, 1976a).

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Currency devaluations and the freeing of import restrictions have provoked a move toward the concentration of internal capital. Small and inefficient producers, exposed to unfettered competition, often façed bankruptcy (Winn, 1974: 95). Increased competition favored consolidation, as for example in the automotive sector where four firms now monopolize production (NACLA, 1976a: 18).

Resources were channeled away from domestic consumption to investment to provide fuel for exports. Domestic consumption was cut by a drastic reduction in government expenditures. Both public employment and public services were cut, and social security was turned over to the private sector. The rationalization process, thus, included government. Given the role of government as employer, this undoubtedly contributed to massive unemployment. These reductions along with increased revenues from expanding exports (NACLA, 1976a), new tax legislation on personal income and commercial transactions, narrowed the gap between income and expenditures from 50 per cent in 1973 to 12 per cent in 1975 (New York Times, 12/29/75).

Another component of the rationalization process was the privatization of the public sector (Latin America,

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1973b). The state withdrew from profit-making operations, transferring a large portion of the public domain to private interests. Of the 492 enterprises in the public sector in 1973, all but 98 had been sold or were in the process of being sold to private interests in 1975. Of those remaining under state control, only 19 were to be retained permanently (El Mercurio, 1976). These included the least profitable infrastructural firms. The transfer to private investors contributed to further concentration since firms were merged to induce purchase (NACLA, 1976a). Consolidation produced a lessened demand for workers and salaried personnel. Owners were allowed to dismiss workers they regarded as superfluous (Latin America, 1973a).

The application of cost accounting to the government bureaucracy, the return of the economy to private hands, and increased profit margins from a market system in which prices were "freely" set, were all part of the strategy to stimulate investment. However, even under the most favorable market conditions, Chilean private capital has been insufficient to sustain growth, and the internal accumulation of capital is not likely to be adequate. The model requires large doses of capital, but it must be capital of a specific type. It must have technological,

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financial, organizational and market connections that assure effective competition on the international market. Because the new industrial activities require long maturation periods and very sophisticated technology, including innovations in management and marketing, the success of the model requires capital that only advanced capitalism can provide (O'Donnell, 1978). Thus the key components of the model are foreign capital and the multinational corporation (Kaufman, 1976; NACLA, 1976a; O'Donnell, 1978).

The prime beneficiaries in the new model are those groups tied to exports, mining and agriculture (Marini, 1974) and those active in the production of consumer-durables. This includes both foreign and national corporations. It also includes all groups that can adapt to the new conditions and produce for the external market. Landowners have gained, especially those with modern operations in agrolivestock (Winn, 1974: 101). Non-traditional exports--fruits, processed foods and shoes--have been on the increase (NACLA, 1976a). Because the junta had to improve the economy's "efficiency" to attract international capital, subsidies to national capitalist producers were eliminated. Producers of the internal market

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appear to have suffered. For example, the head of the National Manufacturers Association, a prime supporter of the new government and included in the initial governing structure, was removed from office in 1974 (Winn, 1974: 104-105). He acted as in-house critic, stressing the needs of small, medium and large capitalists that produced for the internal market (NACLA, 1976a).

To attract foreign capital, the junta had to guarantee economic and social stability. The agents capable of carrying out changes in productive relations--multinational corporations--require a high degree of certainty concerning the factors decisive for determining their investment decisions (O'Donnell, 1978: 13).[54] The dismantling of the political apparatus through which claims to the state's resources were articulated has been critical in creating conditions to control both economic and social fluctuations. Social order has been established by the systematic repression of the popular sector.

The effect on Chile's working class and middle class has been devastating. The new regime has instituted

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[54]The problem for multinational investors is not so much declining Gross National Product (GNP) or a high inflation rate, but the erratic behavior of these and other variables (O'Donnell, 1978: 13).

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regressive wage and pricing policies; one of its first acts was to cancel a scheduled wage and salary increase, while simultaneously lifting price controls. In the first months after the coup, prices rose a record 1400 per cent. This was coupled with a depressed internal market and economically and politically induced unemployment (Winn, 1974). This was tied to overall contraction of the internal market, directing the flow of resources to exports (NACLA, 1976a).

While prices have been dictated by market trends, wage and salary regulations have been retained. The regime has instituted a new single scale salary that makes no allowances for different types of work or experience (Winn, 1974). Though wages have not fallen in relation to the 1973 average, there has been a dramatic fall in purchasing power for the great majority of Chileans. After one year of military rule, families in the lower income levels lost 75 per cent of their purchasing power (Lagos and Rufatt, 1975). Salaried workers, particularly on the lower rungs of the income hierarchy, have suffered similar declines (Latin America, 1973a; NACLA, 1976a; Winn, 1974).

Overall, the new model bears strong resemblances to

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the "associated-dependent development model" that Cardoso (1973a) has suggested for Brazil. The junta's policies have aimed at instituting conditions conducive to attracting foreign capital. Moreover, it has rationalized the state's apparatus while intensifying regulation of the economy. The political correlates of the associated-dependency model are clearly present in Chile. The instruments available to the popular classes for advancing and defending their interests have been dismantled. Labor unions and other forms of worker agitation are outlawed. The dismantling of political organs includes all political groups. Even the old political class has been marginalized; symptomatic of this marginalization is the open opposition of former Christian Democrat President Eduardo Frei to the junta. All upper-class and middle-class political organs are strictly controlled (Kaufman, 1976; Winn, 1974). National capitalists are dependent on direct ties to the military for their political action.

The fate of the middle class under the new model is clear. Under the nationalist-development model the middle class was a political creation of the state. The function of the middle class was to consume and the ability to do this was sustained by the state. Thus, in

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origin, function, and essential characteristics, it was tied to a now obsolete pattern of development. The new development paradigm is based on other sets of premises that render the economic and political functions of this middle class superfluous. The state can no longer afford to underwrite such a large consumer market. What market there is will be generated, at least in part, by market forces. Likewise, to assume that a politically capable middle class exists (cf. Kaufman, 1976) is anachronistic. The political coalition upon which the old model of development was based is no longer operative. Middle-class politicians have been subjected to various forms of repression. Although this repression has been directed at the left, the middle class has experienced it too, albeit in a subtler and less drastic form.

While it is clear that the old-style middle class is no longer necessary, it is not yet clear what kind of middle class, if any, is needed by the new model. The state curtailed, through salary and price policy, the purchasing power of segments of the middle class (Lagos and Rufatt, 1975; Winn, 1974). Salaries have been set to favor those with professional and technical degrees (Winn, 1974). Ordinary white-collar employees have

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apparently suffered a fate akin to Chile's working class. Similar to Brazil, income redistribution has worked to the benefit of the top range of the income hierarchy (cf. Cardoso, 1973a; Fishlow, 1973). While in Brazil these policies have provided the base for a modern consuming middle class (Cardoso, 1973a), Chile presents a different picture. First, population size alone would make any similar redistributive policy inadequate to generate an internal market. The size of the internal market was apparently a critical factor in determining the degree to which industrialization advanced in Latin America during the 1960's. It helped to determine the extent to which the older pattern of external investments in exports was displaced by the settling of manufacturing industries and service-oriented industries to produce and sell in those markets (O'Donnell, 1978: 9). Chile simply does not provide enough consumers. Second, for the present, the junta is not unduly concerned with the internal market, focusing its energies on the export sector and attracting foreign capital.

If a politically effective middle class is unnecessary and a consuming middle class is unlikely, then the question is: what kind of middle class is required?

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In all likelihood, a small technocratic middle class would satisfy the economic and political requirements of the new model. This interpretation is consistent with the junta's policy of favoring members of the middle class with professional and technical degrees essential to the new economy. Furthermore, because the Chilean military lacked a relatively broad consultative apparatus and because technocratic-political orientations were not widely built into the professional role of the military (Kaufman, 1976), the military establishment must rely heavily on civilian technocratic and professional personnel. It can be expected that the vast majority of Chile's middle class will experience (have already experienced) rapid downward mobility. This does not preclude the possibility that restricted numbers will perform vital functions and hence maintain their standard of living.

The character of this new middle class is dependent on the future of the new development paradigm. While initially the junta received a large dose of foreign aid (NACLA, 1974b, 1976b), overall, Chile has not proved as attractive to foreign investors as the junta had hoped. Since the beginning of 1978, some of the largest multinational corporations have made or promised major new

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investments. This would indicate a new willingness to invest after four years of caution. Most of these new investments are, however, in the extractive sector, led by Chile's mainstay, copper (Chile Newsletter, 3-4/78). Chile faces intense competition for her exports in the international market. The resources she has are already being supplied by others both in Latin America and other parts of the world. The political repression of the junta has subjected Chile to economic and political pressures from abroad. Clearly, Chile faces grave problems in implementing the new development paradigm.

The foregoing has presented a broad outline of the forces operative in Chilean development. The task now is to see how these forces have operated to shape the lives and destinies of the 100 families I lived among in Temuco, Cautín province, Chile.

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CHAPTER III

REGIONAL HISTORY AND THE GROWTH OF A COMMERCIAL MIDDLE CLASS

The next two chapters examine the emergence and social organization of Temuco's middle class. The development of this middle class is shown to be part of the process by which the Chilean state came to control access to regional resources, thus defining the regional opportunity structure. Drawn from descendants of a regional bourgeoisie and from migrants from other parts of Chile, Temuco's middle class has been progressively marginalized from the control of strategic resources and has come to share a dependency on the state. This group's diversity reflects their varied social origins, but more importantly it reflects the way and the time period in which segments of the middle class have come to articulate with the state apparatus. The three major subsectors--entrepreneurs, professionals and bureaucrats--are differentiated by the resources they control and the state institutions to which they are linked. The focus of

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this chapter is the commercial middle class; professionals and bureaucrats will be discussed in Chapter IV.

The commercial middle class which made up approximately 5.5 per cent of the provincial work force in 1970 consists of all persons who organize the movement and distribution of goods from outside Cautín to Temuco, within Temuco and to the province's agricultural sector.[1] The major segments of the commercial middle class are the owners of wholesale and retail businesses, and various types of commercial brokers.

The owners of the city's major wholesale and retail establishments are often descendants of Cautín's elite. A major focus of this chapter is the growth and subsequent decline of this regional elite. Fed by immigrants from abroad and downwardly mobile members of the nationalist capitalist class, Temuco's entrepreneurial class underwent a process of expansion in the first decades of the twentieth century. This was possible in part because the state's weak control over Cautín enabled commercial groups to expand their resources through illegal and quasi-legal tactics. The subsequent decline of the regional elite followed the state's increased activities under the nationalist-development model. The

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[1]See Figure 4, Chapter I, p. 41.

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histories of these families provide a way of examining access to different kinds of resources in the province in different time periods. This historical approach helps to identify the social origins of the contemporary middle class, the quality of social mobility that has produced it, and the link between the growth of state institutions and the emergence of a middle class. It also suggests a model of middle class formation that may be applicable to other sections of the middle class in the city.

The data come from the collection of family and career histories taken from approximately 25 families. Much of the historical material was drawn from key informants, who were often the first generation descendants of original colonists. Their accounts were verified as far as possible by cross-checking against scattered published materials and the archives of the local newspaper, which date from the late 1920's.

Between 1881 and 1920, Cautín province was opened for colonization.[2] Much land in the province was disposed

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[2]The increased revenues available to the state following the War of the Pacific (1879) were used in part to eliminate the final obstacle to national unification, the only remaining Indian stronghold, Cautín province. In February 1881, an expeditionary force composed of troops mobilized in the War of the Pacific left the city of Traiguen. By mid-month it had penetrated the heart of the

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of in public auctions or in land grants to contractors for the settlement of colonists. The plots auctioned ranged in size from 200 to 700 hectares (Jefferson, 1921; Picasso, 1956). By 1900, twenty auctions held in Santiago had disposed of over one million hectares in Cautín province (Jefferson, 1921). The concessions granted the contractors ranged from 2,000 to 8,000 hectares. Each colonist was to receive up to 300 hectares though in fact few received more than 150 hectares and often considerably less. The remainder of the land grant went to the contractor. The contractor was obligated to provide agricultural supplies to the families but this was rarely done. Of the six concessions granted in the province, none fulfilled their contractual obligations (Jefferson, 1921).

Portions of the province were also settled by colonists. Between 1868 and 1896, laws were enacted that

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frontier, and on February 24, 1881, Fort Temuco was founded. Within a matter of months, the entire zone was brought under state control. Cautín's subsequent colonization and settlement reflected the state's concern with difficulties in Chilean agriculture toward the end of the nineteenth century. As Chile's only remaining unoccupied land suitable for agriculture, it was conceived as an area to be opened for small and medium European type commercial farms that would advance national production. This scheme never materialized because, in fact, the state's policies fostered the acquisition of land by wealthy Chileans (Jefferson, 1921).

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provided for the sale of land directly to colonists. The size of the holding ranged from 20 to 150 hectares, varying with family size and land productivity. The first group of German colonists destined for the Temuco area arrived in Chile in 1885 (Pino Zapata, 1969). Most colonists settled in the southern portions of Cautín, in the comuna of Pitrufquén (see Figure 10). While in theory, similar rights were granted to native and foreign colonists, in fact very few Chilean campesinos benefited from the colonization programs.[3] Colonization of the southern provinces was heavily dependent on foreign immigrants because landowners of the central valley feared the erosion of inquilino dependence on central valley haciendas and the development of competitive production centers in the south. Legislation covering colonization was discriminatory toward the Chilean campesino (Jefferson, 1921).

The fortunes of the rural colonists varied. Many found frontier life unbearable and quickly abandoned their

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[3]Jefferson (1921: 42) states that Chilean squatters often cleared the land and paved the way for foreign colonists, but rarely received anything for their efforts. Of 5,000 squatters in the frontier who applied for legalization of titles under the colonization laws, not one was granted. Disputes between squatters and other colonists were common up through 1930.

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Figure 10. CAUTÍN PROVINCE: Provincial Departments and Communes.

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plots for work in the cities to the north (Jefferson, 1921). For those that stayed, life was rigorous:

> My grandfather was left off at the end of the railroad line in Pitrufquén in 1904. He was handed a map, seed, supplies for a year, an ox and an axe and told to find his land. There was nothing there then . . . only the forest . . . trees and more trees. He had to chop his way through the forest . . . step by step. Life was hard for those colonos . . . harder than I can even imagine.

Subsequently, many of the plots were subdivided into smaller units. The 1965 property records show a predominance of holdings of ten or fewer hectares owned by persons of eastern and western European extraction. Few colonists were able to expand holdings to 150 hectares or more and still fewer to create units comparable to those sold in auction. In the entire comuna of Pitrufquén there are only six parcels of land larger than 500 hectares.

In the early decades of this century the economic flow of provincial life followed the river system because the river valleys provided both the best agricultural land and easiest routes of overland movement. The Cautín River, one of the few navigable rivers in the south, provided access to the interior for ocean-going vessels. After 1893, Temuco, located in the central valley, was connected to the north by the railroad line. Until 1930 it shared

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the position of commercial hub of the province with Nueva Imperial on the Cautín River.

The Rise of a Commercial Elite

From the beginning, Temuco was a commercial center. The first businesses served a transitory population: several hotels, a transport company linking Temuco with Traiguén, and a general store. By 1910, Temuco was a small city with an estimated population of over 16,000. Foreign colonists made up a significant portion of the city's population. In 1910, there were more than 400 persons of German extraction, over 300 French, more than 200 Spanish, Italian and Swiss, and a scattered representation of persons of English, Austrian, Armenian, Hebrew and Dutch descent (Pino Zapata, 1969: 24). Many of these colonists spent varying periods in other cities before moving to the province. The choice of Cautín as ultimate destination was related to a vision of the potential afforded by a frontier zone: it was seen as an area where men of limited resources could prosper.

Informants' accounts of these early days are filled with stories depicting life and death struggles, fortunes won and lost, and self-made men:

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> The men who came here were poor . . . they had nothing, nothing at all except their hands and minds. The roads were unpaved; the houses little more than shacks, hardly better than the Indians. Diseases--typhoid took many lives. My great uncle, his wife and all his children died in the epidemic of 1910. There was fighting in the streets . . . guns and killings . . . just like the American West. Some people lost everything they came with . . . their money, their homes, their families. Others were luckier and they survived. My father, he came with nothing, but he knew how to work. He did not let people cheat him. You could become rich then . . . all you needed was the right mentality and a lot of hard work.

However, unlike immigrants to the United States and Argentina, Cautín's foreign population was not composed of land hungry paupers. The costs of passage alone assured that immigrants were from the middle rungs of the socioeconomic scale in their native countries (Pino Zapata, 1969: 21). Often these colonists were small-scale urban entrepreneurs and skilled artisans who transferred some capital and expertise to the new environment.

According to my informants, commerce in the period was linked to the exploitation of the vast natural forest cover as well as to supplying the needs of the population. The natural forests contained hardwoods useful in cabinet and furniture making and construction. Much of the lumber industry fed the construction boom in Santiago and it is estimated that lumber from Cautín and other southern

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provinces supplied approximately 45 per cent of domestic needs in the first decades of this century (Jefferson, 1921: 14).[4] However, the development of the lumber industry was hampered by the lack of the supportive infrastructure. Railroad spurs extended only to Cunco in the Andean foothills (pre-cordillera) and west to Carrahue. During the winter months when the Toltén River was swollen, lumber was floated down from Villarrica to Pitrufquén. The Cautín River connected interior sections to the coast from which lumber could be shipped north. However, most of the cut wood was transported by ox cart. Caravans made the arduous two- to three-day trip out from the Andes (cordillera) to the main railroad trunk line.

By the late 1920's the commercial activities of the province had produced a commercial class and an elite core of families. The elite drew its members from the most successful businessmen (comerciantes) and from the largest landowners. Organizations that functioned as meeting grounds for the elite were, however, not well developed.

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[4]Wood for the Chilean mines and for heavy construction was imported from the United States. Even in lumber-rich Cautín, imported white pine was used in heavy construction (Jefferson, 1921).

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The Club Temuco served as a social center in which most comerciantes and local landowners held membership. The Association of the Manufacturers of Wood Casks, the Association of Wood Producers, and the Industrial Chamber represented the zone's wood producers and small manufacturers.[5] The Chamber of Commerce (La Cámera de Comercio) represented commercial groups in the province. This organization, although never very large, served as a meeting ground for commercial groups and became the major organization in the zone's dealing with the central government.[6]

A major characteristic of Cautín's commercial class of this era was its lack of economic, social and cultural cohesion. Because of competition among comerciantes for access to and control of scarce resources early in the zone's history, comerciantes developed two principal strategies by which they attempted to develop and maintain their hold over regional resources. One strategy was to

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[5]That is, La Asociación de Fabricantes de Envases Madera (AFAEMA), La Asociación de Productorers de Madera (APROMA), and La Cámera Industrial.

[6]Membership in La Cámera de Comercio has rarely exceeded 100 members and there were considerably fewer active members. Moreover, there has been a marked consistency in the actively involved families.

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concentrate on the development of Cautín as a market for locally produced commodities with limited inputs from national and international merchants. The second strategy centered on the development of provincial products and inputs to the national market. In this period, ethnicity served to maintain and demarcate these subclass interests within the commercial bourgeoisie. Ethnically defined economic and social relations, and ethnic organizations provided the central focus and organizational matrix of urban life. These strategies were associated with two of Cautín's major ethnic groups, the Germans and the Spanish.

Information on the size of these ethnic colonies was difficult to obtain; census data before 1950 are of questionable accuracy. By 1930 the population of Tamuco was close to 34,000. In 1926 the Club Alemán had over 100 active members (El Progresso Alemán en America, 1926). There were no published accounts that provided membership figures for the Spanish colony, although my informants estimated that there were about 100 Spanish families.[7]

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[7]See Appendix II for census data on Cautín and Temuco. Data on foreign residents were not available before 1952. The 1952 census listed 1,779 foreign residents in Cautín, with more than half (952) in Temuco. However, this figure included only persons born outside Chile and did not include persons who identified with the ethnic community, though Chilean born.

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Italian, French, English, Arab and Hebrew immigrants and their descendants also formed ethnic enclaves. These colonies were smaller than either the German or Spanish colonies. Informants estimated the Italian community at around 75 families, the French and English 25, and the Arabs and Hebrews 10 or less. Despite their smaller size, some of these groups developed ethnic organizations. There was a French ethnic school but no other formal organizations. Members did, however, frequent the same establishments and an informal network of social ties existed. The English also maintained an ethnic school, and the Italian, Hebrew and Arab colonies developed social clubs.[8] However, none of these groups developed strategies separate from the two associated with the Spanish and German colonies. The behavior of these ethnic groups consisted of one of the two principal strategies. I found informants clearly aware of the behavioral complexes associated with the two principal strategies. Individuals were freely labeled as following one or the other. For example, specific persons were identified as Chilean in origin but really acted German, Italian but acted as if they were Spanish, and

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[8]These social clubs often began as mutual protection agencies.

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so forth.

The strategy associated with the German colony was urban in its development. Immigrant colonists who settled near Fort Temuco were oriented toward urban commerce, rather than farming. The parcels of land acquired through colonization programs quickly became the focal points for commercial ventures. By 1920 much of the land immediately adjacent to the city was owned by German merchants (Jefferson, 1921). Aside from these nearby country houses (quintas), investment in rural properties was not a component of their activities. These merchants established small firms that relied on the adjacent agricultural sector for markets and supplies. These firms provisioned the regimental headquarters, supplied the local Mapuche Indians and other colonists. The largest firms moved goods to and from the agricultural sector. These included hardware and simple machine outlets, and millers. Some merchants--grocers, bakers, textile and dry goods companies--supplied the urban community.

While these firms were small-scale in comparison to national firms, the first decades of the century were an era of commercial expansion. For example, of ten firms started between 1887 and 1912, the initial capital outlay

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ranged from 2,000 to 80,000 Chilean pesos. By 1925 these firms were valued between 57,000 and 400,000 pesos (El Progresso Alemán en America, 1926). The capital for these ventures was often the pooled resources of several closely related persons, father and sons, brothers, affinals, and occasionally ethnic cohorts.[9] Moreover, these establishments were local in both origin and development. The goods they dealt in were produced by local cottage industry; ties to large-scale manufacturers outside Cautín were minimal. Only limited quantities of goods, usually of German or English manufacture, were provided by Santiago merchants. One German-owned national company maintained a branch office in Temuco.[10] The expansion of these firms was an outgrowth of Cautín's production of wood and grain and the accompanying expansion of the city. From among these firms are drawn the city's oldest and most continuously

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[9]Short-term loans from foreign banks may have also been important in financing these firms. Although only one of my cases was actually financed in this way, my informants maintained that such financing was available to many local merchants. This source of financing may have been more common than the data indicate.

[10]There may have been other national companies operating in Temuco. However, my informants mentioned only one and I was unable to find information on other national firms in the archives of the local newspaper. There were, however, several other German companies based in other southern cities with branches in Temuco.

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operating establishments. These units provided the backbone of economic support for a whole series of families for over fifty years. From among these families were drawn the commercial elite of the period. The following is an illustrative account of one of these families:

> My grandfather came to Chile in 1887. He lived in Los Angeles for a number of years. He worked as a shoemaker there and he married my grandmother. She was the daughter of another colonist. We are still friends with her family but they went to Santiago and Valparaíso. I think he arrived in Temuco in 1890, maybe a few years later. He was only a shoemaker here. He was a poor man. He had a small shop in the center, the downtown . . . Nothing else. He did not own land or anything like that. He was just a shoemaker.
>
> In 1910 my father and my uncle, his brother, they opened a hardware store . . . the same one my brother runs now. My grandfather he was poor . . . he did not help them. He [the grandfather] bought some property . . . in the center . . . Lautaro and Bulnes . . . the properties are there. No . . . they do not belong to me or to any of my brothers. They belong to my grandfather's sisters and to my sister. They inherited them.
>
> The capital for the hardware store . . . they borrowed it from a bank. Banks gave credit very easily then . . . sixty days without any interest. The other stores were opened later, in 1924, 1929 and 1931. My uncle died in 1917, in the great epidemic. He did not have any children.
>
> My father worked all his life. He never retired. Once he returned to Germany. They traveled across the cordillera in a stagecoach. It took two weeks. When he died in 1939 his children inherited the stores . . . not my sisters, only myself and my two brothers. My sisters received other things . . . they had

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> husbands who worked and they did not need the stores. One lives in Santiago now . . . the other in Germany. My brothers and I worked together. It was a sucesión.[11]

Most of these firms were owned by German immigrants and their descendants, or by persons of closely related ethnic affiliation: German-Chilean, Swiss or Dutch descent. Ethnic affiliation was not necessarily a precondition for participation in the German colony. Membership in the Club Alemán was open to those expressing interest in German culture. In the 1920's the German colony included persons of Swiss, Dutch and German-Chilean descent (El Progresso Alemán en America, 1926). Strong social and cultural ties existed among the members of the ethnic group. The German colony was well organized; by the early 1900's, a plethora of German cultural institutions existed. The German church, founded in 1908, had more than fifty family members by the early 1920's. The quasi-military organization, German Association (Deutscher Verein), founded in 1908, was the local social center until 1929 when its functions were taken over by the Club Alemán. The Sanitorio Alemán provided health services, the Club

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[11]A sucesión is a legal entity formed on the death of the original property owner. Though not a corporation, it functions as a single unit, and includes children and surviving spouse.

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Gimnástico sports and recreational facilities. Temuco's volunteer fire companies were organized along ethnic lines; three were associated with the German colony. The most important institution in preserving the ethnic organization of the region was the ethnic school. The Colegio Alemán, founded in 1887, more than any other force preserved the unity of the colony. Social ties developed in the colegio continued throughout life and provided the basis for a host of other economic and social relationships.

Participation in the ethnic community structured the social life of the city's residents.

> When I was young we all felt German, very German. I always spoke German at home, never Spanish. It was really my first language. All my friends were German. The stores we shopped at . . . the friends and places we frequented . . . everybody was German. You know Sra. Schmidt . . . she was born in Chile but you would not know that from the way she speaks Spanish. Her accent is terrible even though she has lived here all her life. I think my father felt German, not Chilean even though he was only a boy when he came here.

Each of the communities exhibited strong endogamous patterns. While marriages did occur outside the ethnic fold, they were seen as less desirable.

> For my grandmother, and even for my mother, to marry someone who was not Swiss was a terrible thing. A tragedy and people behaved with great sorrow when it happened. Sometimes people would marry someone who was German, Dutch or German-Chilean. This was not as acceptable as marrying

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> a pure Swiss but it was tolerated. Now everyone is Chilean. They marry whom they please and it does not matter if you are Swiss, or German or Chilean.
>
> I still kept some of the traditions. You know . . . foods and the way I run my home but it is really different now. We are all Chilean. My father would have been very sad to see me marry someone who was not Swiss . . . it does not matter any longer.

For members of the German colony, marriages often occurred within the local ethnic group--to offspring of a friend or even a distant relative. However, it was not uncommon to select mates from Santiago's German colony or from German communities in other southern cities. For example, in several instances, colonists chose mates from among those who arrived on the same vessel. While these families subsequently dispersed throughout Chile, friendships, compadre and marriage ties among later generations occurred regularly.

Among German colonists there was a strong affinity with the national colony. Although children attended local schools, they were often sent to Santiago's Colegio Alemán for secondary school and not uncommonly to Germany for additional practical training. Teachers for Temuco's Colegio Alemán were often imported directly from Germany, as were technical specialists for German fundo owners.

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Close ties were maintained to German social and cultural institutions in Santiago, and the relationship between the local Club Alemán and the corresponding organization in Santiago was described as close and cordial. In several instances, immigrants found their first employment in Cautín as representatives of the German-owned national company operating in Cautín or in the branch office of German-owned companies based in other southern cities.

Ties to the national ethnic colony were primarily social and cultural. Economic ties such as business partnerships, or loans and credit facilities did not exist between Temuco's and Santiago's merchant classes. However, ethnic ties may have been directly advantageous to local merchants. The limited inputs of manufactured goods were provided by German-owned national companies. Furthermore, the major financial institution and source of credit for local merchants was a German bank, the Banco Deutsch Transatlantico.[12] Thus, German ethnicity was not only a local development. This contrasts with the way ethnicity was used by the followers of the second strategy in the

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[12]I was unable to verify through published sources the accuracy of this statement. However, reference to this bank was consistently made with regard to local financing.

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development of regional resources.

The strategy associated with the Spanish colony centered on the commercialization of provincial production and inputs to the national market. This strategy was closely associated with the rural sector. Between 1910 and 1925, a number of Spanish immigrant families arrived in Temuco and became active in city commerce. Although these families have been associated with urban commerce for as long as fifty years, the firms they controlled have varied. Often beginning as urban businessmen, they have been at various times landowners and investors in both rural and urban ventures. Business activities were fluid. Their initial commercial ventures were often in the marketing of animal by-products--wool and leather. Later they dealt in wood and lumber, and more recently in the fattening of animals and construction. Except for construction, all these undertakings were geared toward the sale of products in the national market.

> The Rodriguez family came to Cautín in 1920 . . . maybe it was 1925. There were two brothers . . . no, three. The oldest died a very long time ago, shortly after they arrived. They had some kind of leather firm . . . not very large . . . but they were very active. The oldest . . . not the one who died but the other brother, traveled back and forth from Santiago. He was a good businessman. They also had a lumber company . . . there was another partner, one of the big landowners. He

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> provided the lumber and they sold it for him. Later . . . around the depression, the oldest bought land in the north. You know they cut the wood . . . it was never used for farming . . . just the stumps . . . all stumps . . . The younger one . . . he was the senator, a good one. The other, he is just a businessman. Now it's wood and lumber. Los Bosques de Cautín . . . that is his, and the cattle market also. Partners . . . he has a few . . . Mendez and others. They are all very important people now.[13]

A major characteristic of this group's activities was fluidity in their holdings and profiting from short-term investments. These tactics earned the Spanish comerciantes the local reputation of those who buy and sell, or use compra-venta. There is no doubt that the short-term benefit of these tactics were substantial; it allowed these immigrant entrepreneurs to expand their resources and some of these families became important members of the expanding commercial community. However, the success of the strategy hinged on access to land and its resources. In addition to urban firms, these immigrant entrepreneurs and their descendants came to own and operate farms of considerable size--500 or more hectares. In this

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[13]The foregoing account is accurate only in its broad outlines. In fact, there were six brothers, four of whom left the zone at various times between 1930 and the early 1950's. Three of these retained land in Cautín as late as 1965, although they were clearly absentee landlords. Neither they nor their descendants have had contact with the region.

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period these units were exploited primarily for lumber.

In the first decades of the twentieth century the diversification of the economic activities among members of the national capitalist class and the accompanying growth of urban commerce and manufacturing made Cautín's lumber reserves its most valuable resource. The zone's lumber reserves fed the construction boom that was occurring in Santiago and other major Chilean cities. According to my informants, Santiago lumber companies controlled the marketing of lumber. This placed local groups at a disadvantage because both prices and quality standards were set to the advantage of Santiago companies. Despite these practices and the difficulties of transport, lumber was the principal source of wealth for many of Cautín's landowners. The larger tracts of land in the north of Cautín were often used only for wood; once the wood was cut, land was sold or abandoned. Even among commercially-oriented farmers, lumber reserves were significant sources of capital. It was not uncommon for large landowners to maintain portable sawmills for their extensive holdings. Many were active members of the wood producers' association. In other instances, capital generated from lumber was used to diversify and expand local resources. Land was

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purchased, quickly depleted of its wood, sold, and the profits gained reinvested in other agriculturally linked pursuits.

> Valdez was one of the biggest landowners in the zone. When he died in 1971 he left each of his eight children large fundos . . . each one received more than 1,000 hectares . . . but he began as a colono like my own grandfather. His land was in the south . . . maybe 150 hectares, maybe less. He used the land for wood . . . The Spanish . . . they took the wood and left the stumps . . . only the stumps. I don't know how but he bought another plot next to the first one . . . It was a strange thing . . . My father told me that each night the land grew . . . by morning he had 320 hectares instead of the 300 he had the night before. Land did things that way when my father was young . . . I am not sure but maybe around 1920 he sold the land in the south and bought a much bigger piece in Lautaro . . . 1,000, maybe 2,000 hectares . . . it was big. It was no different there. He cut more trees and left more stumps . . . cut and sell and cut and sell . . . over and over again. He became very wealthy . . . rich, very rich. The Spanish they knew . . . compra-venta, compra-venta. They all did it but none as good as Valdez. Yes, he was smart.

The foregoing is one of the most commonly recounted success stories in the province. However, this individual is somewhat unusual in that originally he was a colonist. Although informants maintained that large landowners began as colonists, genealogies and property records reveal that the plots controlled by the largest landowners were inherited parcels originally acquired at auctions.

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The major beneficiaries of the land disposed of by the state in public auctions and by land grants were high-level government bureaucrats, members of Congress and Santiago businessmen (Jefferson, 1921). Land acquired in this way was often treated as a short-term investment for speculation. For example, in the comuna of Lautaro, of the 34 original owners who controlled over 34,000 hectares of land, only 3 of the original surnames appeared in the 1965 property records. Some of the land was retained by national capitalists and they became absentee landlords. However, branches of the same families who originally purchased land in Cautín, developed their prime resource base in Cautín. The exploitation of the zone's lumber reserves allowed peripheral elements of the national bourgeoisie to maintain control over some strategic resource. These marginal members of the national capitalist class expanded their holdings in Cautín. Their descendants later developed these plots as commercial farms. This group includes some of Cautín's largest and most prominent landowners.

The development of Cautín's lumber resources by segments of the landowning class coincided with the interests of the Spanish urban comerciantes. The strategy

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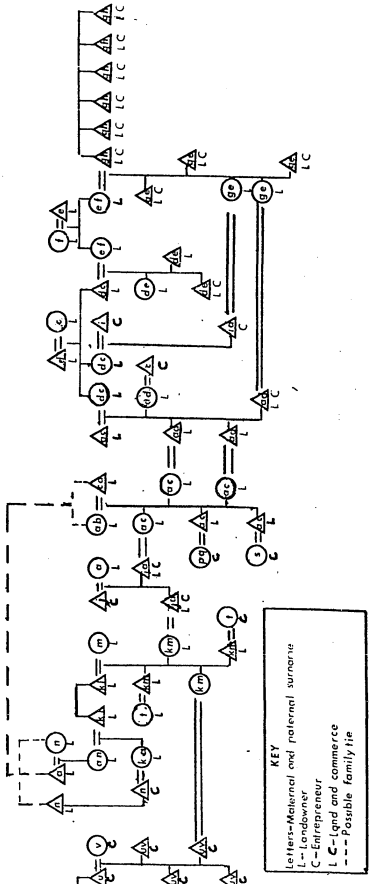
employed by these comerciantes necessitated a tie-up with land and apparently one of the most common ways urban comerciantes acquired land was through intermarriage with Spanish landowning families. Figure 11 is a schematic presentation of consanguineal and affinal ties found among Temuco's prominent Spanish families. The size of the agricultural properties in all cases was substantial, at least 500 hectares and many times several thousand. The number of affinal and blood ties among the Spanish families is more than would be expected by chance. The data suggest that early in the zone's history, these families pooled their resources and formed alliances ultimately cemented by intermarriage.

Business partnerships were also common among these families. For example, "j" participated in a series of partnerships with members of family "ad." Family "u" was involved in a series of ventures with "gh" and also provided the capital for the firm headed by "id."

The properties controlled by members of generation I were purchased in auction at the turn of the century. With one exception, none of the members of this generation ever lived in Cautín. The lands inherited by generation II were divided holdings. In some cases the holdings were

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Figure 11. Genealogies of Spanish landowning and commercial families, Cautín province.



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organized as a sucesión; in other instances they were legally divided among all heirs. In either case, the parcels owned by generations II and III were smaller than those of generation I, although still large in local terms.[14]

Informants were vague on the origins and activities of generation I, and it was impossible to trace the histories of these families further back in time. However, two persons in generation I were included in the Diccionario Biográfico de Chile (1942).[15] These persons were described as Santiago merchants, neither of whom ever lived in Cautín. While the data are incomplete, some of the original purchasers of land in Cautín held their major property outside Cautín province. These persons were absentee landlords. Other members of these families held land in the province as their prime resource. As the size of their holdings was reduced, their descendants were forced to diversify through investment and intermarriage with local urban entrepreneurs. This suggests that a major process operative in the formation of the local

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[14]In the 1960's and 1970's the size of these holdings was still sufficiently large to subject most of these families to legal expropriation under the land reform legislation.

[15]This series is Chile's Who's Who.

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elite was downward mobility for segments of the national capitalist class.

In this era, the possession of land, lumber and livestock was instrumental in generating wealth and developing a local political base. Woods, grain and livestock found ready markets in the growing urban centers. Landowners' control of peasant labor provided them with a power base and the political representatives of the era were drawn from these Spanish families. The success of the strategy employed by these Spanish families can be attributed to the loose control exercised by the national state over provincial life.

Although the state controlled much of the original disposition of land in Cautín, subsequent to this, the state's authority was minimal.[16] "Law and order" was a problem until 1930. Vigilante committees were common in both rural and urban areas. The consolidation of rural properties and the diversification into commercial

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[16]The extent to which the state controlled the initial disposition of land in Cautín can be seen in provincial property lines. Significant portions of Cautín are set up on a grid. This contrasts with property boundaries in the neighboring province of Valdivia. Valdivia underwent a slow, but continuous, process of settlement from the sixteenth century on. Property lines mirror this in the completely disordered array of lines which fix property borders.

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activities were expedited by the lack of control over illegal activities. Property lines were vaguely defined because much of the land disposed of was on unsurveyed public lands. The Mapuches, Chilean *campesinos* and small immigrant colonists proved easy victims of land encroachments and cattle thievery. Contraband in wood and livestock flowed through the remote passes of the *cordillera* because higher prices were paid in Argentina than locally or in Santiago.

> Sanchez, he was a thief, a cattle thief. Trizano was never very good at catching the biggest *cuatreros* [horse or cattle thieves]. You know . . . the big ones get away and the little ones get caught. . . . Sanchez and the Mendez brothers, they were the best. My father used to tell me stories . . . They would leave Lautaro in the evening with five head of cattle and arrive at the market in Temuco the next morning with a hundred head to sell . . . How did they do it . . . they used to say they found a few strays along the road . . . Once they were almost caught. Trizano followed them . . . he knew what they were doing but he had to catch them doing it . . . taking the cattle. Well, he followed them but they hid. Do you know how? They hid in the river . . . all night they stayed there. They held reeds in their mouths and they stayed until morning. He never found them and the next day they collected their cattle and came walking into the market. My father told me many stories like that . . . Yes, but Sanchez he was good, he was a good thief. It was different then.[17]

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[17]Hernan Trizano led the *Cuerpo de Gendarmerías de las Colonias*. This privately-sponsored group was charged

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Similar stories were told about other members of the Spanish colony. The accuracy of the details might be questioned; however, the consistency in these tales clearly suggests that the accumulation of wealth by the Spanish was in part the result of the theft of land and movable goods. The prevalence of illegal and quasi-legal activities among Spanish comerciantes may explain why economic and social ties were restricted to a small group of families.[18] Membership in Temuco's Centro Español was limited to those of demonstrated Spanish descent and their immediate descendants. This did not prevent others from participating in informal networks but did serve to restrict access to the colony, and in turn to the economic and social

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with ending the violence in Cautín and protecting the zone from bandits and cattle thieves. However, these efforts met with limited success, and it was not until the late 1920's and the creation of the Cuerpo de Carbineros de Chile that "law and order" were restored in the frontier.

[18]For example, the children of Italian merchants were sent to the colegio associated with the Spanish colony. Although social ties developed between members of the two groups, intermarriage between them was rare. Italian merchants developed a strategy that was a variant of the German model. They specialized in the marketing of clothing and manufactured foodstuffs, that is, products partially supplied by non-local sources. Although a few of the families I studied invested in land, by 1920 they had sold their properties and had taken an exclusively urban focus.

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resources upon which the success of these families depended.

While the short-term benefits of both the German and Spanish strategies were substantial, the success of these comerciantes was both local and restricted. Moreover, the accumulation of capital in this era was the consequence of the development of Cautín's one strategic resource--lumber. The development of the lumber industry was, in turn, an outgrowth of diversification of the national economy already discussed in Chapter II. The economic success of Cautín's entrepreneurial class of this era was clearly an offshoot of national prosperity. At no time during this period or at subsequent points in Cautín's history were ties developed between entrepreneurial groups in the province and foreign markets. This was not for lack of interest on the part of local groups. Efforts to develop independent marketing ties were blocked by national interests.[19] The prosperity of Spanish entrepreneurs was clearly and directly a reflection of national prosperity. The fortunes of German entrepreneurs were more intimately

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[19]From 1927 through to 1933, the local newspaper ran a number of articles dealing with efforts of the Association of Wood Producers to develop a market for Cautín's lumber in Peru and Argentina. These efforts met with consistent failure. These groups attributed this to economic imperialism of central valley landowners. (See Diario Austral, 1927-1933.)

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linked with regional and local development. However, beginning around the 1920's, the growth of the city and the region led to an increased dependence of local German merchants on Santiago suppliers.

After 1930, under the nationalist-development model, the dependent position of the regional economy and Cautín's commercial elite became apparent. The concentration and centralization of resources under this model led to the further displacement of the commercial class's control of strategic resources. These processes provoked an homogenization of the regional class interests that had developed in the first decades of the twentieth century.

The Decline of the Commercial Elite

The effect of the economic doldrums of the 1930's in Cautín was a precipitous decline in the volume of commercial transactions. Many important local firms were forced into bankruptcy, and in these years some of the zone's original and most influential members of the German colony left Temuco. For those who managed to survive its initial impact, the depression proved beneficial. During these years several of my informants' families acquired land for the first time. The acquisition of rural properties was the result of the unfortunate circumstances

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of others and was often by default rather than design. The land acquired in this manner was treated as another investment, but one subsidiary to the main thrust of urban commercial activity.

> My father never bought any land at all in the province. I am not sure why he did not . . . probably because he was not interested. The firms in the city, they took up all his time and energies. They were enough for him. The fundo? He acquired that piece of property during the depression. He did not buy it. It was collateral for a bad debt. He received it from a creditor. Many people were in debt in those years. It was very hard, especially for the farmers. They lived from harvest to harvest and most of the year they had no cash. They depended on credit for seed and other things. My father gave it to some and when one could not pay his bills . . . well . . . the land was the collateral. It passed to him. He never bought any land.
>
> The land was useless when our family acquired it. There was nothing on it but tree trunks . . . stumps. I had to first clear it of trunks before I could even begin to plant any crops. My brothers . . . they worked with my father in the stores in the city. I was the youngest and when I returned from Germany I was made administrator of the property. I liked it. I receive pleasure from watching things grow and produce.

In the aftermath of the depression, the development of local commerce and Temuco's commercial class was a response to new government policies implemented under the nationalist-development model. Under this model the state came to define the major parameters of the regional economy and to control local resources. The growth of the

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industrial sector and the expansion of the purchasing power of the national middle class was partly achieved by reducing the costs of domestically produced foods. As one of Chile's prime agricultural regions, Cautín was placed in a disadvantageous position. The effect of the state's policies on the local commercial class was to restrict opportunities for the local accumulation of wealth. More importantly, whatever opportunities existed were increasingly dependent on the state. The restricted initiative local commercial groups enjoyed in the past was eroded; their control of local resources was undermined and these groups were left with little to defend except a standard of living.

The recovery of local commerce from the depression had much to do with a new phase in the extraction of lumber. In response to the enforced contraction of lumber imports from the United States, the Chilean government sought to develop national lumber reserves as a source of supply for the mining complexes in the north. The boom period of the late 1930's and early 1940's was apparently a direct response to import-substitution policies.[20]

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[20]According to my informants, lumber extraction in this period worked against the interests of some of Cautín's landowners. Landowners in need of capital sold

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Considerable government effort was directed toward developing adequate transport facilities for the shipment of wood. In the 1930's and early 1940's, three of the five railroad spurs into the lumber-rich cordillera were built. The spur from Loncoche to Villarrica was completed in 1933, to Curacautín in 1938, and to Toltén in 1945. This transverse network facilitated the transport of unprocessed woods from the zone, feeding into Santiago and from there to points north (Fourcade, 1956).

It was during this period that Temuco underwent a notable growth spurt. As the slow silting of the Cautín River cut off access to the coast, the railroad line that ran directly through Temuco became the main access route to and from the province. From this point on, Temuco became the zone's major city--the commercial hub of the province.

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specified amounts of board feet to Santiago lumber merchants. These company inspectors would reassign the various grades of lumber. Landowners were then left with too much of the lower grades of wood and too little of the higher grades. This left them in debt to lumber merchants and would go on for several years until lumber yards collected on their debts and took the land. It is difficult to ascertain how extensive these practices were. If land was acquired by lumber companies, it was not held for any length of time. Property records reveal that land holdings by lumber companies in Cautín has never been extensive.

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While contributing to urban growth, the second phase of lumber extraction provided little impetus to regional development. Government policies worked against regional autonomy and fostered the development of Cautín as a producer of primary, unprocessed products. Government-set transport prices were high for processed woods and low for crude wood. Even in the early 1930's, Cautín's dependent position was clear to major commercial and agricultural interests. For example, early in 1933, a series of editorials appeared in the local press decrying the centralization and economic imperialism of the central valley (Diario Austral, 1/33-5/33).

The relationship between Cautín and the interests of the north was exemplified by the dispute over the Ley de Envases Madera.[21] This legislation required that wheat be packaged in wooden cases. Groups in Cautín and elsewhere in the south saw this law as favoring regional autonomy and economic growth.[22] It would not only foster local industry, but also would stem the outflow of valuable

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[21]Law number 2092-1932.

[22]The groups involved in this struggle included those representing wood producers and agriculturalists. However, the most active group--the organization that acted as spokesman for all regional interests, was the Cámera de Comercio.

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currency since the jute sacks then used were imported from India. The zone's struggle against the more powerful agricultural and milling interests of the central valley was unsuccessful. The law lasted only eight months, and was repealed under pressure from the National Agricultural Society.

This phase in the development of Cautín's lumber reserves did not last long. By the early 1950's, the centers of national lumber production had shifted south to Valdivia. In Cautín, with the exception of the most inaccessible regions deep in the Andes and small patches in the coastal range, the immense tracts of virgin forest were gone. Lumber cut in the zone has been plantation pine for the past twenty years. This is usually grown by local landowners and cut by the owners of small roving sawmills. Although numerically the most significant regional industry, wood factories are small-scale operations that employ fewer than ten persons. There are no paper or pulp processing plants in Cautín. A major portion of wood cut in the area never leaves the province since the high cost of shipment makes it unprofitable. Much is used locally for firewood.

A second area of state action in the post-1930's era

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was provincial property relations. In 1925 the Chilean Congress began to consider the problem of land tenure in the southern regions of the country. Pressure for the resolution of the endemic property disputes in provinces from Malleco to the south came from central valley landowners and industrial interests. Southern landowners reacted with great concern; many of their land titles were ill-defined and they were charged with usurping public lands and encroachments on Mapuche reservations. Under the Ibañez government (1927-1931), a law was passed that legalized the property titles of southern landowners (Donoso and Velaso, 1970).[23] The state's control over provincial land tenure was linked to concentration and centralization of wealth. Between 1945 and 1955 there was an increase in the concentration of Cautín's large holdings in the hands of large corporations based outside Cautín and in the hands of the state. Of the 54 largest parcels in 1955, 43 were controlled by local families, 7 were held by national corporations, and 4 were state lands (Picasso, 1956). In 1965 there were 38 properties over 2,000 hectares: 25 locally owned, 10 held by national corporations,

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[23]Law number 4.310-1928.

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and 3 held by CORA.[24] The strict enforcement of legal requirements also had a dramatic impact on provincial land tenure. Partible inheritance laws produced a gradual diminution of all parcels held by local families (Picasso, 1956). After 1967, under the Agrarian Reform Law, the state came to define both gross size and permissible land use patterns.[25]

The outcome of these policies has been to make investment in rural properties increasingly unavailable for comerciantes over the last thirty years. The size of the rural property has diminished through legal action--inheritance laws and the land reform program that restricts holdings over a specific size, negatively affecting Spanish entrepreneurs. When the largest properties were expropriated between 1967 and 1973, only a portion of these landowners opted for the reserves, the plots of 200 to 300 hectares they were entitled to under the land reform law. Some left Chile, others shifted to urban commerce. The alternative was selected depending on

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[24]The national corporations included Braden Cooper and several lumber companies (Picasso, 1956). Data on 1965 holdings come from my own survey of property records.

[25]Law number 16.640-1967.

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whether they had previously developed urban commercial activities.

Among the more exclusively urban comerciantes, rural holdings were never extensive--one to three fundos from 100 to 200 hectares. These units tended to be fairly well capitalized and were expected to show a profit. Most of these parcels were inherited plots; plots bought before 1950 and handed down within family groups. Since the 1950's the purchase of rural property has been the exception. While data on comparative prices over the past thirty years were not available, land was clearly once more accessible than currently and at considerably less cost. For example, in 1940, one of my informants traded a used automobile for 100 hectares of land. In 1973 another informant attempted to buy half interest in a 100 hectare plot. To finance the purchase he planned to sell a summer cottage, a two-year-old truck, and half interest in another, smaller parcel of land. In addition, he had to draw on cash savings. The transaction was not completed because of inadequate financing. The increase in rural property values acts to exclude most comerciantes from the category of rural investor.

During the period of UP there was, however, some

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movement of rural properties. Rural land values fell in response to the destabilizing influence of the land reform program. Although some of my informants claimed that government officials bought land, profiting from their alleged immunity from expropriation by CORA, among the 35 cases collected, I found only one instance of this sort. On the other hand, I visited several farms whose owners had recently acquired adjacent parcels from neighbors who had fled the country. Those leaving Chile needed foreign currency and were willing to sell cheaply for U.S. dollars.

The restricted initiative enjoyed by Cautín's commercial class before 1930 was clearly and decidedly circumscribed by the state under the nationalist-development model. With the depletion of the lumber reserves, Cautín became primarily an agricultural area and under this model, agriculture was the most neglected sector of the economy. This neglect has not meant the absence of government controls; rather, policies have acted to reduce investment in agriculture. For example, official government prices for domestically produced wheat and other agricultural commodities were kept low and at a level consistently below world prices. The state's increased control of provincial property relations led to the erosion of local control

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over land. Opportunities for commercial expansion linked to agriculture were also unavailable because the state's policies discouraged the development of regional industry. Transport costs for flour were set high, the costs for wheat low. Milling facilities in Cautín have been small-scale operations that cater to the local market. Thus, under this paradigm of development, commercial activities have remained, as in the past, local and restricted. The reforms introduced in the model beginning in the mid-1950's even further restricted local opportunities for the accumulation of wealth and placed local commerce in a highly dependent relation to the state.

The crisis of 1955 highlighted the stagnation of the national economy. Efforts to deal with this stagnation led to a concern in CORFO with regional imbalance in economic development. Policies designed to counteract the concentration of industry and population in the Santiago area included tax exemptions for industry located in other provinces. Most firms resisted decentralization efforts because the urban matrices that promoted industrial consolidation were in Santiago (Weaver, 1968). CORFO's policies had little direct impact on industry in Cautín. Agricultural-related industry was not developed. Although

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Cautín is one of the largest producers of sugar beets, local pressures for a sugar beet refinery were unsuccessful. The only significant industrial plant in Cautín is a raps processing plant established in the early 1960's. A shift in the location of food manufacturing toward supply areas such as Cautín did not occur. The production of leather goods, shoes and canned vegetables was dominated by capital intensive industry. Although Cautín is a major producer of leather, the Bata shoe factory is located in Santiago. Only products characterized by a large number of small producers--flour, fresh milk and milk products--were affected by CORFO's policies. These policies encouraged the development of marketing cooperatives. Some of the cooperatives set up in Cautín were branches of national organizations; others such as COPALCA, the dairy cooperative, and GANACOOP, the cattle marketing cooperative, were locally controlled. However, the markets of these units are restricted to the province.[26] Thus, the reforms in the nationalist-development model produced nothing in Cautín that could lead to the further accumulation of wealth among local entrepreneurs.

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[26]Part of the milk supply for Santiago is brought in from a dairy cooperative located in Osorno.

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The reforms of the 1950's not only did not provide opportunities for the regional control of wealth, but actually promoted the control and penetration of the zone's economy by national and international corporations. The exchange reforms instituted as a result of the Klein-Saks commission partially reopened the economy to the importation of manufactured goods, the increased penetration of multinational firms, and the development of capital goods industry. These measures produced a rapid increase in the volume of both imported and domestically produced consumer durables. These changes, coupled with improvements in transport and communication, led to the development of Cautín as a new market for these commodities. From the late 1950's, Cautín's commercial class developed strong dependent ties with national economic centers. These ties became the only way local comerciantes were able to maintain their position within the regional economy.

In the late 1950's there was an increase in the volume of imported goods in the region. In 1956, Temuco's Cámera de Comercio listed 24 firms as export-import houses. Of these, approximately 11 were under local control. The change from a dependency on local to non-local suppliers was gradual. The nature of the commodities handled by German comerciantes required outside suppliers. Ties to

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national and international firms were significant by the early 1940's.[27] However, it was not until after 1958 that multinational firms dominated regional commerce.

Undoubtedly the new import-export regulations benefited local comerciantes, even though the costs of imported goods remained high. In theory, approximately 1200 items could be imported by anyone in any quantity, provided a temporary deposit of a specified percentage of the value of the items was deposited with the central bank. The amount of deposit varied from 5 to 200 per cent of the value of the item (Dunyon, 1972). The high costs excluded Temuco's commercial class from directly importing many items, particularly consumer durables such as cars and heavy machinery.

The most common arrangement that emerged between 1958 and 1962 among the local commercial class was the franchise. Local firms became the exclusive provincial distributors of imported goods and a major portion of their activities depended on and was controlled by large corporations. In this period, advertisements began to appear in

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[27]The importance of outside suppliers to local commerce by 1940 is indicated by the fact that during World War II many local firms owned by persons of German and Italian descent folded under a boycott and blacklist by British and United States firms.

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the local press for Temuco's firms as the only authorized distributors for consumer durables and capital equipment: agricultural equipment and hardware from Gildermeister and Ford; trucks, cars and buses from General Motors; radios and televisions from Phillips; glassware from the United States and Belgium; beverages from Coca Cola; large and small household furnishing, commercially prepared foods, clothing and shoes from national companies. In addition to these activities, local firms continued to distribute locally produced goods. Increasingly subjected to manipulation by large corporations, local comerciantes attempted to mitigate the insecurity of their position by combining a variety of commercial activities under one unit. This follows the pattern evident in many provincial areas. Regionally rooted companies tend to combine agricultural properties, commercial and sometimes industrial functions under one administrative unit (Johnson, D., 1967). This can be seen as an attempt to provide regional entrepreneurs with a measure of safety in maintaining their companies in a highly concentrated and centralized economy.

Clearly from the late 1950's on, commerce in Temuco underwent an intensification of direct ties to and dependence

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on an increasingly concentrated international and national sector. The expansion of the foreign controlled consumer economy to provincial areas eroded the autonomy of local groups. As local groups came to depend on extra-zonal sources of supply and were integrated into national and international distributive networks, the fortunes of the city's merchant class were linked to national and international commerce, even while actual ownership has remained local. The marginalization of Temuco's petit bourgeoisie was not, however, restricted to its relationship to the private sector. More important to this marginalization process has been the increasing dependency of local commerce on the state: the state's policies became the most pervasive force in regional commerce. The direct impact of government centered on three areas: credit, import-export policy, and general regulation of commercial activities.

Participation in the franchise system greatly increased the capital required by local merchants since all imported goods were subject to high tax rates. For the most part, the limited resources of local merchants have precluded independent financing. Although franchises were sometimes accompanied by credit authorization from the parent company, more commonly credit had to be sought

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elsewhere. Without ample credit, local comerciantes were unable to continue their operations. As noted above, prior to World War II the major source of credit for local commercial groups was a German Bank. During the war this institution closed, leaving local merchants without a steady source of credit.[28] Increasingly, the major source of credit for both agricultural and commercial groups has been the Banco del Estado. Public investment allotted to transforming the quantity and location of goods in Chile rose dramatically in the early 1960's (Mamalakis, 1976). By 1962 the Banco del Estado provided most of the short- and medium-term credit to the zone (Diario Austral, 1/60-7/62). Branch offices were not only maintained in Temuco, but also in many of Cautín's smaller communities. The city's six other banks serve as secondary sources and there has been considerable fluctuation in their ability and willingness to lend money.

Credit authorization, repayment schedules and

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[28]The closing of this institution did, however, provide the impetus for the creation of a local financial institution. The Banco Sur, organized in 1947, represented the cooperative efforts of Cautín's leading commercial and agricultural families. All its officials and board of directors have been local persons. However, the working capital for this institution comes partly from the state (Diario Austral, 1/60).

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interest rates have become the most direct way the state controls regional commerce. Local interests have little control over these decisions. Credit authorization is centralized in the Santiago offices of the banking bureaucracy. Most credit extended between 1960 and 1970 was to businesses in the central valley (Mamalakis, 1976). Cautín's regional advisory councils which exist for each lending institution have little power within this hierarchically organized system.

The impact of the state on local commerce operates also through import-export policies. Major and minor fluctuations in regional commerce can be traced to the overall availability of imported goods. For example, the years between 1957 and 1964 were described by informants as a boom period for local commerce. During this six-year period, Chile experienced an historically unusual period of domestic import gap surpluses. This was made possible by the spectacular increase of both short- and long-term capital inflows that exceeded payments to foreign capital (Mamalakis, 1976: 232). Simultaneously, the local market was expanding since the city experienced an overall growth in the size of the middle rungs of the socioeconomic scale, that is, the growth of the middle class. As will

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be discussed in the next chapter, the expansion of the consumer market was also a direct expression of state power.

Local comerciantes have been able to satisfy this consumer market erratically. After 1965 the stabilization of capital inflows led to the reemergence of Chile's chronic balance of payments difficulties. The state tried to deal with this with strict regulation of imports. Since 1965, local merchants were simply unable to acquire goods and their participation in the franchise system has, for many, been more nominal than real. For example, the Opel franchise has been unable to obtain spare parts since 1966. The distance of Cautín from national distribution centers compounds the problem. What influx there is first goes to Santiago and only secondly to regional distributors. Branches of national corporations rate higher on priority lists than do franchises.

The general regulation of commercial activity has also greatly increased over the past ten years. La Lay de Registro Comercial requires all categories of city firms to be licensed by the state. Business hours for various classes of firms are set. These regulatory policies have consistently expanded and reached an apex under the

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UP government. Under this government the state became an important intermediary in local commerce. CORFO and the National Board of Industry and Commerce (DIRINCO) controlled the flow of virtually all commodities to the city, from toilet paper to buses to trucks to tractors. Some state-controlled distribution systems by-passed local merchants entirely.[29]

The state's increased control of the regional economy and the penetration of the regional economy by multinational corporations made any system of regional initiatives impossible. The strategy employed by Spanish entrepreneurs was undermined by the state's control of property relations. Similarly, the more exclusive urban comerciantes no longer controlled the resources upon which their survival depended. The power of these local families clearly could not match the power of the state or the international sector. As local control of resources was eroded, these families were left with little opportunity

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[29]One such system was the canasta popular (popular basket). This was a selection of groceries distributed inexpensively by DIRINCO. Most of the state's expanded role as an intermediary was at the wholesale level. The government created the National Distribution Corporation (DINAC), the Agriculture Marketing Cooperative (ECA), the National Poultry Firm (ENAUI), and the National Corporation for Fuel (ENADI) (Mamalakis, 1976).

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for the expansion of wealth. Increasingly, the focal concern of these families became little more than maintaining their standard of living. However, the scale of local firms was inadequate to maintain a group of families at the standard of living that became increasingly prevalent during this period.

The contraction of the regional opportunity structure had a divisive impact on family members. It fostered competition among family members for access to resources necessary for maintaining a high standard of living. The result was the decline of the family-owned and -operated firm and the emergence of the nuclear family as an independent economic unit. Beginning in the late 1950's, many of the firms that had dominated provincial commerce for more than forty years were liquidated along with the assets and the capital divided among the heirs. Each member then opened new and independent firms. The new firms formed were sometimes complementary in terms of goods and services but often were competitive with one another. Moreover, with two possible exceptions, the new firms were smaller in size than that of the parental company.

> After my father died we worked together in the stores in Temuco. Each of us was in charge of one of the stores but the property was a sucesión. Of course, my mother was not expected

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to work . . . my sisters they went with their husbands.

In 1959 we sold the business and we divided the capital among us. My mother died in 1953. No . . . there were no problems. My brothers and I, we are good friends but we had different needs. Each of us had families to consider . . . wives and children . . . you know, wives are not like brothers and sisters. Sometimes they think it is better to be independent. That was part of it . . . but we all more or less agreed.

The divisiveness produced by the incorporation into national distributive networks appeared as the escalation of interpersonal tensions between family members. Tensions developed over involvements in imports. Often brothers could not agree on the tactics to employ in maximizing the family's position in the new marketing setup.

Now Martín and I we are different. We have different mentalities . . . he is more likely to take risks . . . I am more cautious. When we became involved in importation, Martín and myself and also Hernán, well . . . we all had different ideas. Martín he was interested in importing automobiles. I thought it was too risky . . . too much money. We would have had to go into debt. I thought it would be better to import things only requiring a limited amount of capital . . . Hernán he never wanted to do anything. He was content with the arrangement we had. . . .

We divided it up. We all received our share. It was better. We could then do what we thought best, for ourselves and our families. Brothers do not always think alike.

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Equally important to the dissolution of these firms was tension between affines. Because little was gained by reinvesting savings in the firm, an increasing portion of income was devoted to maintaining a high standard of living. Competition among the wives of comerciantes for a larger share of the firm's income necessary to a high standard of living, was common.

> It was not that the brothers could not get along. The firm was large and I think the brothers thought it sufficient for all of them. It was their wives . . . they could not get along. Wives are not siblings . . . they think first of their own families . . . that is natural; and I guess sometimes they . . . they fought. Nothing drastic . . . more that the women wanted things for their families . . . houses, cars, children in school. All of this is very expensive and when you have many people wanting these things, they feel that they could do better if they did not have to worry about other persons and their feelings.

However, the size of these new firms was not adequate for the needs of growing families. Local business at best could support only one nuclear family unit. The offspring of Temuco's commercial class have not been incorporated into these firms. As the economically active generation faced retirement, local businesses were sold rather than transferred to heirs. Thus the contraction of local resources has pushed the children of local commercial

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and landowning families into other sectors of the economy. Efforts to maintain a satisfactory standard of living for offspring have centered on using a proportion of current income for education: for training the younger members of these families for careers in the professions or the bureaucracy.

Before 1960, local genealogies show a scattering of professionals and bureaucrats among the members of generations I and II. In the period before 1960 the liberal professionals had independent careers similar to those in the United States. Careers of professionals in this era, mainly physicians, lawyers and civil engineers, were also characterized by diversity in activities. Occasionally a young professional came to Cautín and intermarried with a landed family. Sons of landowners were sometimes trained as agricultural engineers in preparation for administering family properties. At least two of these young professionals purchased land in the province. My informants often described older physicians as "a fundo-owner doctor" (un doctor dueño del fundo) and some maintained that all lawyers of this era were landowners. This was clearly not the case, with only eight of the forty physicians and four of the eleven lawyers listed in

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the 1960 guía profesional known to control land in the province. However, those who own land in the province or are tied to landowners through descent or marriage, are the most visible and socially prominent members of the professional community. This restricted group of professionals includes several politicians, the heads of local professional councils, bank and university trustees, and prominent members of community welfare groups.

From the late 1950s on, the genealogies of the local landed and commercial elite show a decided move toward professional, bureaucratic and technical careers among younger members of these families. Figure 12 presents schematically fifteen genealogies taken from Temuco's older families. It includes families from both the urban and rural sector.[30]

Families 1 through 7 exemplify urban comerciantes. Cases 1 through 5 were firms controlled by members of

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[30]The first generation includes all persons who arrived and became economically active in Cautín before 1920. The ages of these persons varied as much as thirty years and consequently each subsequent generation shows the same age spread. Generation V is not indicated because most were still in school. Individuals assigned two letters have engaged in both activities or have changed from one to another. The occupation of spouse of female family member is shown if the female was not employed outside the home.

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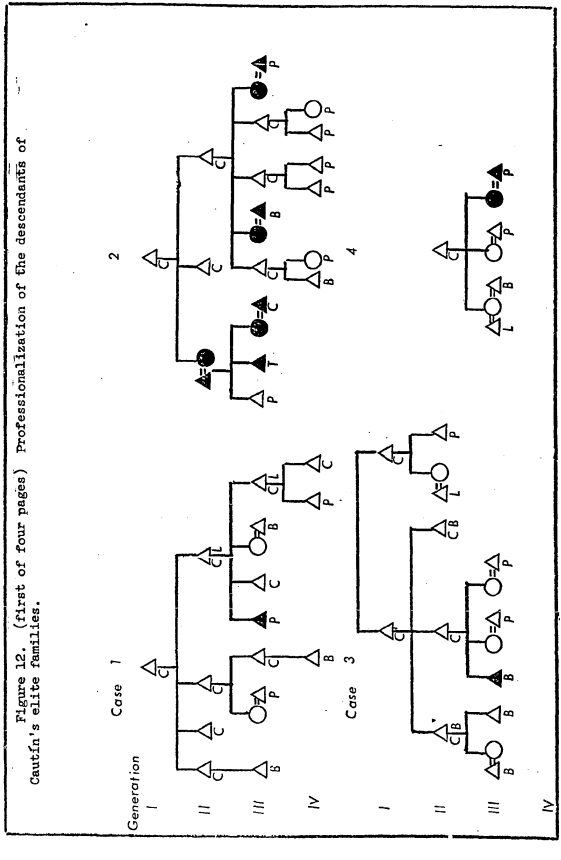


Figure 12. (first of four pages) Professionalization of the descendants of Cautin's elite families.

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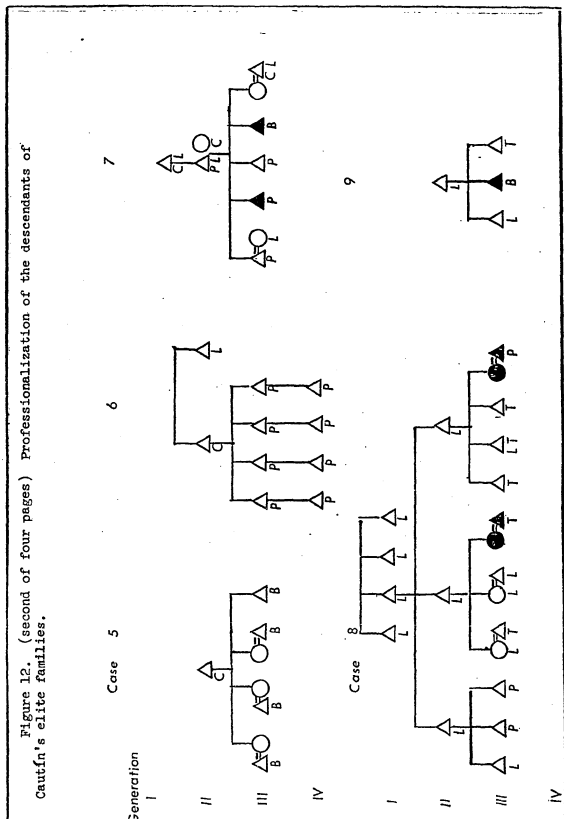
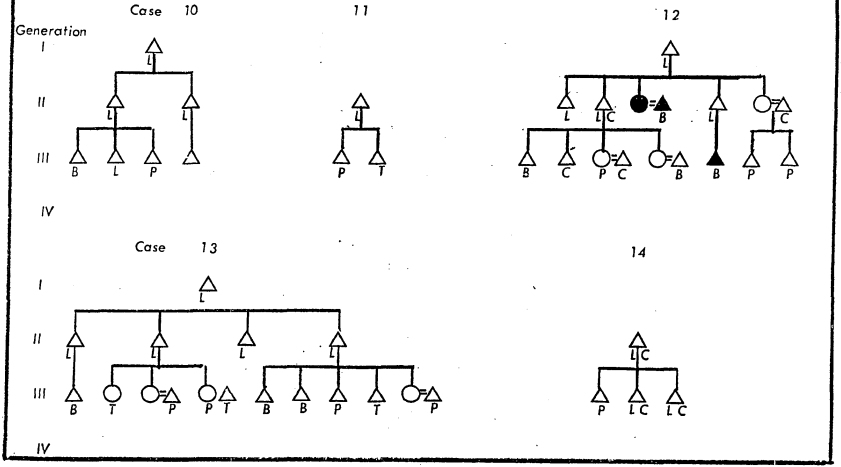


Figure 12. (second of four pages) Professionalization of the descendants of Cautin's elite families.

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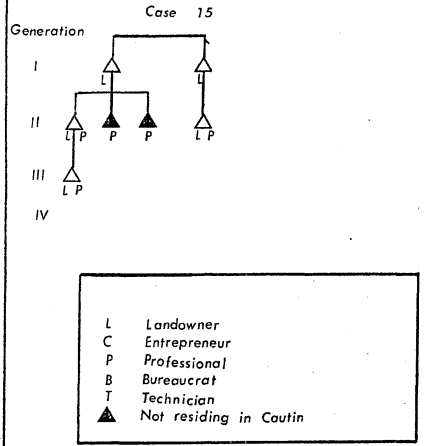
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Figure 12. (third of four pages) Professionalization of the descendants of Cautín's elite families.



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Figure 12. (fourth of four pages) Professionalization of the descendants of Cautín's elite families.



generation II until the breakup of the firm in the 1950s. In case 3, only one member of generation II was an urban comerciante; his siblings were salaried employees of local organizations. Among the other families in cases 1 through 5, the firm was not transferred to offspring of generation IV. Families 6 and 7 illustrate two other patterns found in the province. Family 6 underwent the professionalization process earlier and all descendants relocated to Santiago during the 1940s. Family 7 is the descendants of a commercial and agricultural family originally from Santiago who came to Cautín during the 1930s. A professional, he also invested in land and intermarried with a local commercial family. His descendants were trained for the professions.

Families 8 through 15 are landowners. The size of the parcel originally controlled varied from several hundred to several thousand hectares. Among families 8 through 13, the division of the land required by Chilean inheritance law would have left the members of generation II with parcels in the 100 hectare range. This size unit is generally regarded as the absolute minimum necessary to maintain a satisfactory standard of living, provided there is extensive capitalization and favorable ecological

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conditions. Thus, under the best of circumstances, this form of landowning is a risky venture. The alternative is to transfer the holdings to one member and train others for professional positions. This has been the most common alternative. For families 14 and 15, the holdings were considerably larger. After the divisions, each member controlled parcels of 1,000 hectares or more and for family 14 considerable urban interests as well.

The relatively recent move toward professional and bureaucratic careers among the descendants of the local elite in some respects represents the final chapter in the evolution of Cautín's commercial class. Under the nationalist-development model the restricted economic initiative enjoyed by this class was eroded. They lost control over local resources and became highly dependent on the state and multinational corporations for their survival. This marginalization process not only eliminated avenues for the expansion of wealth, but made it increasingly difficult even to maintain a high standard of living. The decrease in the size of local firms forced the descendants of the commercial class to seek alternative means to maintain their socioeconomic standing.

The process of exclusion affected the followers of

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the German and Spanish strategies equally. Thus the strategies and the accompanying ethnic boundaries that served to demarcate sub-class interests in the past lost their functional significance. Most major comerciantes have been incorporated into national distributive networks and have devoted themselves to large-scale marketing of consumer durables and capital goods.[31] The homogenization of their economic positions led to a homogenization of social and cultural forms. Although my informants were aware of their ethnic identities, all maintained that despite varied backgrounds they were all "Chileans." Between 1945 and 1960 most of the ethnically defined institutions ceased to operate and ethnicity ceased to serve as the major organizational focus of the community. The centers of urban social life shifted to a host of new organizations. These are characteristically "Chilean" and "middle class."

The processes involved in the formation of Temuco's commercial middle class suggest that its development is a form of downward economic and social mobility.

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[31]Some of the city's largest comerciantes continue to market provincial products--animals and animal by-products--in the national market. However, these individuals usually also control other businesses that deal with consumer durables and capital goods.

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In the first half of this century the city's entrepreneurial class drew its members from downwardly mobile members of the nationalist capitalist class as well as from immigrant groups. The restricted expansion of wealth during this period can be attributed partly to the weak control exercised by the state over Cautín's early development. However, at least from the 1930s on, these entrepreneurs progressively lost control of strategic resources, and with this, any ability they had to control their own destinies. Under the nationalist-development model the state actively defined the economic parameters of the regional economy. The few resources that remained under the control of local comerciantes were manipulated by the state, leaving this commercial middle class more insecure and vulnerable. Much of the contemporary behavior of this group can be seen as attempts to prevent further encroachment on the restricted resources they have been left with.

The Commercial Middle Class

By the early 1960s, Temuco's commercial middle class was clearly incapable of generating new wealth and was devoted to maintaining its standard of living. However, there were differences in the kinds of resources these comerciantes controlled, their relative independence

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and economic security, and consequently the success of their aspirations. There were three major subcategories in this commercial middle class operating in the city during the field work period. These were the owners of wholesale and retail firms, corredores or commercial brokers, and what were locally called "riflemen" (rifleros) or opportunists (opportunistas). These groups are distinguished by the strategies they employ in maintaining their position within the commercial middle class and the success that these strategies provide.

The bulk of the city's distributors of consumer and capital goods retain a modicum of control over capital and property. Within this group, differences exist in the amount of capital controlled and the scale of the firm. Although it is impossible to quantify these factors, there are visible differences in physical size, type of goods and inventory, and number of employees. The local distinction made between el comercio mayorista and el comercio minorista provides a rough but consistent breakdown of firms by the aforementioned criteria.

Mayorista comerciantes deal in luxury consumer goods, capital goods and also include the city's two

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supermarkets.[32] Minoristas distribute manufactured foodstuffs, that are either locally produced or brought in from Santiago. A handful of minoristas deal in small household plastics and cosmetics. Mayorista firms are run by a manager or empleado de confianza and employ up to fifty persons but more commonly between five and twenty persons. The owner is rarely seen for he is either in his office or attending to his other interests. Inside minorista shops you find the owner, his wife and one or two employees. Large firms are located exclusively in the four- to six-block central core of the city; minorista shops are more randomly distributed throughout the city, in the central market, although those that deal in luxury consumer products are concentrated in the center and immediately adjacent blocks.

Although when viewed within the context of the national bourgeoisie this group might be considered a petty bourgeoisie, within the context of the city this group cannot be considered marginal. Quite the contrary, Temuco is seen as a commercial city and whatever power, wealth and prestige there is appears to reside in this group.

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[32]There are two private companies that are national in scope based in Temuco.

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From mayorista comerciantes are drawn the city's most prominent citizens; from minoristas some of its most respected members. From its ranks have come the zone's spokesmen, the defenders of Cautín's interests, some of its national political figures, and most of its local political lords.

This group maintains what most other members of the regional middle class have lost--the control of capital. This provides a security not available to other members of the commercial middle class or to the salaried middle class. A distinguishing mark of this group is its relative longevity. Control of capital is a legacy of the past since current firms are continuations of businesses and/or capital inherited within family groups.[33] Furthermore, the scale and organization of these enterprises has been constant for more than ten years. Generally there has been little in the way of new activities or firms since their incorporation into the national distributive networks. As members of this group face retirement, the company is usually sold or the assets liquidated and used

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[33]At least a segment of minorista comerciantes arrived in the province during and shortly after World War II. Some of these were Jewish refugees from Europe.

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to underwrite retirement. Increasingly, the purchasers of the companies are branches of national corporations although this was still a secondary pattern in the city during the field work.

Established merchants no longer operate to expand their economic base; rather, they devote themselves to maintaining a hold over what they already control. Holding a stable position is, however, not an easy task. While the size of the consumer market has expanded notably, the ability of local merchants to satisfy the demand is erratic. The inaccessibility of imported commodities has meant that since 1965, most mayorista comerciantes survive by distributing domestically produced goods.

The restrictions on imports has also provoked the development of a market in used consumer goods since the mid-1960s. Although much of this market is controlled by corredores, among all classes of comerciantes participation in the market provides a secondary source of income. Because minoristas control less capital and their resources are less diversified, they are noticeable and active participants in the market for used goods.

In the late morning and again in late afternoon, minorista businessmen are unlikely to be found in their

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shops. Rather, they are usually in one of the city's centrally located confiterías. Over innumerable cups of coffee, consumer products are bought and sold. The transactions include radios, televisions, automobiles, machinery, cattle, horses or almost any item associated with a middle-class standard of living.

Retailers regularly rely on these dealings to supplement more stable and regular income from their shops and they have certain advantages over other participants in the market. Other sources of income allow them to purchase items and hold them against a rise in price. Profit margins can be substantial if one is not immediately dependent on the cash earned from these transactions. Also as respected members of the community, the retail merchant is to be trusted to complete the transaction in the manner agreed upon. This additional source of income provides a measure of flexibility in maintaining standard of living.

Although mayorista comerciantes are not found in this setting, it does not mean they do not participate in the used consumer goods market. Automobile franchises regularly buy and sell used cars. The value of used cars is only slightly less than that of a new vehicle. Apart

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from cars, large-scale merchants usually confine their transactions to a less public setting--their business offices. Among mayoristas, exchanges have greater volume and require large cash outlays--not one but several radios, stereos and so forth. The closed context of these transactions also allows them to deal in contraband that filters into the province through the nearby passes in the cordillera from Argentina. According to a number of informants, Temuco's largest comerciantes were the prime source of munitions for the political opposition during the UP government. As one informant remarked: "They [los mayoristas] make money no matter what the political climate is."

Income from urban businesses is also supplemented by investment in real estate. Urban investments include private homes, one or more vacation homes in nearby resort towns, houses in the more developed poblaciones, apartments and commercial properties in the downtown area. Lists of buyers and sellers of urban parcels in public auction show that mayoristas and some minoristas are regular participants in the city's real estate market. Rents provide a secondary but stable source of income. For reasons already discussed, access to rural properties is not characteristic of

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contemporary comerciantes.[34]

The need to seek alternative sources of income suggests that even among members of the commercial middle class who enjoy a relatively secure economic position, maintaining a satisfactory standard of living can be difficult. However, these difficulties did not detract from the positions they held in the community. Being a successful member of the commercial middle class was found not only to depend on the quality of standard of living, but also the quality of the social relationships they maintained.

With few exceptions, among both mayorista and minorista comerciantes, their social networks were found to be a legacy of the past. Adult life and often childhood has been spent in Cautín province. During this lifetime of residence, a complex network of social ties emerged. The categories of persons they regard as important and the reciprocal exchanges between themselves and these persons distinguish the established merchant from other segments of the commercial middle class and from the professional

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[34]The owner of one of the zone's largest firms--one of two national companies based in Temuco--owns two hectares in one of the resort communities. On the land, he has a summer house and private airport.

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and bureaucratic middle class as well. Moreover, many of their most important social ties were formed ten, twenty or more years ago. Thus, as with their wealth, their social networks date from an earlier period.

The networks of the established merchants appear as a collection of distinct groups--family, friends, community, business associates and others. Their behavior acts to preserve the separateness of each group and there is little tendency for members of one category to move to another, perhaps one characterized by less social distance. The established entrepreneur seeks neither to enlarge the sphere of social action by expanding his contacts, nor does he make friends easily. An aura of formality surrounds these individuals. However, this does not mean they are inaccessible since their position within the community means they serve as willing sources of information on a wide variety of topics.

Among these persons a clear and sharp distinction is made between those who have access to the home and those who do not. The home is the exclusive domain of real and fictive kin and intimate and life-long friends.

> My home is a very special place. I do not want to be bothered by anyone there . . . it is for my family, my compadres. I do not enjoy having people come here to see me. If

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> they want to see me . . . if they have some business with me . . . I spend enough time in my office and I am available for whatever they might want during those hours. Not for dinner, not for lunch. My home is for myself, my family, my children . . . not for strangers . . . strangers, people I don't know but other persons . . . business people.

Ongoing kin ties include the nuclear and extended family up to siblings and their immediate family. As the nuclear family emerged as an independent economic unit, the scope of the interacting family has become more restricted. During the period of the family firm, it was not uncommon for siblings to live in adjacent houses or to occupy separate apartments in a single dwelling. Summers and vacation periods were spent together on family properties. Nowadays, contact with those outside the nuclear family is less extensive. Although siblings visit frequently, they rarely vacation together and prefer to rotate access to jointly held properties. The intensity of contact among siblings has clearly diminished in the past ten years.

The scope of the larger kin network is even more attenuated. While knowledgeable of the whereabouts and activities of many relatives, contact is episodic and peripheral. In contrast, my informants often described their grandparents and sometimes their parents as

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"godfather" figures.

> My father was a special kind of man. He had many friends and we come from a large family. He felt an obligation to them. He felt he had to aid them . . . sometimes he lent them money, helped them to find a job. There were people always asking favors from him . . . My mother, I think she resented it at times but she had to understand that he was that kind of person . . . a special person . . . Did you see the movie "The Godfather" . . . well . . . he was like that. Of course, there wasn't any violence or murder but he was a man who provided for others . . . others less fortunate than him . . . a special kind of man.

Informants reported that large gatherings of kinsmen occurred regularly during the summer months while families vacationed on farms or at vacation homes in Pucón or Villarrica. Today the gathering of clans is a rare event and I encountered only two instances of family reunions having taken place in the last ten years.

Extended family ties that once provided the basis for marriage and business relationships no longer operate. Among the firms from which I collected information, only one involved distantly related kinsmen. Moreover, extended family ties do not appear to be used even in social situations. For example, a recent migrant to Temuco whose extended family had been associated with Cautín's landowning classes for three generations, made no effort to contact any member of her family, even though

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she was anxious to become a part of the community. Similarly, at one community event where several segments of the family were present, no overt sign of recognition was given, even though on other occasions each of the parties admitted knowing the others.

Compadre ties are not developed so as to enlarge the kin network; rather, they reinforce family ties. Among the families I studied, the compadres of my informants were chosen from siblings or spouse's siblings. Other close friends were drawn almost exclusively from the ethnic group. These friendships were often an outgrowth of the school experience and compañeros de curso enjoy a special relation among those born and educated in the province. Before World War II these ties were reinforced by joint participation in the ethnic organizations that structured social life in the city.

The relationships with close friends are long standing, spanning from twenty to sixty years. However, the reciprocal exchanges characteristic of ethnic associates have undergone a change. In the past, economic ties figured heavily in the relationships of members of the ethnic group. The histories of firms are dotted with both long- and short-term partnerships and other cooperative

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efforts among ethnic cohorts. For example, between 1913 and 1968, one family was involved in six separate partnerships, five within the ethnic fold. Although few local businesses are incorporated, among those that are, the governing board is often composed of the ethnic friends and associates of the original owner.

In contrast in the modern context there is a clearly expressed prohibition on utilitarian exchanges among friends.

> I do not like to conduct business with my friends. If I have to help them in some way, or if they need something, I would much rather give them my help. It can develop bad feelings between people . . . Some people do not feel as I do . . . they always are doing business favors for their friends. Of course they always charge . . . I do not consider that the polite . . . the correct way to behave towards your friends.

Unlike the enclave features that characterize relationships with family members and friends, community relationships are extensive and openly displayed. Comerciantes are active participants in the recreational and cultural organizations that dominate the city's associational millieu. Four or five nights each week are spent in meetings or other functions of one of the city's many clubs. The amount of time that must be spent in maintaining these community ties is considerable. For

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this reason the community activities of comerciantes are highly selective. Although they are members of a large number of local organizations, they actually participate in only one or two. For example, among approximately 100 members of La Cámera de Comercio Mayorista, involvement in community groups was found to be widely spread. All were involved in at least one other group, but any specific person was likely to be involved in the Rotary Club, the Lion's Club, one of the many sports clubs, a fire company, a school board or community welfare organization. There was little evidence of patterning, overlap or clustering of membership in other clubs with the exception of the Country Club, the Club Temuco, Centro Español and Club Alemán. These organizations have not served as viable social centers at least from the mid-1960s.

Among several of my informants there has been a consistent participation in a specific organization for a long period--ten, twenty or more years. For example, one person has spent more than forty years on the directorship of the Cámera de Comercio; another, thirty years with the city's orchestra; another, forty years with the volunteer fire company. For these persons, the other focal point of their community life has fluctuated among Lions, Rotary,

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the Ski Club, the Colegio Alemán and other groups.

The social ties developed within community organizations are restricted to the specific situation. Relations are cordial and include elaborate social life--parties, banquets, luncheons and special events. Although these relationships are longstanding, close friendships do not develop. Reciprocal exchanges in such settings center on the flow of information and exclude material or utilitarian elements. Informants emphatically denied that material gain played any part in the relationships formed or in their reasons for community involvement.

> I participate in the Cámera because I believe it is important to do something for the community. My work there keeps me very busy but I believe it is important for all persons to partake in the life of their communities . . . When people first come to the city, I think they join some group, some organization so that they can meet people . . . to become acquainted with city life . . . perhaps to make new friends. I do not get anything from it except that it makes me feel proud to be a member of this community. I have lived here all my life and the city needs its citizens to take their responsibilities. I think many people feel as I do . . . that is why they join.

> Some people are not conscious of their commitment to the city . . . I used to belong to the Advancement Club . . . I stopped attending, four or five years ago. They were not concerned enough . . . they spent all their time telling jokes and doing business. I do not believe that is appropriate . . . we work to serve the community, not each other.

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To allow material considerations to enter into community work violates the social etiquette that surrounds community service. Material elements in social situations are seen as potentially disruptive to ongoing social ties. One local organization suffered a decline in both membership and prestige allegedly because its members were seen as too utilitarian in their interactions.

Apart from these categories of persons, the established comerciante is also brought into contact with a wide range of other persons. As a recognized member of the community, these individuals tend to act as community spokesmen and they regularly provide information and restricted services to many people. My own interactions with these persons were often formal interviews. Information was provided on the history, current policies, procedures of various community, class and ethnic organizations, that is, public relations material.[35]

As an expression of a strategy, involvement in community life operates to maintain a loose commitment to a wide range of activities and persons. The activities of

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[35]It is possible that the network of these persons is open-ended in these peripheral interactions. In my case, several of these individuals later served as key informants and subsequent interactions with them included mutual access to the home.

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these comerciantes are narrow and focused because of the heavy time commitment necessary to maintain social relationships. My informants maintained that they were more actively involved in community life some ten or fifteen years ago, but that current business demands prevented them from doing more. However, through time the sum total of their involvements and the social ties developed in this manner, are extensive. These persons are well known within the city and have earned reputations as community benefactors, that is, they are the city's most solid citizens. Because of their history of club participation, they are kept informed on a wide variety of community events--new faces, new activities and plans. This flows to them without actually participating in the myriad events that make up the city's social life.

The importance of social ties in maintaining a middle-class standard of living cannot be underestimated. For the second subgroup within the commercial middle class, a secure position within the community hinges directly on extensive development of social ties within the city. Corredores or commercial brokers act as intermediaries in the movement of capital and consumer goods in the province. They control no capital in their own right but nonetheless

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are recognized and legitimate businessmen. Although several corredores are salaried and operate under the auspices of local financial institutions such as The Savings and Loan Association of the Frontier (Asociación de Ahorros y Préstamos de la Frontera), the vast majority lack any institutional affiliation. However, they are licensed by the state, pay taxes and operate from offices.

Corredores are subdivided according to sector of the economy and the category of goods they deal with. Corredores de ganadero operate in the rural sector and act as intermediaries in the transfer of large herds of cattle. In the urban center corredores de propriedades handle transfers of undeveloped land, farms and urban real estate. Corredores de comercio handle all other transactions: capital equipment, automobiles, luxury consumer products and any item not readily accessible through regular commercial channels.

Although corredores have operated in Cautín since the 1930s, they were generally few in number and primarily handled the auctioning of livestock and real estate. In 1959 the Asociación de Corredores de Propriedades Autorizados listed nineteen members. Although this organization no longer operates, informants maintained that there has been

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a marked increase in all types of brokers in the last ten years. The local telephone directory lists 48 brokers operating within Temuco in the early 1970s. Corredores de comercio are the most numerous.

The increase in the number of brokers reflects the inability of private and public distribution networks to deliver a steady supply of commodities to a greatly expanded market. As new items are not available, the value of used goods, provided they are in working order, has gone up beyond the rate of inflation. Investment in urban real estate provides a secure hedge against inflation. Thus the corredor performs the important function of organizing savings and investment among the city's middle class as well as the service of distributing consumer goods that reflect standard of living.

The vast majority of brokers have no visible other source of income and derive their livelihood from the commission charged to all participants in the market. This is usually a 2 per cent commission of the purchase price charged to both buyer and seller. A few earn higher commissions through the use of secondary intermediaries who work for them for a salary or a combination of commission and salary.

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The services of the broker are a regular feature of local commerce; indeed, the preferred mode of acquiring and disposing of goods is through a corredor. The task of the corredor is to match the exchanging parties along the lines of price, manner and schedule of payment (cash or check, all at once or in installments). Corredores are free to bargain and to distort aspects of the transaction--the terms of payment, number of interested parties and so forth. For persons unknown to each other, he institutionalizes trust and guarantees that the transaction will be completed in the agreed upon way. Among persons known to each other, by protecting anonymity he prevents the interjection of disruptive elements into ongoing social relations.

The most reputable corredores were born and raised in Temuco. They attended local schools and participate actively in the city's voluntary organizations. The social characteristics of the corredor are not markedly dissimilar from those of the established comerciante; the corredor includes Temuco's most respected entrepreneurs within his circle of friends and associates. Like the comerciante, he guards and separates his circle of family and close friends. Among this group of persons his services are performed as a

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personal favor without monetary compensation. This means that he may sometimes attempt to recoup losses by charging a higher commission to the other party--2-1/2 per cent instead of the usual 2 per cent.

He is an active member of the community but the scope of involvement tends to be less focused than that of the established entrepreneur. He holds membership in a half dozen or more community groups. In that his livelihood is directly dependent on these social ties, all community relations are potentially instrumental. Yet instrumentality is not an overt component of community involvement. The broad community base is not used directly in his business relationships.

Community activities are valuable only in indirect ways. I found that a broker's local reputation did not depend primarily on his ability to find, match and successfully complete transactions. Rather, the "best" corredores were found simply to be the most socially viable; those whose names appeared in a variety of social contexts and who had a long association with the city. Furthermore, the broker does not actively seek buyers and sellers; they are referred to him by mutual friends and acquaintances. Consistent with this is that they rarely

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advertise in the local press and their business offices are almost indistinguishable from adjacent residences.

Their community activities provide valued information on the current quality of people's lives. Interactions within clubs are social events and the information flow often centers on small changes in standard of living--new jobs, new children, trips and other activities of this order. This kind of information aids in ascertaining current marked trends. However, this information flows under the guise of normal sociability and does not appear instrumental. Because the corredor's business reputation depends on his commitment to community life, instrumentality in the club milieu would damage his community reputation and negatively affect his economic activities.

The market in used goods generates a visibly high level of activity in the city. Five out of seven days weekly, the central hub of Temuco is a bustling center of compra-venta. Although most any site in the central core serves as a meeting ground, the focal points of the market are the automobile franchises, the central plaza, and the local confiterías. Here you find clusters of men engaged in animated conversation, particularly in late morning and late afternoon. Although corredores maintain offices,

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most transactions occur in public view.

The success of the broker is a feature of the changed economic and demographic conditions in Cautín after 1960. Because the state's policies restricted access to new goods and inflated the value of used items, competition among comerciantes over the distribution of goods associated with a middle-class standard of living, in part centered on used items. The sale and resale of used consumer and capital goods became a mini-investment and one way to prevent the further loss of capital. However, the influx of professionals and bureaucrats during the 1960s greatly expanded the size of the consumer market. The time and energy required to keep abreast of changes in this expanded market called for some type of intra-group specialization in the organization of the local market. Temuco's corredores, who in the past handled transfers of real estate and livestock, became full-time specialists in the organization of this new form of wealth.

The local used goods market is elaborate and extensive enough to underwrite a characteristic middle-class standard of living for the corredor--a standard of living that does not differ significantly from that of the established comerciante. In this sense the strategies of both corredores and comerciantes are successful. Their

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success contrasts with the third group in Temuco's commercial middle class, persons locally called riflemen (rifleros). Rifleros are unsuccessful primarily because the strategy they use to maintain their position within the commercial middle class is anachronistic. Their activities center on profiting from short-term investments as a means to accumulate capital. While in the past this strategy allowed local entrepreneurs to accumulate wealth, in the present economic and political context these attempts are doomed to failure. Thus, they can be seen as a case par excellence of downward mobility trends within the middle class.

The main arena for the activities of the riflero is the used goods market, and they are by far the most numerous participants in this market. In this they are similar to the corredor but the resemblance is superficial. The activities of the riflero are illegal; they are not licensed, nor do they pay taxes or operate from offices. Moreover, unlike the corredor, there has been no consistent growth pattern and their numbers fluctuate with short-term variations in the regional economy. Thus, in the mid-1960s they were numerous in response to shortages of new imported goods. In the late 1960s their numbers decreased and they

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reappeared during the UP in response to rampant inflation and black marketing. Since the military coup, relatively few have been active in city commerce.

Participation in the used goods market usually requires the control of some capital, though the amount need not be substantial. Even small sums of money can be critical. For example, one riflero began his local career with $300 (U.S.) provided by his wife. This was used to purchase 100 head of cattle which served as collateral for the purchase of a house that he rented. The rent provided cash for the purchase of local Indian handicrafts, sold to relatives in Santiago. The money earned from this was used to purchase construction material that was sold locally, and so on.

Because their control of capital is either minimal or nonexistent, transactions of this sort are risky. With small-scale investments that provide a potential for a fast and substantial return, there is the ever present possibility that capital cannot be converted to cash or vice versa as quickly as needed. Delays in the clearing of a check, and the failure to deliver goods on the appointed day, create chronic anxiety. For example, in one instance, plans were made to sell a small apartment in order to

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purchase a luxury automobile. The car was delivered but the checks given in payment did not clear the local bank due to a bureaucratic delay. Failures of this sort leave individuals open to legal prosecution, although I never encountered a case where this actually happened. More importantly, it can damage a reputation; one is constantly warned about dealing with persons who are not well known and trusted in the community.

The dividends on these transactions are designed to be both economic and social; in either case the riflero is marginally successful. It is difficult to maintain a satisfactory standard of living through these activities alone. Although a few appear not to have any other source of income, most are employed or engage in small-scale commercial ventures. Some work in the municipal bureaucracy, others are retired on government pensions, others operate cottage industry from their homes, rent a truck to the local government, or are partners in small retail stalls in the market.

The social dividends on these transactions are critical to the riflero's success. To acculate capital, rifleros explicitly seek to establish contacts with persons with capital, gain trust and earn a dividend on social

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reputation. Contacts with many different persons are developed and all ongoing social relationships--family, fictive kin, close and distant friends, and acquaintances--are actually or potentially instrumental. The rules governing interactions with various categories of persons appear to be identical, that is, they occur under the heading of friendship. As one informant remarked, "They charge a 2 per cent commission, even to their mothers." The instrumentality of all social ties appears in their apathetic position as to community involvement. None expressed any interest in joining a club or other organization and even if they were involved at some point, they no longer are. Because they are immediately dependent on social ties for their standard of living, they cannot afford to develop ties that do not provide an immediate return on their investment. Since material considerations are not permitted within the confines of the club, the riflero derives no benefit from community participation.

The behavior of rifleros is designed to make them visible and well known in the city's commercial circles. Much of their time is spent walking around the downtown area where they stop to greet scores of people. Conversations are usually brief--quick exchanges of information,

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jokes often of a sexual nature. Exchanges between rifleros are marked by a certain bravado--a competitiveness in the telling of jokes and tales of the sexual and other misbehavior on the city's citizens. They readily provide information on innumerable persons in the community--social standing, sources of wealth, family histories. Yet the information provided was often found to be superficial and erroneous. This suggests that they are not as well connected as they pretend to be. Generally, the social component of the riflero that so clearly distinguishes him from other members of the commercial middle class does little to win the respect of other members of the community.

From the perspective of the established comerciante, the riflero is both undesirable and understandable; he is consequently tolerated. However, hostility toward them appears in the terms used to describe their activities. They are the city's opportunists (opportunistas), those who are committed to compra-venta. The term riflero has a negative connotation; rifleros refuse to recognize it as being commonly used and refer to themselves as corredores. Although the control of riflero activities would give corredores a monopoly over the used goods markets, efforts to control their activities through legalistic means have

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not been vigorous on the part of other comerciantes. The passive acceptance established merchants show toward rifleros reflects that fact that rifleros do not pose a serious competitive threat to the established commercial middle class.

Rifleros are clearly in a competitively disadvantaged position. It is rare for a riflero to be regarded as a trusted intermediary outside a small circle of persons. This is partly a reflection of their social origins. Of the twelve rifleros I maintained contact with, six were from outside Cautín. They had worked at a variety of occupations and often came to Temuco because of a promise of a job that failed to materialize, because their families were originally from the south, or simply because they had a few friends who lived in the province. In any case, they lacked the critical social networks that characterize the established comerciante and the corredor. Moreover, the strategy they used to maintain their position makes it difficult to set up these social ties.

Among those born in Cautín, four were the first-born sons of medium-size landowners. Within their families they were unusual as their siblings have been trained for professional or technocratic positions. Their failure to

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exercise this option may be idiosyncratic or it may be related to birth order. They often see themselves as following parental footsteps, particularly if the parent has had moderate local success. While recognizing that the possibility of inheriting property is unlikely, they do see the possibility of inheriting a local reputation. The following is an excerpt from a discussion I had with the wife of a young riflero:

> My father-in-law is a fine person. I have a great deal of respect for him and he has always treated me very well. My mother-in-law is also very nice . . . she is very formal though . . . it is hard to be her friend. I think she was disappointed because Ricardo decided to work instead of going on to the university. Then he married me . . . and now it would be very difficult for him to go to school . . . besides he loves the fundo. He would much rather ride his horse than study. His mother told me that he was always like that.
>
> The farm? I don't know what will happen to it . . . my father-in-law is a young man and he has no plans to retire. He enjoys the farm but it is a business for him just like his other businesses . . . the others . . . buying and selling just like Ricardo only he does it much better. Ricardo loves and respects his father very much. He would like to be like him but he is a different kind of person. Don Alvaro [the father-in-law] . . . well everyone knows him . . . everybody. Ricardo would like to be like his father and in some ways he is. Sometimes I wish he wasn't that way. I think it would be easier for him.

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The difficulties of their position are on some level obvious to the riflero. They explicitly recognize that whatever capital can be accumulated through their dealings in used goods should be used to enter more lucrative and stable activities. Yet they are often unclear as to what should be done with the capital.

> I have been thinking about cars . . . you earn money when you sell cars . . . You know Mario, he just sold a 1965 Ford and he earned over 500,000 escudos on just that one . . . An automobile franchise . . . that is a good business nowadays. A friend of my father, he is interested in buying land . . . the fundo across the road from my father's fundo. He needs a partner . . . it's a great deal of money. I do not have that much now . . . but soon. I will have to discuss with my father . . . I think he may be interested in buying a share.

Overall, the behavior of the riflero appears as a parody of what once was possible but no longer is. In this sense it is interesting to note that the terms used to describe rifleros are similar to those used by informants to characterize the Spanish entrepreneurs of an earlier era. Clearly, under present economic and political conditions, any attempt to accumulate wealth through local commercial transactions is impossible. Indeed, such activities barely allow individuals to maintain a middle-class standard of living.

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The state's increasingly pervasive role in regional commercial development has left the commercial middle class with little room for independent economic or social maneuvering. Even the most well-situated members of the local commercial community have been placed in an extremely vulnerable position. Moreover, the specific shifts in government policy under the political regimes of the past fifteen years have had variable effects on the local commercial classes. Attempts by comerciantes to deal with the expansion of state power have centered on two organizations, La Cámera de Comercio Mayorista and, to a lesser degree, La Cámera de Comercio Minorista.[36]

Membership in both organizations was fairly constant through much of the 1950s. For example, in 1956 there were 95 members of the Cámera Mayorista and 95 members of the Cámera Minorista. Active members of the former numbered about 25; in the latter, 10 or less. The Cámera Mayorista continued its role of the earlier period as spokesman for local comerciantes in their dealings with the central government. The Actas y Memorias de la Cámera Mayorista de Temuco reveal that a major theme during the 1960s was

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[36]The original Cámera de Comercio de Temuco split into two organizations, the Cámera Mayorista and the Cámera Minorista, sometime between 1935 and 1940.

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inadequate credit facilities being given local commerce by the state. Objections centered on the exclusive hold the Banco del Estado exercised over regional credit. Specifically, the Cámera objected to the state's failure to underwrite the lending power of the city's other banking institutions. They also charged that discriminatory policies inhibited private capital from investing in the development of industry in Cautín.

However, the attitude expressed by the Cámera toward increases in state power appears neither consistent nor ideologically motivated. Frequently espousing a brand of laissez-faire capitalism, they also regarded the state as the legitimate guardian and regulator of the economy. This appeared in statements demanding that the state be the major source of credit since private sources could or would not provide such facilities. While they often objected to specific price and marketing policies, they did not object to the overall regulation of the economy in these spheres. They also demanded protection from competition and encroachment from illegal or quasi-legal commercial groups operating in the city. They reacted strongly to their exclusion from the 1966 meeting that led to the establishment of the regional office of CORFO. They

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actively cooperated with the government in enforcing licensing of local comerciantes, cooperated in establishing legal business hours, and participated in a host of government development programs that began to appear in the province during the 1960s.

In particular, the policies of both the Christian Democrats and those of the UP coalition were seen as threatening to local commerce. Local response to the new policies led to an upsurge in organizational activity. Beginning in 1967, the Cámera Mayorista made a concerted effort to mobilize minorista segments of city commerce. From 1968 on, a representative of the minorista comerciantes was included as a full voting member of the Cámera's governing board. Efforts were also made to strengthen ties with cámeras in other provincial towns as well as similar organizations in other parts of southern Chile. Opposition to the policies of the Christian Democrats took the form of the "campaign for the defense of private property" begun in 1968. Membership in the Cámera increased from 100 to over 250 members between 1968 and 1970, although it remained under the control of the previous leadership and active membership.

During the period of the UP, the Cámera was one of

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the major focal points of organized opposition to the government. By late 1971, active membership had expanded to include between seventy and eighty persons and the directorship was enlarged to accommodate the influx. The intensified regulation of local commerce evoked sharp opposition within the commercial community. Since CORFO and DIRINCO controlled the flow of almost all commodities to the area, much of the formal opposition was directed at these agencies. According to Cámera records, government officials were overtly discriminatory towards members of the political opposition. Access to supplies was reportedly dependent not only on knowing when such supplies were to be received, but also on personal ties to local bureaucrats. Government inspectors visited local merchants, checking inventory in an attempt to regulate black market operations. The experiments with various direct distribution systems for foodstuffs had their biggest impact among minoristas and may explain why this normally inactive group was so strident in its opposition.

Cautín's merchants were early and vocal supporters of all other organized opposition to the UP government both within Cautín and in other parts of Chile. Money was collected and sent to other parts of the country, and two

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of my informants admitted that they supplied the arms for the local Patria y Libertad. Local support for both the first and second strike of comerciantes was almost total. In both strikes, local opposition began earlier and was more effective in Temuco than elsewhere in Chile. During the second strike only two firms were open. These were branches of national corporations under direct orders from their parent companies, and they operated with shades half drawn, locked doors, and admitted few patrons. Even the one or two firms supportive of the UP were forced to close under extreme pressure from the organized commercial community. The strident reaction of Temuco's commercial classes can be interpreted as a response to threats of further marginalization and loss of control over local resources.

As a unit the Cámera was overwhelmingly supportive of the military coup and the organization apparently had maintained close ties with local military officials. Within hours of the coup, the Cámera met in formal session at its downtown headquarters. At this meeting they pledged their support for the new government and promised to act in concert with the new government in restoring the viability of local commerce. Through the end of the field work, the

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official position of the Cámera did not change from this stance.

The policies of the junta have had a variable effect on regional commerce. Regulation of commercial life has been tightened. Extra-legal activities and black marketeering were severely curtailed. Several local companies were assigned military interventors for their alleged inefficiency. The freeing of import restrictions provided local comerciantes with goods to sell. However, the dramatic upward movement of prices provoked a noted contraction of the local market. Local conditions were not good simply because many people could not afford to buy.

While I found my informants cautiously optimistic, other developments suggest that this optimism over the chances for improved local conditions will prove inappropriate and unfounded. The junta has adopted a policy of actively encouraging large multinational corporations to establish distribution outlets in Cautín. Small distributors are seen as less efficient. Additionally, the local market on which these comerciantes depended has undergone change. The vast majority of Temuco's consuming class is composed of professional and bureaucratic middle-class persons. The future of these groups in Cautín

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appeared to be very much in doubt. It is to these groups that we now turn our attention.

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CHAPTER IV

PROFESSIONALISM AND STATE POWER

The subject of this chapter is the professional and bureaucratic segments of Temuco's middle class. Beginning in the 1960s, the state's increased control of the regional economy led to the establishment of offices of the national bureaucracy in Cautín. The growth of this provincial bureaucracy provided an alternative to employment in Santiago, where the national bureaucracy had become saturated with the increased size of a middle class produced by the contraction and concentration of other sectors of the economy. Temuco's professionals and bureaucrats chose to work in the provincial bureaucracy rather than face the intense competition for more important and more desirable posts in the capital. This choice was dictated by their lack of control of resources necessary to effectively compete for such posts. These individuals were found to be marginal members of the national middle class. Temuco represented the last chance to halt the trajectory of downward mobility by at least allowing them

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to maintain a middle-class standard of living. The application of cost accounting principles to the regional bureaucracy under the military government has further undermined the already vulnerable position of this middle class. It is doubtful that most of Temuco's middle class can prevent their further economic and social decline.

Expansion of State Power and the Growth of a Professional-Bureaucratic Middle Class

In the decade 1960-1970, the changes in the regional economy produced a shift in the composition of the provincial work force. A new pattern was the gross and proportional increase in middle-class occupational groups coupled to an overall decline in the size of the provincial work force. In 1960, middle-class occupations made up 11.9 per cent of the work force; in 1970, they comprised 16.3 per cent. Moreover, the strength of the city's middle class increasingly resided in professionals and bureaucrats. In 1960 these groups outnumbered entrepreneurs three to two; by 1970 the proportion had increased to three to one. The growth of professional and bureaucratic career slots was dramatic--46.0 and 42.1 per cent, respectively, compared to the 8.1 per cent growth among entrepreneurs (see Figure 13).

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Figure 13. Middle-class occupational categories in 1960 and 1970.

Occupation	1960	1970	Per cent Growth
Professionals	3,713	5,423	+46.0
Bureaucrats	4,804	6,825	+42.1
Entrepreneurs	5,820	6,290	+ 8.1
Work Force	119,990	113,562	- 5.4
Provincial Population	394,654	422,810	+ 7.1

Source: Censo de Población XII 1960; Censo de Población XIV 1970. Instituto Nacional de Estadísticas, República de Chile. Santiago de Chile.

The growth of the professional-bureaucratic middle class was a function of the expansion of state power that occurred in the nationalist-development period. From the late 1950s on, the stagnation of the economy provoked the state to extend its management role to include regional economies. CORFO set up administrative units that were charged with regionalizing the country's economic plans (Weaver, 1968).[1] This regionalization program was an aspect of the penetration of the national economy by multinational

[1]After 1960 the Comités Provinciales de Desarrollo (The Provincial Development Committees) were assigned the task of regionalizing the country's economic plan. In 1964 the Oficina de Planificación Nacional (ODEPLAN) created the small but dynamic Oficina de Planificación Regional (ORPLAN) (Weaver, 1968).

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corporations and the reorientation of the economy toward the production of consumer durables. The incorporation of local commerce into national distributive networks and the diversification of the regional economy discussed in Chapter II, provoked changes both in the kinds of local units and their internal organization. These changes, that were aimed at integrating Cautín's economy with the modern national economy, created an increased demand for professional and technical personnel.

Figure 14 provides a breakdown of middle-class occupational types for each sector of the regional economy. Between 1960 and 1970, all sectors experienced an increased demand for professional and bureaucratic personnel. Even the increased demand in the private sector indirectly reflected government policies. For example, after 1958, private cooperatives enjoyed the favorable import rates and tax structures extended to public and semi-public institutions (Dunyon, 1972). These measures stimulated the growth of regional cooperatives which employ a variety of professionals, e.g., agronomists, engineers, veterinarians, and office personnel. Similarly, the modernization of the province's restricted industry, the growth of urban services, transport and utilities increased the demand for

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Figure 14. Middle-class occupational groups by economic sector, 1960 and 1970.

	Professions-Technical			Administrators-Managers			Office Employees		
	1960	1970	per cent growth	1960	1970	per cent growth	1960	1970	per cent growth
Agriculture	58	232	+300	54	41	- 4	109	329	+201
Industry	34	62	+ 82	383	274	- 28	267	315	+ 18
Utilities	14	17	+ 9	9	4	*	53	85	+ 60
Construction	81	139	+ 88	88	56	- 36	64	173	+170
Commerce	41	62	+ 51	267	535	+100	879	706	- 21
Transport	10	17	+ 70	93	84	+ 11	691	901	+ 30
Banking	*	111	--	*	7	--	*	733	--
Services	3455	4620	+ 34	400	183	- 54	1031	1506	+ 46
Mining	6	2	*	3	1	*	5	10	+ 50
Total	3713	5423		1338	1283		3466	5542	

*Figures unavailable or too small to compute.

Source: XIII Censo de Población 1900: XIV Censo de Población 1970. Instituto Nacional de Estadísticas. República de Chile. Santiago de Chile.

professionals and office workers.

The urbanization of regional life contributed to the changed character of the regional occupational structure. Figure 15 provides a breakdown of employer, employee and self-employed persons for the various sectors of the economy. Notable increases have occurred in the employer category in areas reflecting urban growth, utilities, construction, and transport. The increase in agricultural employers may reflect the growth of medium-size commercial farms. The expansion of commercial employers indicates the growth of medium-sized commercial units that emerged with the development of the franchise system.

Despite the increase in the number of employers in Cautín between 1960 and 1970, the vast majority of the professional-bureaucratic middle class are salaried employees. In 1960, 91.2 per cent of all professionals and 91.6 per cent of all bureaucrats are classed as empleados, non-manual salaried workers as opposed to employers, self-employed or workers. In 1970, professional and bureaucratic empleados constituted 78.2 and 86.2 per cent, respectively, of their occupational categories (see Figure 16).[2]

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[2]While in no way detracting from the fundamental salaried character of these sectors of the middle class,

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Figure 15. Occupational types and economic sector, 1960 and 1970.

	Employer			Employee			Self-employed		
	1960	1970	per cent growth	1960	1970	per cent growth	1960	1970	per cent growth
Agriculture	729	1378	+ 89	1,344	1,588	+ 18	29,196	27,254	- 6
Industry	233	231	*	1,169	1,132	- 3	4,467	3,153	- 29
Utilities	2	1	*	141	182	+ 29	2	3	*
Construction	13	47	+262	247	602	+144	346	643	+ 85
Commerce	121	528	+336	2,021	2,423	+ 20	4,895	4,470	+ 9
Transport	13	109	+738	1,487	2,004	+ 35	617	624	+ 1
Banking	**1	32	--	**431	690	+ 60	**6	147	+ 24
Services	61	189	+210	6,519	7,905	+221	1,234	2,208	+ 79
Mining	0	1	*	7	20	+186	16	28	+ 75
Total	1205	2692		13,291	17,800		40,853	40,097	

*Figures unavailable or too small to compute.
**Figures for 1960 are reconstructions from subcategories. Banking not listed separately in 1960.

Source: XIII Censo de Población 1960: XIV Censo de Población 1970. Instituto Nacional de Estadísticas. Santiago de Chile.

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Figure 16. Middle-class occupational groups according to occupational type, 1960 and 1970.

		Employees		Employers		Self-employed		Others		Unknown	
		1960	1970	1960	1970	1960	1970	1960	1970	1960	1970
Professional	Numbers	3387	4242	25	118	269	354	21	93	11	616
	Per cent	91.2	78.3	.7	2.2	7.2	6.5	.6	.2	.2	11.4
Office workers	Numbers	3177	4774	4	56	93	174	178	253	14	285
	Per cent	91.6	86.4	.1	.1	2.7	3.1	5.1	4.6	.4	5.2
Administrators-Managers	Numbers	316	217	414	535	586	467	18	15	4	39
	Per cent	23.6	17.7	30.9	41.7	43.8	36.2	.1	.1	.3	3.0

	Totals	
	1960	1970
Professionals	3713	5523
Office workers	3466	5523
Administrative	1138	1283

Source: XIII Censo de Población 1960; XIV Censo de Población 1970. Instituto Nacional de Estadísticas. Santiago de Chile.

While the state increased its power vis-a-vis the private sector nationally from 1930 on, it was not until the economic stagnation of the 1950s that the national government became explicitly concerned with the development of the provinces. The erosion of the political compromise that characterized the nationalist-development model and the bid by political groups for the electoral support of newly-enfranchised peasants and workers, provoked the development of state policies aimed at improving services to Chile's masses. Many of the new constituents lived in Chile's provinces. While ideologically aimed at the masses, in fact, the marked improvements in provincial education, health and housing facilities since the early 1960s benefited the middle class.

Improved services led to a new demand for

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declines in the salaried personnel are peculiar. However, the census data are misleading. The 1960 census lists only .2 and .4 per cent as "unknown" compared to 11.4 and 5.2 per cent in 1970. However, in 1970 the "unknown" category included not only non-respondents, but also those persons whose income source made it difficult to place them in one of the other types. This in turn reflects the development of a category of part-time employees prevalent within certain professions--medicine, dentistry, veterinary medicine, and law. Moreover, numbers alone do not reveal how the expansion of state power has come to define the regional opportunity structure and consequently the lives of the city's middle class.

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middle-class occupational types outside the Santiago area. From the 1960s on, the bureaucracy characteristic of the national-development model began its expansion into the provinces. In Temuco this expansion was most evident in social welfare services and agriculture and operated to skew regional employment patterns in these directions. Moreover, the specific features of the local employment structure can be linked to both organizational and ideological inputs of the various political regimes that have dominated national politics since the early 1960s.

A major thrust of state action was social welfare--i.e., education, health and housing. Under the Christian Democratic government (1964-1970), public policy stressed modernization and efficiency. This policy included the development of a technologically sophisticated and efficient educational system.[3] Policies implemented expanded primary and secondary school facilities to meet the needs of an increasingly younger population. In Cautín province in 1960, 75,505 students were enrolled in these facilities; by 1970 there were nearly 114,000 primary and secondary school

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[3]The new policy was both a question of quantity--more schools--and of restructuring internal priorities. The new priorities stressed literacy for the masses, but also research facilities geared to gather information for policy decisions.

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students.

The real intent of educational reform was obvious under the Christian Democrats. The major thrust of state policy was neither primary nor secondary schools but rather the university system. This new priority clearly was designed to accommodate the middle class. In 1964, expenditures for higher education accounted for 12.6 per cent of the national budget; in 1968, higher education received 16.1 per cent (Morris, 1973: 229). Increased expenditures produced increased enrollments. The university population grew from 1 student for every 341 inhabitants to 1 for every 157 between 1964 and 1968 (Morris, 1973: 230).

The educational reform movement included the decentralization of the university system. In the mid-1960s higher education facilities were established throughout Chile. Thus, while in 1957, 90 per cent of all university students were in institutions in Santiago-Valparaíso, in 1967 two-thirds were in the provinces (Morris, 1973: 229). A related emphasis was that of shifting students from the traditional fields of law, medicine and philosophy to the more vital areas of science and education. Eighty per cent of all new university positions were in these areas and the

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new regional university centers were selected as the focal points for the shifting enrollments.

In Cautín, these policies established the regional branches of the Universidad Técnica, Católica and de Chile in the early 1960s. This led to an enormous expansion of the university population: from 229 students in 1960 to 3,318 in 1970. Career training offered at the regional branches (sedes) were exclusively in the new fields. For example, at the Universidad de Chile, the largest local institution with over 2,000 students, over half were enrolled in educational training programs; the remainder studied (in order of decreasing popularity): health services (nurse, midwife and nutritionist), social services (social worker, home economist), agricultural technicians, public administration, and drafting. At the Universidad Técnica, with 1,021 students, degrees are offered only in technical fields--(in order of decreasing popularity) construction, mechanics, and accounting. Graduates receive technical degrees; these degrees do not confer professional status to recipients. To become a professional engineer or accountant, two additional years of study are required at a major center in a major city. At the Universidad Católica (500+ students), all careers

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are in the education training fields with the exception of a small department of anthropology.

The proliferation of technical and educational programs has made Temuco "a city of technicians" (una ciudad de los técnicos) as informants call it. However, graduates frequently cannot find jobs in Temuco. Because there is little industry or large-scale commercial units, there is little demand for technicians. Outside Cautín, technicians face intense competition for appropriate positions that are scarce in an economy dominated by capital intensive industry. The only fields where there is a consistent local demand are accounting and teaching. All local government offices employ one or more bookkeepers (contadores).[4] In the last decade, education has become a major business in Temuco, one that employs major segments of the city's middle class. In 1960 there were 2,373 teachers and professors of higher education. Although comparative figures were not available for 1970, there is little reason to assume that the teaching professions

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[4]Contadores are responsible for daily bookkeeping procedures, but their work is supervised by a contador-auditor, who has completed a five-year professional course in law, business administration and accounting. All local government offices bring in these professionals from central administrative offices three or four times yearly.

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have not at least maintained their respective position within the city's middle class. Among the hundred families I studied, 35 persons were employed by the university centers.

The growth of provincial educational facilities has provided new opportunities for professional careers in the provinces. Such careers were increasingly difficult to obtain in Santiago, which had a surplus of professionals. Additionally, the educational requirements for provincial posts are generally lower than those required for equivalent positions in Santiago. For example, local university positions do not require advanced degrees; professors with such degrees are the exception rather than the rule. The majority of persons in the educational fields are state employees. Even teachers employed in private facilities, such as the Universidad Católica or in a private colegio, also commonly hold part-time positions in a local public school.[5] Apart from supplementing their incomes, these positions allow these persons to be included under the elaborate social security system provided state employees. This system provides extensive medical coverage, disability

[5]The Universidad Católica was incorporated into the state educational system under the military junta.

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benefits, retirement and life insurance.

As in the case of education, the field of medicine is also controlled by government. In 1952 the Chilean Congress enacted legislation establishing a national health service, El Servicio Nacional de Salud (SNS). Three types of health facilities were established by this legislation. Class "A" facilities are located in major urban centers and provide health care to urban populations. Since they also serve as training centers for medical specialization, they are manned by persons receiving advanced training as well as by senior medical personnel. Class "B" and Class "C" facilities are located in provincial towns and villages and are staffed by recent medical school graduates.

All persons working in these facilities are salaried SNS employees. By 1970, 90 per cent of all physicians in Chile were employed by the SNS on a full- or part-time basis (Modell and Wartzkin, 1974-1975: 7). In Temuco in 1960, 56 of the 72 medical and dental specialists were state employees. In 1973 the city's 120 medical physicians were all employed by the SNS on a full- or part-time basis.

The connection between the SNS and the medical profession is related to the structure of professional

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training in Chile. Specialized training is only available at SNS Class "A" facilities. Individuals training in these institutions are full-time SNS employees. Furthermore, access to specialization programs often requires prior service in SNS Class "A" or Class "C" facilities. Before 1964, medical school graduates went directly to Class "A" hospitals in major urban centers. However, under the Christian Democratic government, exemptions from provincial service became harder to obtain and under the UP these were virtually non-existent. This restructuring was a major factor in the influx of medical personnel to Cautín since the 1960s. In 1970, Temuco's municipal hospital was elevated to Class "A" standing, allowing younger physicians to specialize in Cautín. Consequently, younger physicians often spend as much as eight years in Temuco before they can return to Santiago.

Once established in Temuco, many doctors choose to remain in Temuco. Recent graduates of the specialization program often work for the SNS on a full-time basis. Salaries for Temuco's SNS medical personnel are on a par with those offered in Santiago. Among older physicians, employment with the SNS is usually on a part-time basis. Mornings are spent at the local hospital; afternoons and

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evenings are devoted to private practice. A major advantage of this arrangement is the social security coverage given public employees.

Furthermore, a commitment to public health service was a theme in the political ideology of many physicians. While statements supporting the state's responsibility for public health were strongest among physicians who identified with the left, this commitment was found among physicians of various political persuasions. The strength of this commitment is reflected in the frequency with which senior medical personnel volunteer for night duty at the hospital. Although this service is not mandatory, all but one or two of the oldest doctors regularly serve one or two nights weekly. Local doctors negatively evaluate those who live off their private practices alone.

> There are no doctors in Temuco who work only for themselves . . . all and I mean all work at the hospital at least part of the time. There are only a few who do not serve their night turns. I do not work at night because of the money but because I feel it is my obligation, my responsibility . . . it is a moral commitment . . . You think it is strange to think like that . . . in the United States all doctors are very rich . . . that is not true in Chile. We earn adequate salaries but there are very few here in Temuco who are rich . . . maybe in Santiago but not in Temuco. In Santiago you have doctors who work only for themselves . . . they live off their private practices . . . they are nothing more than comerciantes . . . no different.

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This shared perspective may be a reflection of the common experiences of Temuco's physicians. Many reached maturity, attended the university and were incorporated into the labor force during or shortly after the beginning of the reforms in the nationalist-development model (cf. Zeitlin, 1968).

Although salaries constitute a significant portion of their income, the total income for senior medical personnel does not depend on salaries alone. Private practices are lucrative and make a major contribution to income. An advantage to provincial life is its less competitive atmosphere. As one informant explained it to me:

> Temuco is a good place for a young doctor like myself. I earn a good salary at the hospital . . . the same as I would receive in Santiago or Concepción but here I have more time . . . my private practice is important to me both professionally and for financial reasons. I could live off my income from it. In Santiago it would be . . . impossible to do that now. It takes years and years to set up a practice that provides a good source of income. Only older physicians . . . sixty years or older could expect to do that in Santiago . . . there are many more doctors there and less people who have the money to pay for private medical care.

Success, in terms of a high income level that provides for a high standard of middle-class living, can be achieved at a relatively young age in Temuco. Locally successful

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physicians are young, usually between 35 and 40. An analogous position is not achieved in Santiago until the late forties and early fifties, if ever.

The success of private practice is also an indirect reflection of the state policy. With the expansion of bureaucratic structures since the mid-1960s, the size of the city's middle class has been sufficient to support private health care. This, in effect, creates clients for the medical profession. Three private clinics provide all health care for major segments of government employees, commercial and landowning groups in the province. In 1970 the largest expenditures for health care were for private treatment. For example, costs averaged $100 per capita for the 8 per cent of the population covered by private services compared to the $30 per capita for the 70 per cent of the population covered by SNS (Modell and Wartzkin, 1974-1975: 20).

Since 1967 the state has come to indirectly bear a major share of private health care. In 1967 under the Frei administration, a voluntary program, similar to the Blue Cross-Blue Shield program in the United States, was established for all public employees. The Servicio Médico de Empleados (SERMENA) provides public subsidies for fees

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for private medical service. Separate plans cover railroad employees and workers, and members of the military. These programs provide on an average $50 per capita for 22 per cent of the population. Under these programs, individuals are free to select private doctors and are reimbursed for costs incurred (Modell and Wartzkin, 1974-1975: 20). The outcome has been to direct public funds to the private medical sector and to underwrite the income of medical personnel.

Under the Christian Democrats, private medical facilities were extensively subsidized. Preventive medicine was included in the new program. Significantly, many of Cautín's doctors date the inception of their private practices to this period. Under the UP government, an attempt was made to integrate health services under one program with a single administrative agency so as to provide the same quality of health care to all Chileans. This meant cutbacks in SERMENA as public funds were funneled into other programs, and consequently made private practice less lucrative. This, in turn, forced physicians to work more for the SNS so as to maintain their standard of living.

Government health programs employ a host of other professional and technical personnel and bureaucrats. The

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vast majority of SNS employees are non-medical personnel. For example, in 1967, of the entire SNS staff, slightly over 6,000 were medical professionals and over 40,000 other employees (Modell and Wartzkin, 1974-1975: 31). Moreover, the specific organizational forms and policies of the SNS create other middle-class jobs outside the state's institutional complex. For example, in Chile, medical professionals perform only diagnostic services. Injections, lab services are performed by support personnel. Although the SNS provides these services in hospitals, for groups covered by private health care these services can be obtained only through private laboratories. Such facilities have become numerous in the city in the past decade and provide alternatives to government employment for health technicians. Thus, for census purposes, specific technical and professional groups may show an increase in the number of employers or self-employed, although they are no less a reflection of the growth of the governmental infrastructure.

Ideological inputs from state agencies have also affected regional employment patterns. Since the late 1960s the SNS has encouraged preventive medicine--immunization against diseases for children, prenatal care

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and dietary programs. In theory aimed at the masses, the strongest impact has been on the middle class because only the middle class can financially afford to be concerned about preventive medicine. For example, middle-class women regularly engage the services of a university-trained midwife in addition to an obstetrician as part of their prenatal care. Local pharmacies are filled with middle-class clientele buying anything from vitamins to gama globulin. The city's largest pharmacies now regularly employ one or more chemical technicians.

The state's impact on the regional economy skews the regional middle-class opportunity structure in certain directions. The state's impact is not confined to the public sector but also affects the private sector. The impact on the private sector reflects both ideological and organizational features of the government bureaucracy. For example, privately-owned dental clinics have increased in the past ten years. Although government propaganda promotes a concern for oral health, the dental systems under SNS auspices are ill-developed. The success of private dental facilities in Temuco is related to the fact that all social classes use private dental facilities--the middle class because they can afford these services,

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and the workers and campesinos because they have no choice. Another example of the impact of government policy on the private sector was that La Cámera de Comercio Mayorista established a social service department in 1971. They hired a university-trained social worker to oversee the distribution of welfare benefits to members and their employees. They were also planning on setting up preschool facilities for the young children of employees and members of the commercial community.

The rebound effect is also felt in areas outside of the major areas of state action. Although many of Cautín's architects, engineers and construction technicians are employed by CORVI and other state agencies concerned with improving housing and urban services for the mushrooming poblaciones, there has also been a spurt in the number of private construction and architectural firms. These firms design and build homes for the growing middle class.

The second major thrust of state action in Cautín has been in agriculture. Overall modernizing inputs in agriculture have been highly institutionalized. Under the nationalist-development model, agricultural policy subsidized the standard of living of the urban working and middle

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classes by keeping the prices of essential foods low. However, the undervaluing of domestic production led to increasing stagnation of the agricultural sector and an increasing need to import basic foodstuffs. This in turn contributed to the drain on foreign exchange and the rampant inflation of the late 1950s. The erosion of the political consensus on the model opened the way for reforms in the agricultural sector. As a primarily agricultural area, Cautín was greatly affected by the reforms introduced under the various political regimes from the late 1950s on. These reforms dramatically affected the regional opportunity structure in agriculture by making almost all positions directly dependent on the state.

Under the conservative Alessandri administration (1958-1964), inputs to Cautín were organizational and technological. Measures included liberalization of credit to local landowners and tax reforms designed to stimulate mechanization among large and medium size producers. Credit for the purchase of agricultural machinery was provided by the Alliance for Progress, and tax exemptions were granted for improved productivity. The impact of these measures on the regional employment structure was, however, minimal. The cooperatives, included under the

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tax and credit provisions, provided limited employment for agricultural technicians. The expansion of local banking facilities provided bureaucratic posts.

During the early 1960s, the continued erosion of the political consensus led to the development of a full-fledged agrarian reform movement. In 1962 La Corporación de la Reforma Agraria (CORA) was established.[6] CORA was empowered to expropriate private holdings--holdings exceeding eighty basic irrigated hectares, parcels controlled by absentee landlords and properties grossly underutilized.[7] In 1963, the agrarian reform law was amended, substituting a deferred payment plan for the

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[6]Legal precedent for the reform was mandated by the 1925 constitution. In 1928 the Caja de Colonización Agrícola was created. This agency was empowered to buy land, divide it into smaller units, and sell it at favorable prices to new medium-size landowners. Intended as a largely self-financing venture, chronic inflation and the decline in the real value of its funds left it with insufficient capital to function (Swift, 1971). In Cautín, the Caja (established in 1935) employed ten persons through the beginning part of the 1960s. Its effect on local land tenure was almost non-existent. The Caja administered approximately 20,000 hectares of land that included 177 properties (Picasso, 1956: 110).

[7]Eighty basic irrigated hectares was based on calculations made in the central valley. Thus, in other areas of Chile, the land subject to expropriation could be considerably larger than the eighty hectare limit. Later the criterion for expropriation was lowered to forty basic irrigated hectares.

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previous cash provisions in the expropriation clause.

Under the Christian Democrats (1964-1970), the impact of the land reform program on Chile's land tenure system was limited. Of the 5,036 properties that came under CORA's domain by March 1973, only 30 per cent were expropriated before 1970 (de Vylder, 1974). While the land reform of this period affected Cautín's land tenure little, the impact on the urban economy was significant. The mid-1960s saw the establishment of a host of government offices that controlled and implemented agricultural policy. The diversity of the impact is illustrated by the fact that in 1964, agricultural policy was in the hands of twenty-one different public institutions dependent on five different ministries. By 1968, the regional office of CORA employed nearly 100 persons. Additionally, the other government agencies--ODEPA, IDI, INDAP and CORFO--provided employment for middle-class professionals and bureaucrats.

The primacy of the institutional complex charged with administering the land reform program was an expression of the fundamental political character of the reform movement. Many of the efforts of the Christian Democrats were aimed at the development of an administrative and

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patronage system from the state to the newly-enfranchised constituency. This was designed to avoid political instability and operated through the land reform agencies. The CD government relied on the asentamiento system as a permanent form of administrative domain in an effort to control inputs to the agricultural sector (Lehman, 1971).[8] Because of the political character of the land reform movement it is not surprising that the administrative costs of the program constituted some 20 per cent of the total cash outlay--approximately equal to the payments to former owners of the expropriated properties (de Vylder, 1974). Clearly, the success of the program hinged on the efficiency of those persons charged with funneling state patronage to the awakening masses.

What radically distinguished the UP land reform program from its predecessors was its greater concern with implementation. This can also be seen as part of a political strategy--eradicating the material bases of rural conservatism and thus expanding the political base for the UP (de Vylder, 1974). The effect on Cautín's land tenure

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[8]The asentamiento system was originally conceived of as a temporary arrangement, a transition to full campesino control of the properties. In fact, it became a permanent arrangement (de Vylder, 1974; Lehmann, 1971).

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of the UP program was dramatic. Between 1965 and June 1973, a total of 409 properties were expropriated, encompassing nearly 330,000 hectares of land and affecting nearly 3,000 persons. Of the total, only 82 were expropriated under the CD government, the remainder under the UP. However, the relationship between the new holdings and the state administrative complex remained similar to that of the CD administration. The cornerstone was the asentamiento, a system of managing the estates by CORA and a committee elected by the campesinos who lived on the estate.[9] In addition to the breakup of the latifundia, the UP called for the transference of all agricultural supply, marketing and processing monopolies to the state. Together with the nationalization of all commercial banks and private credit institutions, this guaranteed more or less direct state control of all major commercial and financial transactions to the agrarian sector (de Vylder, 1974).

The ascendency to power of the UP produced in Cautín a rapid and dramatic expansion of state power. This appeared in a second spurt in the size of the

[9]Except for the state farms, the other forms of management differed only in minor details from the asentamiento (de Vylder, 1974).

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agribureaucracy in the first years of the 1970s. As part of the electoral compromise that allowed Allende to assume the presidency, the bureaucratic structures then existing were to remain intact. The new government was allowed to replace top-level personnel only. However, in Cautín, the UP circumvented this problem by hiring additional personnel--individuals presumably sympathetic to the government. By 1973, CORA employed approximately 300 persons. New professional, technocratic and bureaucratic posts appeared in other agencies of the regional agri-bureaucracy as well as on the new rural holdings.

Organizational changes under the CD and UP governments produced both an enormous expansion of the local institutions and a rapid expansion of careers related to the agricultural sector. Because of the political character of the agrarian reform and the danger of political instability arising from the reform, the state's control of modernizing inputs was pervasive. Inputs were controlled by and funneled through the state's administrative arm, the land reform agencies. Consequently, there was little of the rebound or spill-over effect into the private sector that characterized the state's social welfare inputs. There was little demand for agricultural support personnel

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outside of the state's domain in an unmechanized private sector.

The expansion of the state bureaucracy in Cautín differs from the expansion that occurred earlier in Santiago. Chile exhibits one of the highest degrees of centralization in its major economic and political institutions of all Latin American countries. The commonplace awareness of this appears in such statements as "Santiago is Chile" or "there are two Chiles . . . Santiago and the rest of the country." Data on geographic and social origins of Temuco's middle class suggest that a major reason for the state's expansion into provincial areas was that there was little room for further expansion of the middle class in Santiago. The state's primary institutional apparatus had become saturated and the continued need to expand the middle class, the national consumer class, led to the establishment of the provincial bureaucracy. However, the extreme centralization of power meant that the provincial bureaucratic complex consisted of second level administrative units and the expansion in Cautín created a marginal or second rate middle class.

Recruits to the local bureaucracy and related organizations are drawn from persons both native to Cautín

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and from other areas in Chile. Among the 100 families I studied, approximately half were native to the zone; the other half were born elsewhere and arrived in Cautín sometime after 1958 but more commonly after 1965. Although provinces immediately adjacent to Cautín contributed the greatest number of migrants, between 1960 and 1970 an increasing proportion have come from Santiago. Figure 17 provides a breakdown by province of birth of migrants to Cautín between 1960 and 1970. While census data on socioeconomic background were not available, studies on internal migration suggest that migrants often come from urban middle-class backgrounds or are skilled workers (cf. Weaver, 1968). The growth of the government bureaucracy has provided employment opportunities for persons of superior educational levels in Cautín. Thus, for example, in four state agencies that employ large numbers of middle-class persons, two were headed by persons from outside Cautín and the second administrative post was held by natives of the zone.

Lower and middle-rung bureaucrats, technical specialists in social service, banking, or primary or secondary schools were found often to be native to Cautín or from one of the immediately adjacent provinces. These

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Figure 17. Province of birth among migrants to Cautín, 1960 and 1970.

Province	1960	1970
Santiago	3,423	6,001
Nuble	4,296	3,362
Concepción	4,029	4,782
Aruaco	3,157	2,325
Bió Bió	4,906	3,931
Malleco	11,923	12,205
Valdivia	7,453	10,177

Source: Censo de Población XIII 1960; Censo de Población XIV 1970. Instituto Nacional de Estadísticas, República de Chile. Santiago de Chile.

persons were attracted to the city initially because of the educational facilities. While aspiring to professional careers, the graduates of technical and educational programs are often forced by marriage and family responsibilities into an early start in a bureaucratic career. A second alternative is to teach their respective specialties in local schools.

Recruits to professional positions, including the staff of the universities and advanced technical posts, come from Santiago, or one of the northern mining districts, as well as from Cautín. For some, the move to Cautín was

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part of a shift of the entire bureaucratic complex from Santiago as was the case for persons connected to the ministry of agriculture. This move brought to Temuco a host of prominent national agricultural experts. Similarly, the location of Chile's best experimental farm in Cautín attracted persons of national prominence to the area. The move to Cautín for medical professionals was an outgrowth of changes previously discussed in the organization of the SNS. Newly-graduated physicians serve as general practitioners in provincial health stations. The medical specialization programs at the municipal hospital under the auspices of the Universidad de Chile has been a drawing card for medical practitioners.

The overall demand for top level managerial and administrative personnel in Cautín is not extensive. Consistent with the centralization of the bureaucracy, some local agencies operate without a clearly defined administrative hierarchy. For example, the regional statistics office employs seven persons. Although there is a section head, he is regarded as the first among equals. At the sede of the Universidad Católica the entire administrative hierarchy consists of five persons with little in the way of second level administrative personnel. While there has

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been a substantial increase in professionals and office workers between 1960 and 1970, the number of managerial and administrative posts showed a decline (see Figure 18). The organization of the public sector is such that there is little demand for upper-echelon bureaucrats. Even the shift of the ministry of agriculture to Cautín did not change this pattern. Top level administrators were brought in from Santiago and visits to Temuco by Jacque Chonchol, head of the Ministry, were newsworthy events.

Because the regional bureaucracy is made up of second-level administrative units, incorporation into these institutions effectively removes individuals from the centers of decision-making and power. At least in these terms, employment in Temuco is less desirable than a position in Santiago. Although comparative studies are not available on Santiago's middle class, I strongly suspect a major reason for the choice of Temuco over Santiago was the saturation of bureaucratic institutions in the central valley. By the late 1950s, the expansion of state power had begun to show signs of not keeping pace with the increments in the size of the middle class in Santiago produced by the contraction and concentration in other sectors of the economy. This fostered an intense

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Figure 18. Occupational categories among empleados in 1960 and 1970.

Category	1960	1970	Per cent Growth
Total	13,291	17,800	+ 33.9
Professional, technicals	3,387	4,242	+ 25.2
Administrators, managers	316	217	- 31.3
Office workers	3,177	4,774	+ 50.2
Sales personnel	1,037	1,473	+ 42.0
Agriculturalists	1,089	960	- 11.8
Transport	822	1,245	+ 51.5
Artisans	1,014	1,729	+ 70.5
Workers	139	387	+178.0
Service personnel	1,388	1,774	+ 27.8
Miners	130	273	+110.0
Unknown	792	716	

Source: Censo de Población XIII 1960; Censo de Población 1970. Instituto Nacional de Estadísticas. República de Chile. Santiago de Chile.

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competition for desirable positions in Santiago. The growth of the regional bureaucracy provided an alternative to shrinking opportunities in Santiago.

Data on the social origins of Temuco's professional and bureaucratic middle class suggest that the regional alternative was selected by persons whose families were either very recently marginalized from the control of independent resources or persons whose families were marginal members of the national middle class. As public servants in a second tier of a national bureaucracy they enjoy little access to positions that control policy. I suggest that the move to Temuco represents the last chance for access to a middle-class standard of living for the more marginal members of the middle class.

Figure 19 shows career choices among a sample drawn from the descendants of Cautín's commercial and landed families. The sample includes members of generations III, IV and V--persons who reached maturity in the mid-1950s or after. The smaller sample for commercial families reflects family size. Among these families there were from one to five children; among landed families from three to ten children. Furthermore, commercial families were found to be younger and members of generation V were still

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Figure 19. Career choices among the descendants of Cautín's commercial and landed families.

Commercial Families

Career	Location				
	Temuco	Santiago	Other	Total	Per cent
Medicine, law	2	14	1	16	29.6
Other professions	4	3	3	10	18.5
Bureaucrats	5	6	3	14	25.9
Technicians	1	1	1	3	5.6
Other	4	4	3	11	20.3
				54	

Landed Families

Career	Location				
	Temuco	Santiago	Other	Total	Per cent
Agriculture	23	4	1	28	29.8
Medicine, law	8	11	6	25	26.6
Bureaucrats	13	3	3	19	20.2
Other technicians	3	2	1	6	6.4
Education	9	0	0	9	9.6
Other	0	4	3	7	7.4
				94	

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in primary or secondary school at the time the data were collected. Landed families had proportionally more descendants pursuing independent careers.

Among the descendants of both commercial and landed families, the medical and legal professions are favored. However, these choices appeared most common for older persons--those forty or more years. Because advanced training for those professions is not available in Temuco, those who selected these areas relocated to Santiago for their studies and remained there. Several of the descendants of landed families have had national political careers.

Aside from the classic professions, the career choices for descendants of commercial families clustered in the newer professions of engineering, architecture and accounting, and bureaucratic positions. These persons are more or less divided between Temuco and other areas of Chile. They also tend to be young, forty or less. Since the classic professions retain high status, the choice of other careers among young persons suggests that the classic careers were less available to the younger members of commercial families. I found that among these younger persons, many envisioned careers designed to meet the

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demands of private industry. Although currently employed in Temuco, many expected to leave the area since the city holds little for persons trained to service modern industrial and commercial units. Meeting this expectation may indeed prove difficult; they openly admit opportunities are not extensive elsewhere in Chile.

Among landed families there is a clear tendency to enter careers related to agriculture--agronomy, agricultural engineering, veterinary medicine and technical careers in agriculture. Of the twenty-three individuals who selected these careers, fifteen fell in the forty years or younger age bracket. Of those holding technical degrees in agriculture, several worked exclusively on family properties although they had at other times been employed elsewhere. Those with professional degrees were employed outside of family holdings.

From the available data it appears that the professionalization of descendants of Cautín's landed and commercial families has often meant incorporation into the regional bureaucracy. The likelihood of this occurring increases with the youth of the individual. However, the selection of the regional alternative in part depends on the original career choice. For persons trained in

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agricultural fields, the location of the agribureaucracy in Cautín has provided many employment opportunities. Among those trained in the classic professions, both Temuco and Santiago represent alternatives. The age of the persons is a variable in the career selected among the descendants of commercial families. Among descendants of landed families, age does not appear to be as important. The somewhat greater tendency for landed descendants trained in classic professions to remain in Temuco is related to the retention of an interest in their family properties.

Figure 20 provides a breakdown of frequency for different occupations found among persons not native to Cautín. The data were collected from eleven genealogies and these were chosen for their relative completeness. Informants were members of generations III and IV and ranged in age from 21 to 55 years. As an approximation, generation I can be placed between 1875 and 1900, and each subsequent generation represents a 25- to 30-year interval. This means that members of generation III reached maturity between 1930 and 1960 and those of generation IV somewhere around 1960 or after.

I found that the ability to reconstruct family

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Figure 20. Occupation of family members among persons not native to Cautín.

	Generations			
	I		II	
Career	Number	Per cent	Number	Per cent
Agriculture	11	42.3	21	16.5
Commerce	4	15.4	32	25.2
Bureaucrat-employee	1	3.8	39	30.7
Professional-technician	5	19.2	27	21.3
Other	5	19.2	8	6.3
Total	26	100.0	127	100.0

	Generations			
	III		IV	
Career	Number	Per cent	Number	Per cent
Agriculture	5	4.8	0	0
Commerce	13	12.4	12	20.7
Bureaucrat-employee	31	29.5	17	29.3
Professional-technician	55	52.4	29	50.0
Other	1	1.0	0	0
Total	105	100.0	58	100.0

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histories was less developed among persons not native to Cautín than among informants drawn from Cautín's landed and commercial families. Informants were often vague and uninformed as to the whereabouts and activities of the extended family. Obviously, family connections had broken down. Generally, information was provided for three ascending generations and often only two. Members of generation I, for example, were often said to be landowners in the north or in the central valley. The size of the holdings was usually described as extensive, though they could provide no specific information. Members of generation II described as agriculturalists reportedly controlled holdings ranging from 40 to 500 hectares. However, many were unsure as to the exact size of the holdings.

Members of generation II show a decrease in the number of landowners and an increase in all other occupational groups. There appears to be little change in occupation among members of generation III and generation IV. Apparently the salaried members of these families increased in number significantly beginning in the first decades of this century and continued to increase thereafter. Most of these salaried persons resided in Santiago. Those employed

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in commerce lived in Santiago and in other provincial areas. Agriculturalists in generations II and III were, with one exception, located outside the central valley.

The pattern that appears is that of a progressive loss of control of concrete resources in land and commerce. In contrast to Cautín where this has occurred relatively recently, loss of resources occurred earlier in this century in other parts of Chile. Figure 21 shows two genealogies taken from non-native informants. For both families the loss of land and subsequent professionalization of the family appears in the early decades of this century. Although this roughly coincides with the displacement of national elites by foreign capital, the inability of informants to provide more specific data on the histories of their families, along with the absence of comparative studies of social origins of the middle class, does not permit a more conclusive statement.

Although my informants regularly attributed the growth of a middle class to upward mobility, I found few cases to substantiate this claim. I encountered only one instance of an individual who identified parental occupation to have been that of a worker. Subsequently, this family was found to be related to a large landowning family from

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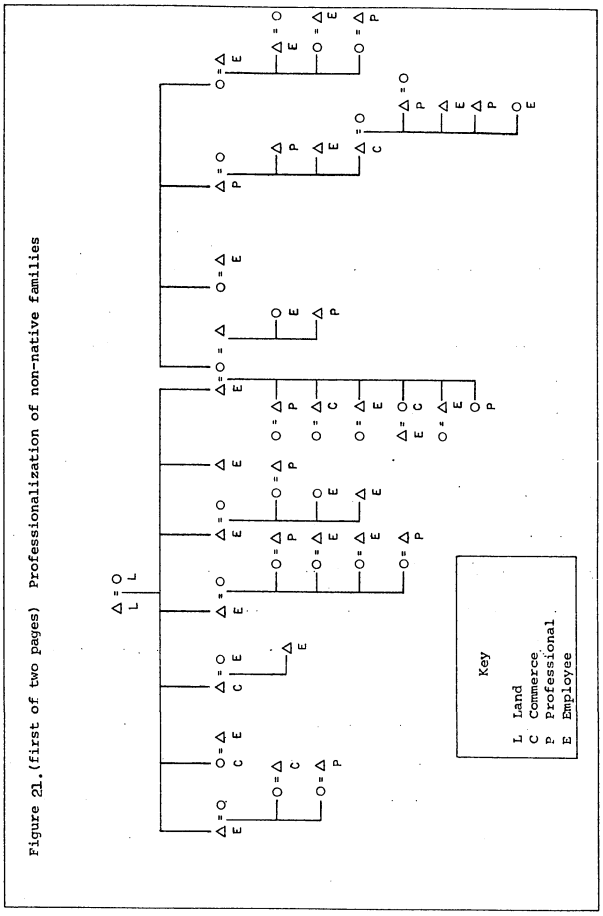


Figure 21.(first of two pages) Professionalization of non-native families

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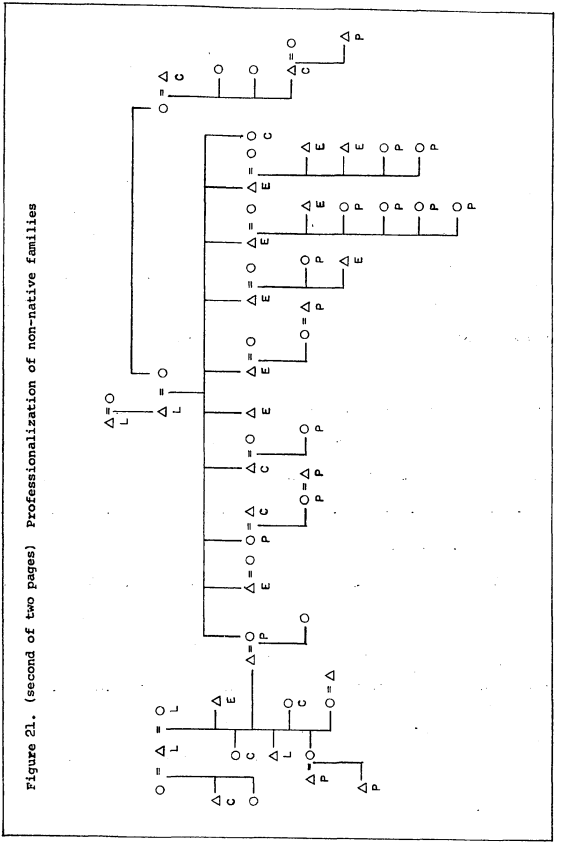


Figure 21. (second of two pages) Professionalization of non-native families

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the north of Chile that lost its wealth during the last decades of the nineteenth century. The data suggest that the flourishing of the regional middle class represents a form of downward mobility. This is true for both natives and non-natives of the zone, although for the former group this process is relatively recent.

A major attraction of the regional bureaucracy is that it provides a measure of stability and job security. Although it was difficult to evaluate long-term trends since most institutions have existed for only ten years, employment within these organizations is fairly stable.[10] Because these units are second-level organizations, they are relatively immune to political reorganizations that characterize similar facilities in Santiago. Thus, for example, of the city's seven banks, five retained their staff more or less intact from the mid-1960s through the military government. The changes that occurred were due to

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[10]Some segments of the bureaucracy have more autonomy and show somewhat less stability. Segments of the agribureaucracy, CORA and organizations involved in regional planning such as CORFO, are said to have "the confidence of the government" (la confianza del gobierno) and are reorganized with national political changes. This has, however, involved only top level administrators, at least until the military government. The changes with military junta will be discussed at another point in this chapter.

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retirement with the next in line in seniority assuming the vacated posts.

Incorporation into the regional bureaucracy appears to be a kind of "trade-off." Job security and access to the social and cultural accoutrements of middle-class life are exchanged for the chance to compete for more powerful and prestigious posts in Santiago. Among those employed before coming to Temuco, many held positions consistently lower on the occupational hierarchy. For example, of 35 instructors at local universities, 17 were employed at liceos or colegios in Santiago or other provincial areas before accepting employment in Temuco.

Many of my informants were conscious that Temuco offered them opportunities that would have not been available elsewhere.

> I earn 150,000 escudos for my eight hours of service at the hospital . . . my private practice is what allows me to live comfortably. I am not unhappy with my financial situation in Temuco. I have a nice home, my children are happy at the colegio . . . I could live almost from my private practice. In Santiago that would not be possible. Santiago or Concepción . . . I would like to live there . . . It is possible that I will leave Temuco someday . . . not soon . . . I don't know when . . . Many people don't like Temuco . . . it's really a small town . . . Temuco is better in some ways . . . not professionally. Santiago has all the research facilities, the equipment . . . but Temuco . . . I can live better here. Perhaps it would be

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> better for me, for my profession . . . but for my family Temuco is a better place.
>
> After I graduated from the university I worked in a colegio in Santiago . . . two colegios, one was semi-public and the other was private. Two jobs can be very complicated . . . In 1968 I went to Chillan . . . a professor of English at a colegio run by priests. It was a very good school. All the landowners and big comerciantes sent their children to that school. They wanted me to stay . . . they offered me more money but when the job was offered to me at the university here . . . well . . . it was better for me. I even earned less money when I first came here but . . . I did not have my graduate degree and jobs like the one I have . . . well, I could not ever have gotten a job at a university in Santiago without at least a master's degree.

Thus the move to Temuco has concrete compensations, a higher standard of living and, for some, more professional opportunities. Nonetheless, for whatever reasons and by whatever paths persons are drawn to Temuco, they remain part of national institutions. Regional units are extensions of the national bureaucracy and by definition, success locally always occurs within the confines of a national bureaucratic hierarchy. I have suggested that the move to Temuco represents a kind of "trade-off." On another level, however, to characterize the process of incorporation into the regional bureaucracy in this manner is deceptive, for it implies that these families have something to trade. The careers of these

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families suggest that opportunities for social mobility are restricted and that the forces that produced the growth of a middle class in Cautín have also left them with little room for economic and social maneuvering.

The Professional-Bureaucratic Career

The contraction of the Chilean economy, coupled with the expansion of higher education, has created an enormous pool of applicants for middle-class careers. In Temuco the availability of career slots for individuals and groups depends on the specific career choice, the time of entrance into the labor market and social origins. These factors, in turn, reflected the kinds of resources controlled by the individual and his family. Because salaried members of the middle class control no property, their primary resources are sets of interpersonal ties. These interpersonal ties structure both the development of the career and the quality of life available to them within the city. Interpersonal ties that are critical for maintaining or improving a middle-class standard of living include family and fictive kin, secondary and university associates, colleagues and community ties.

A major advantage natives enjoy over migrants is their already established networks. The families of native

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professionals were often living in Temuco. Family members are the professional's prime emotional ties; ordinary social life is structured around the family and much leisure time is spent with family members. Moreover, family members are mutually supportive in all areas that allow individuals to maintain a middle-class life. Mutual support ranges from the mundane to the critical and includes the acquisition of the symbols of middle-class life, bureaucratic favors, access to social networks, as well as help in finding employment.

However, among some natives of Cautín, specifically middle-rung bureaucrats, I found that although they were born and raised in Cautín, their families were often dispersed. Although some of these native bureaucrats were descended from the zone's landed and commercial families, more commonly they were descended from petty entrepreneurs, private and public employees. As with migrants, their ability to reconstruct family histories was negligible. In those cases in which I was able to reconstruct their family histories, I found that their families had once controlled land or commercial enterprises in Cautín but that this property had been lost to the family two or more generations ago. Apparently, the greater the time span

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separating the current generation from the family's original assets, the greater the likelihood that the family members will have relocated to other parts of Chile. Thus, native bureaucrats may have neither parents nor siblings living in Temuco. They may, however, have more distant relatives living in the city. These other relatives sometimes serve as surrogate immediate families for them. The tendency to seek surrogate immediate families reflects the importance of family relationships in ordinary social life.

The native professional and bureaucrat alike have at least one category of close friend immediately available, compañeros de curso, schoolmates from the colegio. The importance of these ties is that they provide the native with a social network that cross-cuts the entire economic structure of the zone. As with family ties, school ties can be used to assist in maintaining a middle-class life. Before World War II, the handful of professionals drawn from local families were often sent to secondary school as well as to the university in Santiago. Since World War II, the trend has been to educate these persons in local secondary schools and then send them to the university. Ties generated in the local colegio continue as special

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sets of relationships throughout life. Although ethnicity no longer serves as an organizational focus of the community, local schools are still often ethnically defined. Thus, school ties reinforce the affinal and fictive relations established within ethnic groups by previous generations.

Friends of local professionals are found among local comerciantes and agriculturalists as well as other professionals and bureaucrats. In my discussions of friends in the zone, it was clear that many could be traced to the colegio. However, the basis for the friendship need not be direct. Friends could be a compañero of a sibling, cousin or other friend, or the friendship was based simply on the fact that they attended the same school, even though the age gap between persons might be considerable. Marriages were also often an outgrowth of the school experience. This meant that marriage still frequently occurred within the ethnic group and that the networks of friends of husband and wife overlapped and complemented each other.

As the local economy diversified and individuals entered various sectors of the economy, community cohesiveness came to rest more exclusively on the shared school

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experience. The strength of these sets of relationships, as measured by the frequency of interaction, varies. During major segments of a professional's career, they may be relatively inactive or even totally dormant for years at a time. Yet they can be activated at will and the quality of reciprocal exchanges is important. Professionals include such persons among their closest friends. The continuing nature of these relationships is partly attributed to social relations among wives. Provided a woman has no independent career and defines her role as a housewife, her close friends are drawn from her own and her husband's compañeros de curso. It is with these women she "tells secrets," who enjoy her intimate personal confidence.

Obviously, the non-native lacks these critical categories of friends. Although he may maintain ties with his compañeros, they are often spread throughout Chile and are irrelevant to his life in Temuco. Also, since many non-natives attended public liceos rather than private colegios in Santiago or elsewhere in Chile, the quality of the persons included in the compañero network is different from that of the native who has invariably attended a private colegio. The non-native enjoys few, if any, social ties in Temuco other than those established with persons in

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specific institutional complexes in the city. The absence of both family and close friends not only enhances feelings of social isolation, but makes it difficult to acquire the material and social amenities that characterize a middle-class life in Cautín.

While family and compañeros provide the backbone of emotional and instrumental ties, more directly relevant to the development of the career are compañeros de la universidad and co-workers. This group can include any persons incorporated into ego's network through early activities--compañeros de pensión (roommates or dormitory mates), co-workers in graduate training facilities, professors at the university. These persons are also your life-long friends to whom you will turn for multiple assistance directly related to professional success. Because advanced training in the professions must be obtained outside Cautín, the ties developed in the five-to-ten-year period of study in Santiago are vital links to centralized institutional complexes.

The importance of these relationships in the development of the local career was found to vary with the specific profession and state institution to which a person was connected. Thus, among medical personnel, the

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extreme centralization of medical facilities means that ties to persons strategically located in SNS central facilities can be critical in the development of the career. The quality of these ties bears directly on local success. I found that Temuco's most highly respected physicians graduated from medical facilities during the early 1960s. They had all been granted primary scholarships (becas primarias); these exempted them from provincial health service. Since 1968 the influx of physicians has been secondary scholarship holders (becas secundarias), and they had served for as much as five years at a rural health station. Unable to obtain exemptions from provincial health service, they are forced to complete their training in Cautín. Completing studies in Cautín prevents them from developing contacts with persons in the SNS in Santiago.[11]

Informants maintained that exemption from the provincial health service was a function of two factors--

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[11]The elevation of Temuco's hospital to Class "A" standing allowed these persons to complete their training in Cautín. It also provided older physicians with opportunities to teach their specialization and some have developed small local professional followings. The choices of Cautín over another provincial health area among becas secundarias, initially, was related to the relative accessibility of some of the outlying health stations. Five of these stations lie along paved access roads that link up with Temuco.

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grades and whether your services were requested by a senior staff member at a Santiago hospital. Apparently younger physicians lacked the connections that provided access to more desirable professional positions. Interestingly, many of these are non-native to the zone. This suggests that the quality of their network is inferior to those native to Cautín and in turn reflects the marginal economic position of their parents.

Advantages continue to accrue throughout the professional career to those with on-going ties to professional associates in Santiago. These benefits include success in acquiring equipment and supplies for local medical facilities. This enhances local professional reputation as such events are publicized in the local press. For example, one of the city's most respected physicians made his name from his efforts to have the local hospital designated as a research station for one medical specialization (cancer research on the reproductive system) in 1972.

More critical to success is the ability to obtain the much coveted and intensely competitive becas (scholarships) for study abroad. Again, the most reputable doctors were those who studied abroad. Age considerations

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apparently operate in obtaining these rewards. During the field work period, three senior members of the medical staff of the hospital were on leave for foreign study and several others were planning such study periods in the foreseeable future. I found that senior members had already studied abroad but that junior personnel had not had such opportunities. At best, they are sent to Santiago for short periods for further study in their respective specializations.

Scholarships reflect the critical ties to bureaucratic institutions that control the allocation of scholarships.

> [A]fterwards I studied in Italy for a year. One of my professors at the medical school made all the arrangements. I had told him I was interested in a specific program and he made the arrangements . . . It is more difficult now but the last time I was in Santiago, he brought up the subject of extending my Mexico trip for an additional three to four months . . . in the United States. I have no idea where exactly, although he mentioned the western part of the country . . . all he told me was that it was possible to arrange and he would discuss my record with a friend at the SNS soon . . . I expect it will work out . . . that is why we must speak English now.

Junior medical personnel apparently lack such professional contacts and the disadvantages they start off with are exacerbated by taking their medical specialization training

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in the provinces. The professional ties they enjoy with local senior personnel are one step removed from the critical ties that define professional success. Overall, these ties appear to be fewer in number and are either dispersed throughout Chile or concentrated in Cautín.

The disadvantageous position they find themselves in is obvious to them.

> I earn an adequate salary in Temuco . . . the problem is not financial but professional. In Santiago, there are libraries, equipment and other research facilities. Temuco has none or very little of these things. It becomes very difficult to perform adequately without these facilities . . . for example . . . I am being trained for one area and because there are no proper facilities I spend most . . . at least half of my time doing something else. The government provides very little money for my field and none . . . none at all comes to Temuco . . . Professionally it would be better for me in Santiago . . . harder financially, but better for my profession . . . I would like to leave but it is difficult. I first have to find another post in Santiago.

In contrast, I found that senior medical physicians did not express strong feelings as to the professional disadvantages of provincial life.

> Temuco . . . well, for me I enjoy life here. I don't think I would feel as comfortable in a large city . . . Concepción or Santiago . . . I am not unhappy with my work . . . of course I am very busy but that is to be expected . . . There are some disadvantages for me. The provinces always receive the least the last. Equipment, supplies . . . during

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> Allende it was terrible . . . there was nothing but at other times . . . we could use more but I would not say it is inadequate. For example, we were able to get the new x-ray machine we asked for. It took time but that is to be expected . . . it is a very expensive piece of equipment. Just a few years ago you could not train here . . . now I have several students . . . Dr. Valdez, I consider him to be one of the best specialists in internal medicine in all the south, in all Chile. He is more than competent but like us all he must work at it . . . he wanted to stay another six months or a year in Boston but the junta . . . they refused to extend his permit . . . I think he was disappointed but he will have other opportunities . . . I am sure.

The disadvantages for career development for other fields are less well-defined. In other institutional complexes, decisions and the allocation of resources in those areas directly pertinent to professional development are more decentralized. For example, in the local universities, opportunities for further study leading to advanced degrees are allocated by the size of the sede and size of the department. The actual decision as to who will receive scholarships is left to local administrators and the local professional staff. Thus, ties to local colleagues are more directly relevant to further career development.

> I am going to be alone in Temuco for several months . . . Eduardo [her husband] will be in Santiago. He is going to be studying for his master's degree . . . we don't intend to

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> leave, not for several years . . . The beca is excellent. He receives his full salary for the entire time. When he finishes he is expected to return here for several years.
>
> He enrolled in a course they offered two years ago. Many did not finish but he did and his grades were excellent . . . all the staff had the same opportunity but he did exceptionally well. Maria Antonia, she recommended that he receive the beca . . . He is very pleased . . . it will be hard for me with the children and my own studies but he had to do it. He has always wanted to receive his master's degree.

Ties to the national professional community are important for all categories of professionals. Local success was found to be heavily dependent on continued ties with the national professional community. Thus, despite the distance, a constant effort is made to maintain regular contact with professional associates in Santiago. Medical personnel, agricultural professionals and the staff of the universities travel to Santiago as often as once monthly. While participation in professional associations is generally regarded as important, nominal membership is maintained in local branches of the Colegio de Médicos, Abogados and others. Some regional academic groups rarely meet and interested university staff members participate in the national association.

The quality of ties to the national professional

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community varied with age of the professional. Generally, the social origins of the younger non-native professional show that their families have not controlled property for several generations. Their economic marginality makes them less likely to develop the social connections necessary for career development. However, in some instances, residence in Temuco may afford an opportunity to compensate for the lack of appropriate social ties by the development of "professional competence." Thus, for example, among the university staff, receiving an advanced degree opens the possibility of employment outside Cautín in a major urban center.

However, important as ties to associates outside Cautín are for the career development, for professionals and bureaucrats alike, regional institutions generate the primary sets of social relations. Although the native may enjoy a wide range of community ties, these ties are not directly relevant to his career during the first five to ten years of its development. Ordinary social life for the native centers around family and local colleagues. For the non-native, ties to co-workers are the only sets of social relationships immediately available to him.

> My friends in Temuco . . . they are all my colleagues . . . people I work with at the

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university . . . We are five couples . . . We see each other about once a month . . . for dinner, or a drink at each other's houses. They are all like myself, from other parts of Chile. Two came here five years ago and the others about three years ago.

They say that in a small town it is easy to make friends. That has not been my experience. Temuco is a very closed city. People here are not cruel or mean . . . they are very nice . . . but very formal . . . Someone important . . . Moreno, director of the university for example, I know he has many friends in the city. He was not born here either, in Concepción . . . maybe the north . . . He is invited to join things . . . but the ordinary professor at the university . . . that is different. At first it was very lonely here for us. We did not like this city . . . now it's better.

From among the pool of colleagues and co-workers, individuals develop friendships that are expected to last a lifetime. In the first years of active professional life, interactions occur with a wide number of co-workers. The home is often the arena for the establishment of new social ties. Colleagues are invited for a drink or simply an evening of socializing. Since they are actively seeking to establish key sets of emotional and instrumental ties with their colleagues, they do not maintain a rigid line between the home and other spheres of interaction.

Gradually, over the years, from among the pool of co-workers, specific sets of close friendships develop.

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The number of these close and intimate ties is restricted, usually to five individuals or couples. Although the older professional may continue to seek new friends from among colleagues, these other relationships tend to be less intense as measured by such indices as frequency of interaction. Apparently younger professionals seek to develop a small but intense social network within their professions. Once this small network is well established, the older professional may enlarge his sphere of interaction to others within both the professional community and other areas in the community.

The hold that job-connected relations have on the lives of the professional-bureaucratic middle class also appears in their attitudes and involvements in community life. For most, organized activity is confined to professional associations; membership in these groups is considered important for professional standing. For example, in a survey of sixty persons, forty-two belonged to professional organizations. In contrast, their participation in the local community organizations was minimal. Of those surveyed, only fifteen expressed any interest in joining community welfare organizations such as the Lions or Rotary Club, social clubs such as the Country Club or

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Club Temuco or one of the many sports associations, the Club Aéreo, Club de Tenis, or Ski Clubs.[12]

This lack of involvement is partly imposed. Control of local clubs is exercised by the commercial middle class and membership is by election. While a few local groups actively recruit up-and-coming members of the professional community, membership is regularly extended only to top-level bureaucrats and high-ranking members of the military. For mid-level bureaucrats and professionals, membership is extended only after a lengthy period of residence--five to ten years. For the non-native, this reinforces feelings of social exclusion and perpetuates a dependency on the social ties with co-workers. For natives, the lack of participation is a conscious choice. In many instances, natives hold membership because of family affiliation; in other cases, ties with school friends could insure membership. Yet even when membership is extended, few exercise the option. The amount of time and

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[12]There appears to be no readily discernible pattern in these close professional friendships in terms of political or ethnic affiliation. Several of my informants emphasized that professional friends were of varied political, religious and ethnic affiliations. Among natives, these professional ties thus contrast with ties developed with compañeros de curso. Ties developed within the local colegio reinforce ethnic ties.

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energy that must be spent on developing professional competence and on the developing of professional ties that are directly relevant to professional success, make it difficult to participate in community life. Informants often cited work load and professional commitments as reasons for the lack of involvement in community life. Bureaucrats, native and non-native alike, expressed greater interest in participating in community organizations. When they were finally invited to join clubs after five or ten years, several exercised the option.

Thus the professional-bureaucratic middle class is relatively uninvolved in the community. This contrasts with the elaborate public social life shown by the established commercial middle class. Political involvement was also ill-developed among the professional-bureaucratic middle class. Only university personnel admitted to participating in sindicatos before the military's seizure of power. Information on these organizations was difficult to obtain since my informants were reluctant to discuss politics, at least in terms of their overt activities.

In part, my original field project was designed to examine political patronage and ideologies under a leftist regime. The military junta's ascension to power drastically

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altered the project, principally because the junta is firmly committed to the depoliticization of Chilean life. This is no easy task, given the level of political expression and mobilization found in Chile. Politics has become taboo, regardless of what kind of politics. All formal political institutions were disbanded, and even subtle forms of political expression discouraged. For example, one never spoke publicly of the coup (el golpe), but always of the pronouncement (el pronunciamento). And I was told not to use the term middle class (clase media) on a printed questionnaire, but rather social rank (rango social), class having a political connotation. In this atmosphere the collection of information on political networks was both difficult and dangerous. Little, if any, information was directly offered on political patronage under the political regimes of the past few years. The absence of this kind of data is an important omission.

Politics, however, was clearly a factor of life in the agribureaucracy. After 1972 and the expansion of the local bureaucracy under the UP government, political idioms apparently became important elements in ordinary social discourse. The influx of new personnel generated tensions and internal rivalries within organizations in addition to

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the already existing rivalries and sectarianism due to the proliferation of agrarian units in the zone. The duplication of functions meant that many individuals had their tasks usurped by new personnel.

> During Allende I did nothing all day . . . nothing and got paid for doing nothing. I sat around all day and read books. They hired others to do my job . . . political people . . . they were unqualified . . . they were not professionals. They were incompetent.

My informants maintained that UP appointees were political persons with little or no professional training. However, it was impossible to verify these statements since the individuals involved were not present during the field work.

Additional tensions centered on the difficulties CORA had in controlling the forces it helped to create. In 1971 there were 1,278 forced land occupations (tomas de fundos). Many of these occurred in Cautín and the zone experienced a good number of land reseizures (retomas) as well. CORA's inability to control some facets of the land reform movement was disquieting to some, even those who regarded themselves as sympathetic to the UP.

> It wasn't los campesinos, it was the MIR. The MIR pushed the peasants beyond what they actually wanted. I know that many members of the MIR were motivated by their concerns for

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> the peasantry but they went too far . . . too far. The peasants deserved the land . . . but the MIR went too far, and too fast.

I found that many informants expressed feelings of discomfort over the political dimensions alleged to be a component of career development during the UP. This is also suggested by their responses as to what kinds of positions within the agribureaucracy they saw as most desirable. From a professional perspective, the most desirable posts are those connected with the experimental fundo. All of its staff is highly paid, hold advanced degrees, are recognized in their areas, and have studied abroad. It also appears to be a relatively apolitical unit in that it suffered no major disruptions of its staff during the UP and under the military regime.

Politics appeared as an immediate and substantial concern among my informants. However, their political involvements were primarily ideological with little evidence of overt political action.[13] For example, doctors of the pre-1960 era were described as political

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[13]For example, much effort was directed at placing me on a point on the political spectrum, and various kinds of information on political ideology, events and activities of other persons during the UP era were regular topics of conversation. This information was always discussed in a private and secure setting.

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conservatives, "mummies" (mommios) and supporters of the Partido Nacional. Aside from these persons, the most common breakdown as to political affiliation ran along the lines of 60 to 70 per cent Christian Democrat and 30 to 40 per cent UP supporters and activists. This was seen as roughly coinciding with age. Christian Democrats were described as between thirty-five and forty-five years of age. Younger doctors were described as Marxists.

The consistency with which informants made this generational breakdown suggests that the historical context in which the middle class reached maturity and became involved in labor market may play a role in the formation of political identities (cf. Mannheim, 1952; Zeitlin, 1968a). While the accuracy of this breakdown is impossible to substantiate, among my informants the characterization was found to be accurate with one exception. Distortion is, however, introduced because many leftist doctors, presumably of all ages, left Cautín within a short time after the coup. On the other hand, the accuracy of this description is substantiated by the pattern of participation in the doctors' strike during the final days of the UP. This strike was most effective in the municipal hospital and least complete in the outlying provincial health

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stations, though these units were the most hurt by the chronic supply shortages alleged to have been a major cause of the strike. Also following the coup, Class "B" and Class "C" health stations were closed and their staff transferred or removed from their posts.

Although holding definite political views and loosely affiliating themselves with political parties, few of my informants were politically active. Even those who held positions of responsibility in local professional organizations during the UP era were described as basically apolitical except under these unusual circumstances. Professionals denied aspirations for political careers and though they may have been active in political organizations such as sindicatos, their participation was seen as primarily professional.

> My husband belongs to many different political associations . . . the mathematics society . . . the national branch. There isn't a local branch here in Temuco. He has been chairman of his department . . . and he also held a position in the sindicato. No, he is not political . . . well, he has ideas and views like everyone else but he is not political. The sindicato . . . it is political but not exactly . . . I think you might describe it as another type of professional organization . . . it is not really political. He doesn't have time for politics.

In contrast to professionals, political considerations are an obvious component of the career among

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bureaucrats. At the top of the local administrative hierarchy, at the points of articulation with the national infrastructure, there are opportunities, albeit limited, for the manipulation of power. Many of these posts were held by persons from outside Cautín and changed with each national political change. For example, the regional head of SNS was a political appointee as was the head of CORA. The internal organization of specific institutions sometimes reflects the division between political and non-political posts. For example, the hospital was divided into administrative domains: one that allocates resources to various internal subdivisions and the other that oversees the flow of resources and the professional qualifications of the staff. The former is regarded as a political appointee, the latter is not. Interestingly, I found that the staff regarded the former as a professional incompetent.

Politics among bureaucrats was not restricted to top-level administrators. Although the data on political involvement are limited, four of the bureaucratic middle-rung personnel with whom I had extensive contact admitted to involvement on a regular basis in local political parties, although none claimed to have held any position within the party structure. It is not known how extensive

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this pattern was nor if it contributed to career development.

Generally, political behavior seems to have been ill-developed among my informants. Their incorporation into the second-level administrative complex has marginalized them from the centers of political power in Chile. Although the political climate of the field work made it difficult to determine whether these professionals and bureaucrats functioned as political clients, the available data suggest that they did not. Even among local bureaucrats for whom politics may have played some role in maintaining local positions, the rewards did not even include access to low- and middle-rung posts within the national bureaucracy. Generally, these families appear to have functioned in the political system as little more than a pool of voters.

However, the use of political idioms was a feature of ordinary social discourse. On this level, politics is an idiom or cultural code. For some, the use of this type of cultural code may have contributed in some way to the development of the career; for most, it did not even serve this purpose. As noted above, political factors apparently contributed to advancement within the agribureaucracy

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during the UP era. I also encountered scattered instances where persons claimed to have suffered in their advancement because of political considerations. However, for the most part, my informants were uncomfortable with the role politics came to play during the UP era. The following are excerpts taken from my field notes indicating my informants' evaluations of politics, its effects on friendships, and other forms of interpersonal interactions.

> Sergio he was very opposed to Allende . . . he actually hated him. It made things difficult for us. We could not talk about certain things . . . that was hard. He was my friend but . . . towards the end we didn't see much of each other. It was sad.

> Sra. Alvarez, she is a communist . . . I don't know if she was a member of the Communist Party . . . I think she was. She is a charming person. She and her husband have been good friends of my parents for many years. My father tried to be tolerant . . . he would joke but I think that made her angry.

> Maria didn't even know what I was doing . . . nor my father. We would leave late at night . . . nails on the road . . . tires were cut. At demonstrations we threw bricks, bottles and rocks . . . Once I saw my cousin . . . it was hard to throw a brick at your cousin . . . I couldn't do that . . . but the others, they were different.

> My mother is going to Santiago . . . my cousin is missing . . . since el once [the eleventh of September, 1973]. She is worried about him. She barely ever spoke to my aunt during the UP but now that he is missing . . . it is different. We are sure he will show up.

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> I thought Sr. Smith's speech on Christmas Day was very good . . . quiet reflection, friendship and peace . . . the real spirit of Christmas. I thought it was very good how everyone helped . . . almost every family had someone at the meeting. Before it was different . . . we talked but not very often. It was tense . . . everyone knew everyone else's position. I think there was much bad feelings between neighbors . . . It is better now . . . don't you think?

The foregoing accounts suggest that politics was on some level disruptive to ongoing social ties during the UP period. While there is little doubt that the policies of this government expanded job opportunities for this regional middle class, these policies also created significant problems of political instability. Clearly, the UP experienced difficulties in controlling the political forces it helped to create. At least the potential for developing alternative power centers in rural and urban working-class communities was escalating and the rules of the political game had begun to change. The social networks so essential to this middle class for maintaining its standard of living were clearly threatened by the emergence of political ideologies and affiliation as meaningful factors in the development of social networks. In this sense, the UP era was a unique experience for these families, an experience which many were not at all

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comfortable with.

In general, the careers of the professional-bureaucratic middle class are encapsulated within an institutional setting. Consequently, the basic career trajectory appears as a function of the institution and the professional category. Yet among the families I studied, there also appeared patterned variation in their careers. Illustrative of this variation are the following four case studies. Although an effort was made to follow the actual outlines of individual lives, in some sense they are composite pictures. This was dictated by the requirements of anonymity, made more pressing by the political climate in which the data were collected.

Case one is an individual native to Cautín. He is descended from an urban commercial family that arrived in Temuco about 1915. The family firm was jointly owned by two brothers. The older brother died in the late 1940s but the business continued as a family firm until the late 1950s when the widow sold her interests to her brother-in-law. The assets were used to finance her retirement and to educate her children, the eldest of whom was my informant.

My informant attended local private schools until

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the age of seventeen when he left Temuco to study medicine at the Universidad de Chile in Santiago. His family stayed on in Temuco. His uncle continued to operate the original firm until the late 1960s when he sold it to a national corporation and retired.

My informant spent a total of twelve years outside Cautín. During this period he completed medical school, received a beca primaria for his specialization in Santiago, and then spent another year studying in France. Both the internship in Santiago and the foreign scholarship were arranged by a senior staff member at a hospital in Santiago.

Upon completing his studies he returned to Temuco. Shortly thereafter he married a woman who was both a distant relative and his sister's compañero de curso. His major reason for remaining in Temuco was his family ties. However, within two years of his return, his mother left Temuco and now resides in Santiago.

During the first year he worked full time for the SNS. In the second year, he switched to part-time employment to devote more time to his private practice. He rented a house in the city that belonged to a compañero de curso. The rigors of his job kept him away from home

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as much as four or five nights weekly. The family's limited social life during those first two years was spent with friends from the colegio. However, very shortly the intensity of these interactions diminished, allegedly due to the rigors of his career. Contact with this group is now restricted to annual gatherings during the summer months when they are all likely to be vacationing in the nearby resort.

His current social life centers on a group of colleagues. His wife continues to maintain ties with their older friends. Five couples provide the center of his social life. One of these served as godparents for his second child. He and his wife served as godparents for a child of another one of these five couples. His other compadres are relatives.

In the last five years he spent an additional year abroad. Approximately two years after his return, he became active in his local ethnic association, ostensibly because of a renewed interest in the preservation of his heritage. He is also contemplating joining the local flying club. He plans to make Temuco his permanent home although he again spent time abroad in 1976. He describes himself as a Christian Democrat but not politically active.

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Case two is a regional bureaucrat. This person's father was an immigrant who arrived in Cautín before 1930. He bought a small parcel of land in partnership with an ethnic associate. They jointly operated this as a commercial farm. When he died, the land was transferred to his partner and it passed to the partner's descendants.

The immigrant fathered eight children; all were educated in local public schools and subsequently worked in various capacities in Temuco. Since the 1940s, all but three have left Temuco and now live in other southern cities. The three who remained all received training beyond secondary school. One daughter was sent to normal school and now works in a liceo in Temuco. Two sons attended a local commercial institute for one year.

The careers of the males followed similar lines. Their first employment was in posts in the local bureaucracy in small provincial towns in Cautín. Their participation in the local village was extensive. After several years they were transferred to bureaucratic posts in Temuco. They both joined political parties, and though active members, they never held official positions in their respective organizations. Friends were drawn from among co-workers and political associates.

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In 1967 one of the two left Temuco and resettled in the north of Chile. The second remained in Temuco and was appointed section head of his department in 1969. He occupied this position until 1972 when he was appointed to a minor political post in Cautín. The party he was affiliated with was included in the UP coalition. He stayed at this post until 1973 when he resigned and returned to his former job. As of September 1973, his whereabouts were unknown to any family members or friends. He is believed to be dead.

Case three is a professional who was born in a small town in the north of Chile. His family was composed of small-scale comerciantes who allegedly descended from a rich and powerful landed family from that area. He attended local parochial schools and through the intervention of his teachers won a partial scholarship for study at the Universidad de Chile in Santiago.

He received his degree in secondary education and then worked for four years at several liceos and colegios in Santiago. During this period he married a woman who was also a teacher. In 1968, through the intervention of the teaching staff of his secondary school, he found a post as department head of a private school in a city in the north.

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In 1970 he was invited to join the staff of the Universidad de Chile in Temuco. This employment was made possible through the intervention of a compañero de la universidad who occupied an administrative post in Temuco. Although the transfer involved a cut in salary, he regarded his new position as beneficial to his career.

Both he and his wife found the first years in Temuco very difficult. Friendships were not easily made and although he thought about joining a local sports club, the costs were prohibitive. Gradually, he came to make friends with people at work, who like himself were non-natives of Cautín. Much of his time was devoted to professional activities. He was active in the sindicato and also in the national professional academic society. In 1974 he was awarded a scholarship by the Universidad de Chile for full-time study for a graduate degree in his field. He accepted the scholarship and plans to return after finishing his studies. His wife and children are still in Temuco. He commutes weekly to visit his family on weekends.

He plans to remain in Temuco for at least several more years. However, long-range goals include reloaction to Santiago or another major city where he hopes to find

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employment in the university. Generally, he finds life in Temuco satisfying. They have made many new friends through his contacts at the university and through the job that his wife now holds. He recently joined a local religious social group in the city. He describes himself as an inactive Christian Democrat.

The final case is a non-native bureaucrat. He was born in a major city in the south although his family was originally from Argentina. His father was a career military officer. He attended local public schools in two southern cities and studied for two years at a commercial institute where he earned the title of contador.

After completing his studies, he found employment in the accounting department of a bank. He worked a total of eighteen years for this organization in ten different locales in southern Chile. In 1971 he moved to Temuco where he assumed the post of subdirector of a local banking facility. He joined two community organizations. Of the two, he had belonged to one in several other cities, and this gave him automatic membership in Temuco. The second group is associated with the military.

His close friends in Temuco are few. Among his best friends is the husband of a distant relative. All

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his compadres are relatives. However, he claims to know many people in Temuco, largely through his club activities.

Since 1974 he has been on leave from his banking position, and is serving as administrative head of a local government agency. This post has no connection with his banking experience. He would like to remain in this position for he sees it as providing more professional opportunities. In the spring of 1974 he purchased a half-interest in a 30-hectare parcel of land. He plans to stay in Temuco.

These four cases exemplify the variety of career trajectories. Despite this variety, patterns can be discerned in the development of careers for all members of this salaried middle class. In the initial phase of career development, a period that lasts from five to ten years, success is almost exclusively dependent on the development of technical skills and social ties within a professional subgroup or institution. Among professionals, this first occurs outside Cautín in the university and later within the local professional group. Among bureaucrats, these ties are more localized. Key social ties almost always include colleagues and co-workers. Organizational involvements are restricted to groups directly related to

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the job, although some may have a political character. Among non-natives this focus is not exclusively by choice, since their lack of family or school ties within Temuco prevents them from being included within the organized social life of the community. For the native, this exclusion is by choice. A strong theme that appears during this phase is professionalism.

After the career is established, professionals and bureaucrats alike embark on a period of career expansion. There are two modes of expansion--national and local. National expansion is a form of vertical mobility within the profession or institution and usually involves relocation to Santiago or another major urban center.

The success of the national strategy depends in part on how extensive contacts are to individuals and institutions outside Cautín. The quality of these ties is partly a function of social background. Natives descended from the regional elite may have an advantage over the non-native. Despite their shorter period of residence in the capital, their networks in Santiago appear to be of higher quality than the corresponding network of the non-native of Cautín. Possibly because their parents were wealthier than the non-natives', natives of Cautín have

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attended schools in Santiago that were of higher quality than the schools attended by those born and raised in Santiago. The non-native of Cautín lacks extensive ties in Santiago, at least those ties that would allow him to find employment in the capital, and thus he uses the time in Cautín to compensate for his social disadvantage by developing professional qualifications. This allows them to return to Santiago better equipped than when they arrived in Cautín and with a better chance for success. It is unclear whether the development of professional qualifications can compensate for the lack of social networks in finding jobs in the capital. Non-natives are under pressure to at least try to relocate to Santiago because they lack the extensive ties within Temuco that would assure them local success and a respected position within the community.

Local expansion is directed toward solidifying a position within the community. It is manifest in active involvement in community associations. For the native, this involves a revitalization of latent community ties. For the non-native, it is more difficult. Incorporation into local groups hinges to some degree on evaluations of professional credentials and a balance must be maintained

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between professional and community requirements.

The local strategy is common among bureaucrats probably because their chances of movement within the national bureaucracy are slim. A bureaucratic post in the provinces seems to be a dead end. While salaries increase, and there is movement within the local hierarchy that is largely a function of seniority, I found not a single instance of a shift to Santiago except for the highest level administrators. Bureaucrats near the top of the local hierarchy are easily incorporated into local community life. Among middle-rung bureaucrats, the chances for success of the local strategy may be greater for the native, at least those who have some resident family and friends. Among non-native bureaucrats, the chances of incorporation into community life vary and may explain why they frequently move to other cities. It is difficult for them to develop a satisfactory life in any city.

In rare instances, the expansion of the career involves resource diversification and investments in other sectors of the regional economy, land or commerce. Among the cases studied, I encountered three in which a local official used his connections to accumulate capital. This is rare and usually attributed to political manipulations

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and/or unethical behavior. In this way, the current crop of professionals differs from those of an earlier era who often diversified their resources.

While there is variation in career trajectories, the overwhelming quality that distinguishes this group is their common dependency on the state. Overall, the expansion of the state presented an expanding regional opportunity structure--an ever-expanding bureaucracy and more jobs. This expansion presented an alternative for those persons unable to effectively compete for bureaucratic posts in Santiago. However, under the current military regime, the viability of the regional alternative may be disappearing.

The Military Junta and the Middle Class

With the seizure of power by the military, the reorganization of state agencies, and autonomous and semi-autonomous institutions in Cautín has been extensive. Initially, all top administrative personnel in the agencies of the agribureaucracy and health services were removed from their posts. The fate of these persons varied. Some were imprisoned in local regimental headquarters, others sought political asylum, and others have disappeared. Local institutions, both public and private, were assigned

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interventores. These interventores were either military personnel, reserve officers, or in some instances civilians who were regarded as politically acceptable to the new regime. Even in those institutions that retained their civilian heads, there was tightened control by the military. These reorganizations have generally reduced the number of administrative personnel required by various regional units. Military supervision has meant a streamlining of the administrative hierarchy and has most drastically affected second-level personnel whose jobs were eliminated.

Aside from the removal or disappearance of the top rungs of the regional bureaucracy, the career personnel at the lower levels of the administrative hierarchy, normally immune to political shifts, experienced reorganization. Demotions, some of which were clearly less financially and socially remunerative, occurred in many agencies. Although some organizations, such as the banking facilities, have been little affected, the impact on other agencies was dramatic. The teaching staffs of all three university sedes were drastically reduced. All persons connected to left political parties or suspected of being UP supporters were removed from their posts down to the lowest rungs of the

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educational hierarchy. All social science facilities with the exception of the department of anthropology were closed. Even in anthropology, two staff members were given forty-eight hours to leave Chile.[14]

Among the most drastically affected institutions was the agribureaucracy. With the military takeover, the agrarian reform program was terminated. The task of CORA was to administer the return of properties to "illegally" expropriated owners and to confer individual title to the members of the asentamientos (the asentados). According to official spokesmen, this was to be a gradual process extending over several years. In the interim, all except the most politically undesirable personnel were to be retained and their numbers gradually reduced. The functions of CORA would be to provide technical assistance to small and medium landowners in an effort to insure greater productivity in agriculture.

Despite official statements, the staff of the land reform agencies was greatly reduced within the first six months of the military regime. Between December 1973 and

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[14]During the time I was connected to the department of anthropology, only two staff members had been employed before September 1973 and of these two, one left Chile within months of the military takeover.

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February 1974, the staff was reduced by half. Of those that remained, many were on leave, seeking employment elsewhere. The following is an excerpt from a conversation with a CORA administrator:

> I know what the official policy statements are, but it is very clear that CORA will be ended very soon. There just isn't anything for us to do . . . many people left right after the eleventh . . . los politicos . . . those that have stayed are looking for other jobs. I have another position . . . it is only part time but at least it is something, until I can find something else . . . where . . . not in Cautín. There isn't much to do here. It will have to be in the private sector . . . that is much harder.

The military also introduced new procedures in its hiring practices. According to official statements, new personnel will come less from the other state agencies and more from the private sector. For example, IDI, charged with the task of subdividing the Mapuche reservations over the next eight years, has drawn its staff from the experimental fundo, the banks and the private cooperatives in the zone. The interim management of the asentamientos, which required the creation of fifteen new posts, drew its staff from persons previously unconnected to the agri-bureaucracy.

The health bureaucracy has been variably affected. Following the coup, provincial health stations of the "B"

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and "C" categories were closed. A year later, none of these stations had reopened, allegely due to a shortage of qualified personnel. Apparently the junta has again liberalized policies toward exemptions for provincial health service, and this has cut drastically into the flow of medical practitioners to the zone. The two health stations operated by the junta were located in the most remote areas of the cordillera.

In theory, the junta has committed itself to a totally private medical system, modeled after the United States. This was expressed in directives received by hospital administrators to reorganize the hospital along the lines of an empresa (a private company). Orders were given to move patients out of hospital beds with all due speed and to cut costs by cutting heating facilities except during limited daylight hours. Apparently the junta is applying some strict cost accounting measures to its national health service.

While it is difficult to obtain accurate estimates of the number of persons affected by these changes, the high frequency with which I encountered persons who had recently left Temuco, relocated to other countries, or were planning to leave Temuco shortly, suggests that the number

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of middle-class persons involved was large. Clearly, the number of government positions within the province was reduced and there are indications, consistent with the new economic model discussed in Chapter II, that this trend will intensify in the future.

In quite another way, the effect of the new government on this regional middle class has been dramatic. Under the nationalist-development model, the ability of the middle class to acquire resources for maintaining their standard of living hinged in part on political involvement and connections to the political institutions. Although in Cautín politics had little to do with power, it was clearly an idiom through which ordinary social interactions were expressed. Under the military, the political idioms are no longer acceptable. While this is particularly marked for the left, it also extends to all the middle class. For those that played the game of politics, the penalties for losing have been far greater than expected--the end of the career and, for some, life itself.

I have suggested that the flourishing of the regional middle class be seen as a residual process resulting from the saturation of bureaucratic institutions in Santiago. By the early 1960s, competition for these

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positions, and hence for access to a middle-class standard of living, must have been intense. The new trends appear to have extended this competitive atmosphere to the regional bureaucracy. For the generation now reaching maturity, the routes to middle classness, even to its symbolic components, are shrinking. It is to the symbolic content of middle-class life that we now turn our attention.

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CHAPTER V

THE CULTURAL AND SOCIAL WORLD OF THE MIDDLE CLASS

This study has described how the economic and political transformation of the past seventy-five years resulted in the development of a regional middle class after World War II. Although of varied social origins, the commercial and professional-bureaucratic groups in Temuco increasingly came to share a common position in the socioeconomic order, a position defined by common dependency on the state. The subject of this chapter is the way of life that has been produced by this common experience. It is not a complete ethnographic account but rather focuses on the distinct symbolic content of middle-class life in a provincial city.

I will argue that both the objective features that distinguish this group and their subjective evaluations of their position reflect the growth of international dependency structures, the concentration of power and the growth of the state. This group has not only lost control

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of concrete economic resources, but has also been excluded from participating in the centers of power controlled by the state. This exclusion is more pronounced in Cautín than in Santiago because of Cautín's secondary position in the national economy.

Exclusion from the center of power has resulted in a concern with the material conditions of existence among the middle class. In Temuco, maintaining a middle-class standard of living depends on securing a position in commerce, the professions, or the bureaucracy. Access to these positions has developed differently under the political regimes of recent years. Although my informants were most vocal in their fears of the Marxist government, I will argue that it is the military government that is acting to redefine the institutional parameters of their lives. Furthermore, I found that the middle class has a rudimentary consciousness of the threats posed by the new order.

The information on which this chapter is based is drawn from both personal observations and experiences, and from accounts by informants. Informants included members of each of the occupational categories, and men and women of various ages. Initially, data were collected in

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open-ended conversations with informants about their perceptions of the quality of their lives in Cautín, the positive and negative points of life in Temuco, and their reactions to changes produced by the last two governments. Subsequently, I conducted a series of open-ended interviews designed to gather information on class perceptions. Informants were asked to identify their own class affiliation, that of their parents, and the reason for their evaluations. They were also asked to rank in order of economic security and prestige a number of occupations. Data were collected on their perceptions of the social affiliation of persons within their networks and the reason for their evaluations. Similar questions were asked on a closed questionnaire administered to fifty persons. Data on standard of living were also supplied by the closed questionnaire and by my daily observations. A sample of the questionnaire is in Appendix III.

The Cultural Parameters of Middle-Class Life

The visibility of Temuco's middle class is a result of their standard of living, patterns of residence, consumption, education, and recreation. Being middle class in Temuco means living in a particular area of the city,

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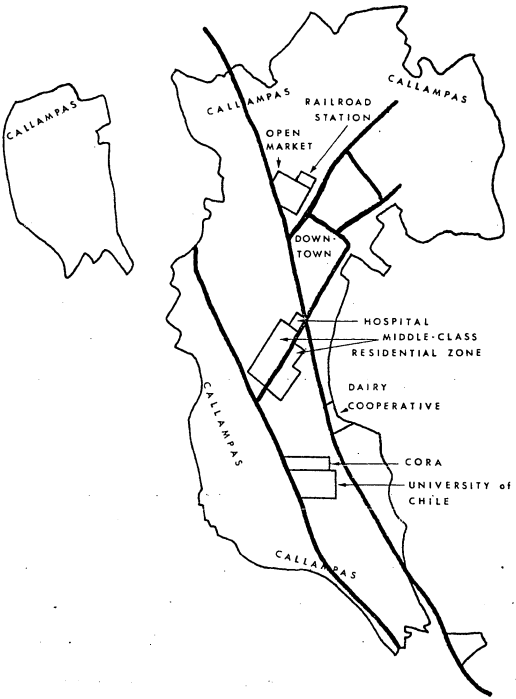
sending children to certain schools, having a home equipped with certain items, and relaxing and socializing in a specific manner. Many of these patterns appear imitative of a standard of living found abroad, especially in the United States.

Residence patterns segregate the middle class from other groups within the city. The city centers on a downtown core (see Figure 22). This is the commercial, administrative and social hub of Temuco. The core is the plaza which is dotted with commercial buildings and recently constructed six-story apartment buildings. Moving north and west from the downtown area is a section marked by decay--old wooden buildings weathered by the years. Here are small shops, second-class hotels, the railroad station, the rural bus terminal, and the open air market.

To the north, south, and at the western extension of the city are the callampas, the home of migrants from the countryside and Temuco's working class. Though part of the city proper, these areas lack the amenities of urban life--paved roads, sewers, plumbing, mail service. Many of these sections have grown up within the last ten years. Residence units range from one or two-room houses

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Figure 22. The neighborhoods of Temuco.



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constructed by CORVI to wooden shacks. Some of these areas have taken on a residential character--small houses surrounded by neatly trimmed gardens. These are the homes of petty artisans, small shop keepers, and some members of the lowest rungs of the municipal bureaucracy. The callampas end dramatically with the beginning of the rural areas.

West of the downtown area, along a major avenue that intersects with the Pan American highway, lies the prime middle-class residential zone. This street and two blocks on either side of it are regarded as Temuco's suburbs. The area is bounded by poblaciones on the western side. The vast majority of the middle class lives here or in an apartment in the downtown area, preferably in one of the newer high-rise buildings.

Most of the homes in this area were built in the last ten years. Yet the section is not the most recently developed. It has served as the local upper-class neighborhood (barrio alto) for some thirty years. Scattered among the new residences are older structures, usually two stories high surrounded by large plots of land. Among these older structures there are two basic types of home: a form reminiscent of country estates

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found in southern Germany and a variant of the Spanish hacienda. These are owned respectively by the most successful German and Spanish entrepreneurs. In recent years, however, this type of dwelling has become less popular even for these persons. A number of the old structures that provide the backdrop for the newer homes are either in disrepair or abandoned.

The newer homes share a basic structural similarity and on some streets they are virtually identical. Variation exists mainly in size. Most units are one-floor masonry and glass structures. Usually one or two of the walls are glass and overall they appear to be designed for a semi-tropical climate even though the average temperature in Temuco is 50 degrees fahrenheit in winter and 55 degrees in summer.

Each house has a driveway but not a garage or a carport. The homes are surrounded by lawn dotted with flowers, but there are a few large trees. The care of the lawn is the responsibility of a gardener who visits each house once or twice weekly. Daily maintenance is done by the family. During the summer dry months, lawns must be watered daily. This poses problems since the city's water system is totally inadequate for its current size. During

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daylight hours and well into late evening, little more than a trickle of water flows into these homes. Residents often water their lawns as late as one or two in the morning even though during most of the field work there was a strictly enforced 11 P.M. curfew.

In contrast to Santiago's middle- and upper-class neighborhoods, homes in Temuco are not enclosed by fences or wells. This conveys a sense of openness and easy accessibility. Although some of my informants planned to install enclosures at some future time, their plans were for wrought iron fences, not the high walled garden enclosures found in Santiago.[1]

The overall impression is of a mushrooming middle-class area something like American suburbs in Los Angeles, for instance. This similarity is recognized and enhances the desirability of the neighborhood. Informants described the houses as "good homes," even "luxurious" and very "American." Living in these houses or in the new apartment buildings is highly desirable. However, units in either section are difficult to obtain since, despite recent construction, demand exceeds supply. There are plans to

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[1]Analogous units in Santiago were described to me by Santiago residents as suitable for the lower middle class.

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build more units of this type.

Prices for these houses range from a low of $4,000 (U.S.) to a high of $40,000 (U.S.). During the UP, several informants purchased their homes for slightly over $4,000. During the period of field work, several were on the market and the asking price was $40,000. Prices were always quoted to me in United States dollars and as far as I was able to determine, purchases were often made with dollars. The wide variation in prices over the last few years reflects both inflation rates and the variable official and black market price of dollars under the Allende government and the military junta.

The constantly increasing value of homes allows homeowners to generate considerable equity. Thus, home ownership represents a form of savings with dividends far in excess of what could be earned by putting money in a bank. The price also tends to exclude from ownership all those persons who do not enjoy a relatively secure financial position. Only what might be described as upper middle-class people can afford these homes. For example, on one street, resident families included three commercial farmers, two doctors, an agricultural engineer, a doctor of veterinary medicine, a retired general of the armed

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forces, and one of the city's leading comerciantes. Middle-rung bureaucrats and members of the university staff either rent houses in this area or apartments in the downtown area in buildings other than the newer apartments. They often plan to purchase one of these homes in the future.

The home consists of two to four bedrooms, a living room, a dining room, a small kitchen, at least two bathrooms, and facilities for one domestic servant--a small bedroom and separate bath. Some of the larger homes have a separate "family room." Most are equipped with items reflecting a mechanized, industrial urban standard of living. Each house has a refrigerator, a stove, and a space heater. Furnishings are modern in design, although household furniture occasionally includes family heirlooms. These items are usually mentioned and have special significance. Rooms are decorated with knick-knacks, mementos from trips abroad, and family heirlooms.

Other consumer durables are also found. Most of my informants owned radios, televisions, and stereo equipment. The television is usually centrally located and stereo equipment is always displayed. Many people own at least one automobile as well as cameras, typewriters and

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small electrical appliances.

Clearly, the city's middle class is the prime market for luxury consumer goods and these items were found to be a major concern of my informants. Not infrequently, an evening of socializing included an extended discussion of the relative merits of one brand of consumer goods over another. Some men, for instance, were particularly interested in stereo equipment.

Access to these items is restricted by both availability and cost. For goods manufactured or assembled in Chile, demand exceeds supply. Obtaining goods through ordinary channels often means a wait of several months. The distance of Temuco from production centers means that many consumer products never reach the province. Imported goods are even less accessible. Travel abroad was often discussed in terms of what items might be purchased and brought back to Chile. All those who had lived outside the country had made major purchases and these items were also discussed and commented upon.

Foreign-manufactured goods are especially sought after. An American made automobile commands a high price in the local market. Foreign consumer products are considered to be higher quality merchandise than Chilean

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made goods. For example, imported televisions, typewriters and small electrical appliances were always considered superior to the equivalent items assembled or manufactured in Chile.

While the consumption of consumer products is a form of cultural imitation, it cannot be dismissed as mere apeing. Consumption for the middle class has its pragmatic aspects. Provided an item is in good working order, its value goes up beyond the rate of inflation. As discussed in Chapter III, the used consumer goods market is well developed. Almost any item can move through the market, from a case of instant coffee to a 1975 Mercedes-Benz 300 D. The purchase of consumer products constitutes a form of savings. Alternative savings plans, such as bank deposits, are less secure since dividends on accounts rarely keep pace with inflation. Thus, consumption is a way of retaining the value of money and preventing the loss of capital.

Temuco's middle class is distinguished from other groups in the city by attire. In the central area of the city, one rarely encounters any person in worn or ill-fitting clothing. The normal attire for males is the business suit. Women wear dresses or pantsuits. Makeup

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is used by all women over the age of twenty-one. Children, from infancy on, are kept neat and clean at all times. Young children may have their clothing changed several times daily by a maid. By the age of five or six, young girls are expected to refrain from activities that might soil their attire. Children's dress is apparently a matter of propriety. On one occasion a neighbor refused to let her children play with another neighbor's children because they "were dirty, unkempt and never had their clothes changed." Young males and females are somewhat less formal in their dress. After school hours, slacks are worn. Occasionally young people, but never married women, wear dungarees.

Most clothing is made by local dressmakers although some is purchased in local boutiques. Style and quality of clothing are evaluated. For example, Allende was noted for his informality--the characteristic turtleneck sweater and sport jacket instead of the business suit. Among my informants who were opposed to the UP, this style of dress was a mark of immorality.

> [Y]ou always knew who the Marxists were . . . just by the way they dressed. They never wore suits . . . shirts without ties and some even dungarees to work . . . the junta would not allow this behavior. Everyone comes to work properly dressed now.

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In another instance, one of my informants commented on how embarrassed he felt on the day of the major earthquake in the early 1960s. When his neighbors came to view the damage to his swimming pool, he was clad only in a pair of bermuda shorts and a shirt.

As with other consumer products, foreign clothing is considered superior. Imported clothing is worn only on special occasions. Imported items are considered better because foreign thread is allegedly stronger and more durable. Several of my informants discretely inquired if I might sell them a particular article of clothing (shoes, dungarees and children's clothing were particularly sought after) before I left Chile.

The penetration of models derived from abroad has had an impact on the local educational systems. Since the late 1960s, three nursery schools have been established in the city. The most popular facility is called the "Mickey Mouse School." Since most middle-class women have maids who regularly care for young children, the tendency to send young children to these facilities is not for baby-sitting purposes, but because they feel children will benefit from this experience. Parent involvement in these programs is restricted to women even though men are

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regularly involved in the school activities of older children. The following is an excerpt from my field notes on a parent meeting I attended at one such school:

> The meeting was first divided in groups according to the children's ages. There must have been at least forty women and not one single male in the room I was in. The teacher (actually she is a teacher in training, there are only two licensed teachers at the facility) gave a short speech on aims and goals of the program. After the speech the teacher took questions from the women present. The questions were very specific and each asked about her particular child. Typical question--Hernán does not want to go to school anymore--Why? Response--does he have a new sibling?
>
> After the meeting I rode home with Maria. She appeared quite upset. The teacher had told her that little José had been biting all the other children. She had said that she was terribly embarrassed having to admit it was her child in front of all the other women. She also said that the teacher had told her that the reason he was biting was because he had a new sibling. She remarked that raising children was certainly complicated and she was glad to have had the teacher's help.

The North American influence can also be seen in other educational facilities. For most of Temuco's history, the best local colegios were those sponsored by the German and Spanish colonies. Although still regarded as good schools, their popularity has declined and their enrollments have either stabilized or suffered slight declines. Other colegios have expanded their enrollments,

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particularly one associated with a Protestant sect and the Colegio Inglés. The 100 families I studied all sent their children to local private schools and more than half to one of the non-ethnically defined institutions. Factors entered into the choice of school included overall academic standing, comparative costs, and language training. One of my informants stated that she selected the Colegio Inglés because she wanted her children to meet a variety of persons and because she felt it was important that they learn to speak a foreign language.

There is an overall positive evaluation of acquiring facility in another language and a growing preference for English. The local dialect is heavily interspersed with English words--el weekend, el closet, el homework. Many of my informants had a rudimentary knowledge of the language, and several were fluent in it. An important avenue by which I gained access to middle-class homes initially was my informants' desire to practice speaking English. Since the early 1960s, Temuco has housed a North American Institute that provides library services and language instruction for all ages. Although supported by local private funds, it does maintain a relationship with the United States Consulate.

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English is the second most popular teaching career at the Universidad de Chile. Generally, teaching English is regarded as a highly acceptable career for women of middle-class families. As one informant put it to me, "She who speaks English is queen in Chile."

Along with shifts in the choice of colegios there has also been changes in the internal social hierarchy and the social ties that emerge from the school experience. In the past, social ties developed within the school served to reinforce ethnic and class lines. With the growth of the middle-class, schools have come to include a wide spectrum of persons of different backgrounds. In contrast to earlier generations, the networks of classmates now cut across ethnic and occupational lines. Furthermore, there appears to have been a shift from ascribed to achieved criteria in the elaboration of ties during these critical years. The following is one informant's account of her experiences in contrast to those of her younger sibling and her children:

> I always felt at a disadvantage in school. My family was not wealthy, not as rich as many of my friends. My father was an empleado . . . we were not comerciantes or landowners. I also wasn't pure German. I only had one German surname . . . we were Catholic and we did not own fundo . . . I was a very good student . . . so were my friends but they were rich . . . their

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families had money, businesses and land. On weekends my friends invited me to spend time with them on their fundos or for vacations. I couldn't invite them;we had no fundo to go to. I always felt at a disadvantage. They were my friends but somehow I was different . . . my friends but not really my friends. I was uncomfortable.

I suppose I am peculiar. I am a very sensitive person . . . my brother says I am too sensitive. We have often discussed this and he never felt as I did. He says it was not like that for him . . . he is seven years younger than I am and maybe it was different for him.

He says he always felt comfortable and it did not matter . . . it wasn't important that we were not wealthy. He was a good student . . . he was near the top of his class and his friends . . . they were good students and he says it wasn't important that he didn't have a farm or much money.

My daughter she spent this last weekend at the home of a friend in Pucón. She never even mentions that some of her friends have things that she doesn't. Of course my husband earns a better salary than my father but we are not wealthy. She has friends . . . they are all very different . . . I must have been peculiar to feel as I did.

These changes have not made ties among schoolmates any less important. Class reunions and other formal linkages regularly appear even though former schoolmates may be widely scattered among various occupations. The strength of these ties is suggested by the following incident. Shortly after the coup, a member of the Chilean

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Communist Party was given two weeks to leave the country. Being without financial resources, he sought aid from his compañeros de curso. The cost of passage for himself and his family was collectively borne by this group, even though many had been at the opposite end of the political spectrum and were emphatically opposed to his activities.

Generally, the ethnic institutions that provided the organizational structure for the community through the end of World War II have declined in popularity or ceased to function entirely. For example, the Club Alemán is rarely used and was described as a "place old men go to drink beer." Members of the Centro Español have been planning to build new headquarters for the last five years. The plans have yet to materialize, allegedly due to the lack of interest on the part of the membership. The head of the women's section of another ethnic group reported that she took the position because no one else would accept the responsibility. Even the Club Temuco is rarely used although occasionally a business association from outside Cautín will be brought to lunch there.

Public social life has shifted to other types of organizations. During the early 1960s, sports associations emerged as important social centers. For the middle class,

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ski, tennis, golf and flying clubs are the most popular. The masses participate in local soccer and basketball groups, although comerciantes often serve on the directorship of these groups. Membership in sports clubs is common for comerciantes and landowners. As discussed in Chapter IV, professionals and bureaucrats are less likely to be members. For these groups, the high initiation fees and the fact that new members must be invited to join, restricts their involvement. Although invitations can be arranged for sports clubs, professionals often decline; they claim their professional responsibilities preclude such involvements.

Community service clubs have become very significant in the last decade. The Lions' and Rotary Club both date from the late 1950s. They draw members primarily from the commercial middle class although Lions also includes a fair share of professionals. The Cork Club, established in the late 1950s, draws its members from the commercial, professional middle class and military. It has gained in importance since the military takeover.

Although the commercial middle class is active in an array of organizations and the professional-bureaucratic middle class participates in some types of organization,

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there is no single center that draws together all of the city's middle class. The Country Club de Temuco, a modern facility lying on the outskirts of the city, is equipped with a swimming pool, tennis courts and banquet facilities. It was established as a private corporation in the early 1960s. The sponsors were commercial and landowning families. Although envisioned as a major social center for the community, since the mid-1960's, its facilities are little used. Formal functions may be held on the premises, but my informants claimed that even though they were members, they never went any longer.

The decline in the use of this facility is part of a more general shift in the quality of public social life in recent years. Generally, my informants described city life in the early 1960s as open, with a great deal of social activity. The local newspaper devoted a good share of its reporting to the enumeration of the events of public social organizations. A feature of more recent times is a decline in the kinds and number of public and open social activities. Although the local university centers sponsor cultural events on weekday evenings, attendance at these functions is not common. The only well-attended event that I witnessed was a fashion show sponsored by local

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boutiques and held at the regimental headquarters.

Apart from clubs, Temuco provides little in the way of public recreational facilities. The city houses one museum, open half-days on weekends; one playground, unuseable for most of the year due to heavy rain; two public plazas, each one block square; and one public park. The public park offers limited recreational facilities. Until the mid-1960s, it was the site of a small zoological park. This was closed because of inadequate public funds and the disappearance of private endowments. Since the coup, it has served as a training ground for the local regiment and weekend visitors are subjected to a military inspection. This has made a further contribution to its declining popularity. Other forms of public entertainment are ill-developed. Although the city has four movie theaters, these are frequented by the "masses" and not the "classes." The films offered are third-rate North American movies with Spanish subtitles. Although my informants claimed to enjoy movies, they usually go to the movies in Santiago, where major U.S. produced films are more likely to be shown. Overall, the public aspects of Temuco's social life are limited.

On most weekends the streets of the city are

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deserted from Saturday afternoon until Monday morning. Whenever possible, weekends are spent outside the city. This may be a weekend in Santiago, a car trip to visit family and friends in nearby cities or, in the summer, a visit to the tourist communities of Pucón and Villarrica. These communities are very popular and heavily used during the summer. There are several public beaches with swimming facilities.

Along Lake Villarrica and in the towns of Pucón and Villarrica are the summer cottages of Temuco's leading commercial, landowning, and professional families. A major change in recent years has been in the pattern of land ownership among the middle class. While some of the city's comerciantes own fundos that serve as both investment and summer home, even among these persons there has been an increasing preference to spend vacations on their recently purchased lake front retreats. In the fifty closed questionnaires among respondents who owned neither a fundo nor summer cottage, their preference was for the latter. A reason given for this preference was that fundos require too much work and were worth neither the time nor the effort. The increases in land values, particularly the most desirable farms close to the city,

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have been a major factor in the move toward the purchase of less expensive vacation cottages. Those who do not own summer homes often rent them for vacations. A few of my informants spent their vacations in Viña del Mar, the national resort on the coast.

A preferred way to spend vacations is to travel, especially abroad. Travel is seen as broadening one's cultural perspective and is important for language training. Travel abroad is very expensive and few had been outside Chile purely for vacation purposes. Several had traveled during their youth and clearly lament the fact that this is no longer possible.

> My mother traveled to Europe many times. She went to health spas, the baths, in Germany. She needed to rest . . . Several times when I was older she took me with her. I remember those trips so well . . . it took two months by boat . . . I have been to the United States . . . with the folk music group . . . Eduardo and I both went but that was before we were married. The group traveled all over the country . . . the expense . . . part by us and part by a grant from the U.S. consulate. We would love to return but now we have children. It would be hard to leave them for so long and we cannot afford to take them with us.

More commonly, travel has been for study with the costs covered by the government.

Concrete benefits fall to those who have lived

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outside Chile. Travel provides access to scarce consumer goods, since travelers are allowed to return to Chile with specific amounts of duty-free goods. Virtually every allowable item is brought back. Items not intended for personal use can be sold at considerable profits. It also provides access to foreign currencies. I found most of my informants knowledgeable about the fluctuating values of foreign currencies. Again, foreign funds are a form of investment for there is little benefit from holding money in Chilean currency. Most often it is held as cash at home, although a few admitted to having foreign bank accounts. Foreign currency was a particularly easy way to accumulate money for the purchase of large items, especially during the UP period when there was a flourishing black market in U.S. dollars.

The routine life of the middle class centers around the job and the restricted family circle. Men usually work from nine in the morning to seven in the evening, with a two- to three-hour break for lunch in midafternoon. Lunch is taken at home and is the main meal of the day. Women are always at home for this meal and it is a family affair. Friends are not included in this meal. Men sometimes meet a friend or associate for onces (late afternoon

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tea) at one of the local confiterías. This is most common among comerciantes. Increasingly, onces is minimal or skipped entirely, and the third meal of the day is eaten immediately upon arrival at home, and is called onces con comida. The shift from four to three meals a day is recent and is viewed as a pragmatic adjustment to work schedules but is also considered to be more rational and more "North American."

Most women in my sample were not employed outside the home even though they had spent some time at the university and a few had received degrees in such fields as basic education. The position of middle-class women centers on their role as guardians of the home. Actual domestic tasks are performed by the maid (empleada)--the ordinary care of children, cooking of meals, cleaning, and so forth. The major task the housewife performs is provisioning and the supervision of household employees. She may organize meals, see that supplies are present, and oversee those employed to perform other domestic tasks--gardening, household repairs, laundry. Her role is thus primarily managerial.

The role of housewife (dueña de la casa) is seen as a vital and important role. Maids are seen as barely

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adequate and in need of constant supervision.

> My home keeps me very busy. I have hardly a moment to myself. The maid, Amanda . . . maids are not mothers. They are uneducated . . . you must be careful that they do not exercise too much control over your children. It causes problems. Just hear the way they speak . . . if they [the children] listened to them they would grow up not knowing how to speak at all . . . Amanda she cooks but I have to tell her how to do everything. She cooks what I tell her to cook and half the time she can't remember what she is supposed to do . . . I am needed at home . . . it is not possible for me to return to work now.

Among my female informants who held jobs outside the home, perceptions of their more domestically oriented peers appear to be somewhat negative.

> Women who don't work, they do nothing all day long . . . nothing. They have maids, one or two or more who do everything in the house. They claim to be busy but what do they do . . . I don't know. La dueña de la casa she sleeps to ten or eleven each morning. She lets her maid get her children ready for school. She spends two hours each morning dressing herself. She must be very beautiful for her husband when he comes home for lunch . . . the children they eat with the maid. They lunch for two hours . . . in the afternoon she goes shopping and sometimes she collects her children at the school. You see them around the Colegio Aleman . . . all the women, chatting and gossiping. In the afternoon she takes onces with her friends. She does not do anything all day.

In another instance I visited a woman who was a student at the university and who had recently been ill.

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> I feel better now . . . three weeks in bed and I am better. The doctor he says there is nothing wrong except that I am very tired. I need a vacation . . . a beach with warm sun and nothing to do . . . Juanita [her maid] left three weeks ago to spend the weekend with her family and has not returned. Martín [her husband] he is no help. You know . . . Chilean men are like children. They are spoiled. They have had maids and always their mothers . . . they can do nothing for themselves . . . when women's liberation comes to Temuco I am going to be first in line . . . I must take care of myself . . . but school, my studies, the children. I have no help . . . none at all. Some women don't work, have help for everything and they complain all the time.

Clearly, a major activity of the dueña de la casa is maintaining an active social life. At approximately five in the afternoon, women are seen leaving their homes and driving to friends' houses for onces. This extensive afternoon socializing is supplemented by regular phone contact. The circle of persons with whom regular contact is maintained includes her family, the family of her husband, her own compañeros de curso and the wives of her husband's work associates. These relationships are intense.

Apart from the afternoon social life of women, group social life is fairly restricted. Joint husband-wife social life usually includes rites of passage, weddings, baptisms and farewell parties. The latter events

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were reportedly unusually frequent during the year of field work because of the high rate of emigration from the city. Dining in public is a rare event. Evening social visits among friends are usually short, to make some inquiry, to see godchildren or sometimes for a drink to celebrate a minor occasion, a birthday or saint's day. Dinner invitations are not common and although I dined often with my informants, these were reciprocal acts that I initiated. Social life is restricted to a small circle of family and intimate friends. Thus, despite its size, Temuco is in many ways similar to a small town.

For the non-native who lacks family ties within the city, it can be a lonely and isolating place. If they originate from points not too far away, trips occur on weekends to visit their families. Vacations are always spent with parents and siblings in native communities and reciprocal visits are frequent--as often as once a month. In two instances among those non-native to Cautín, their families shifted residence to Temuco when it became apparent that Temuco was to be their permanent home. Recent arrivals, those living in the city five years or less, related extreme difficulties in becoming part of the community. They often expressed feelings of isolation.

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> Temuco is a very closed city. It is difficult to make friends . . . to meet people in this city. I am not the only one who thinks as I do. Many people I know casually have told me they find Temuco a difficult place to meet friends . . . to find a place for themselves in the community. I have a friend . . . she wants to leave. She says Temuco lacks cultural facilities . . . no museums or other things to do. I think people who have come here recently . . . the last ten years . . . have a different mentality. They come from large cities like Santiago and they are different.

While difficult to measure the quantity and quality of social life, there are indications that the tenor of social life is quieter than five or seven years ago. Non-natives of Cautín who have lived in the city since the early 1960s, described city life in that period as relatively open, characterized by extensive social activity.

> When I first came here it was very different. Everyone was very nice, friendly and they were anxious to make you feel welcome. I made friends then. It was easy . . . at the Country Club and I joined the Tennis Club. Friends . . . we met for dinner sometimes, but usually we visited at homes. There were fiestas . . . many fiestas for everything. Friends came to my house . . . you were invited and they expected to be invited to your home. We were always busy with our friends.

> I rarely go out anymore. I play tennis once a week and sometimes I have to go to a dinner for the club. Last week the club invited another tennis club from Osorno. We all had dinner together . . . a fiesta. I play chess sometimes . . . with Sr. Alvarez . . . he lives at the end of the block. We

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> both enjoy the game very much . . . I don't see many people now. I have a few friends . . . we visit them . . . maybe once a month not more often. I used to like all the fiestas but I don't enjoy them anymore. I don't invite many people anymore. They don't invite me. I prefer it this way. I listen to music, watch television . . . I have more time for my family now. It's better this way.

Even among those native to the city, social life is less elaborate and more restricted than just a few years ago.

> We prefer to stay at home . . . We used to go to dinner at Alan Cleis [a local restaurant] about every two or three weeks . . . with friends. I haven't been there in more than two years. I don't know how it stays in business. It used to be a very popular restaurant but no one I know goes out to dinner there now. It still is a very nice restaurant . . . we just don't go out anymore.

> My friends . . . they visit me . . . not often. Maria goes out more often . . . in the afternoon. She likes to be at home with me and with the children . . . my compadres they come to see the children, once a week . . . for a few minutes.

The reason given for the shift to more private and less extensive social life centered on both time and financial considerations. My informants maintained that between their professional and job commitments, and their family responsibilities, they had little time for other social activities. The new patterns of social activity are seen as more desirable, freeing one from both extraneous social

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obligations and unnecessary expense.

The recent shift from public and extensive social life to a private and restricted pattern of social activity is not readily understood. It clearly predates both the UP era and the current military government. It does, however, roughly coincide with the major spurt in the size of the regional bureaucracy under the Christian Democrats. It is possible that the rapid expansion of middle-class persons who sought access to new social ties in the city, provoked a defensive move among already established members of the community. This was an effort on the part of the established middle class to guard their social position within the community and prevent newcomers from competing with them for status in the city. It is equally possible that the old types of social connections were no longer yielding the same benefits as they had earlier. Maintaining a host of ties to persons who contribute little or nothing to your life chances made such ties burdensome and hence, undesirable. In either case, the new pattern closed off access to new social relationships for recent arrivals and contributed to their feelings of social isolation.

My informants consistently maintained they preferred to remain in the comfort of their own homes. Television

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provides the main form of evening entertainment. Television only came to Temuco in 1970 and the area receives only one channel. Adults generally do not watch daytime television although maids and children do. Most daytime programs are soap opera. Evening television programs are reruns of series produced in the United States approximately three to five years earlier. These programs are watched regularly but there is little conversation about them. My informants appeared to be relatively uninterested in the details of these programs, although there is little in the way of conversation while programs are in progress. More likely to be a topic of conversation both during and after the program, are the rare special programs, cultural and sports events.

A major distinguishing feature of Temuco's middle class is the prevalence of items derived from other cultural systems, particularly the United States. This is clear in house types, consumer goods, linguistic forms, educational patterns and so forth. The more amenities reflecting the technology of production and mass consumption found in industrial societies, the more developed and modern the society is presumed to be. For example, the local newspaper ran a headline and lead article entitled

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"Temuco Has More Cars than Moscow" (Diario Austral, 12/72). The article discussed how the increase in the number of automobiles in Temuco clearly showed both a rise in the standard of living and the superiority of Chile to the U.S.S.R.

Evaluations of this sort suggest the importance of ideologies, behavioral codes, commodities and institutional models derived from foreign sources in defining the local middle class standard of living. Because of this similarity I found, at least initially, that it was difficult to "see" the cultural system and to define its distinctive qualities. However, its uniqueness lies with its imitative forms. To grasp the significance it is necessary to imagine what a reversal of the situation might be. If, for example, someone were to travel to a city in the United States and find that the most common residence unit clearly mirrored a Japanese house, that Japanese words were freely interspersed with the local English dialect, that the local educational system conformed to a model of the Japanese system, this situation would be similar to what I found in Temuco.

Elements in the cultural system that were peculiarly and distinctively Chilean appeared to be less well-developed.

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Chilean folk music was popular among many of my informants, particularly those with left political leanings. However, the interest in folk traditions rarely extended beyond music and my informants appeared neither conscious nor proud of local Indian crafts.[2]

The major institutional complexes perceived to be characteristically Chilean were associated with the rural sector. However, perceptions of rural life were not without their ambiguities. Thus, for example, the term huaso was found to have two translations--a typical Chilean cowboy and an illiterate ignorant farm hand, a "hick," An example of a Chilean institution was the rodeo. Rodeos are held during the summer months throughout the province. Only Chilean inscribed horses can be used and the costumes of the riders are regulated. The rodeo centers on one event; a winner is declared for each local rodeo. A queen of the rodeo presents prizes to the winners. She is usually a student from the local colegio and the prizes are donated by comerciantes. At the end of the presentation the queen is ridden around the arena by the winner. Then the two dance the Chilean cueca and all retire to a canteen for

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[2]During the UP, 60 per cent of the music played on the media had to be Chilean.

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refreshments. The participants are local landowners and occasionally their administrator. The spectators included workers on the farm, and the friends and family of landowners, but not other members of the urban middle class. Only friends and family of the landowner are included in the fiesta that follows the rodeo. The music played at the fiesta is rock music.

Overall, the cultural system appeared to me as neither strange nor exotic. This stemmed in part from the proliferation of cultural forms shared by Chileans and North Americans. Ever-present reminders of the world economy fostered a view by informants of me as a social peer. As a North American anthropologist, I was assumed to occupy a position analogous to themselves in my own cultural system. They also assumed that I would participate in social relations appropriate to my position. To an extent this was a mutual perception and led to unwarranted assumptions both on my part and on the part of my informants. These perceptions posed problems. In responding to demands placed on me, I made mistakes, often of the subtlest variety. These errors, however, provided insights into the way the system operated. I found that subtle variations were critical in informants' evaluations

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of their lives, their positions within the community, and the nature of being middle class in Temuco.

The Social Parameters of Middle-Class Life

The processes that have produced an increasingly homogeneous standard of living have also produced an increasingly homogenized perception of positions within the socioeconomic hierarchy. All my informants claimed to be members of the clase media and a substantial portion saw themselves as clase media media. For example, 32 of the 50 persons interviewed on the closed questionnaire classed themselves as clase media media, 11 as clase media alta, 4 as clase media baja. Three refused to provide any response, stating that they did not believe in the social division of society. These perceptions extended to the parental generation. Of the 50, 27 classed parents as clase media media, 6 as clase media alta, 9 as clase media baja, 1 as obrero, and 7 gave no information on the parental generation.

The reasons offered for these evaluations centered on salary, educational background, the fact that neither their parents nor they were either rich or poor, and that they enjoyed a measure of economic security. In nine

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cases, further criteria were offered for these evaluations. Being neither rich nor poor meant living comfortably, and having the ability to acquire some but not all luxuries. The ownership of a home or an apartment, adequate provisions for children's education, ownership of cars were some of the specific items mentioned.

A similar pattern appeared in the open-ended interviews. All classed themselves as clase media and most saw both parents and themselves as clase media media. The definitions of the various categories centered on occupational criteria. Thus, for example, the clase media alta was defined as professionals or those with university degrees, the clase media media as bureaucrats, bank employees, secondary school teachers, and the clase media baja as small businessmen, butchers or grocery store owners.

For self-categorization and the categorization of persons within their networks, the criteria used centered on standard of living. One informant explained her evaluations of herself, her family and some of her friends as follows:

> I can only speak for myself; other persons have different ideas. My father, for example, he had his own business . . . he owns his own home and he has three houses in Pucón. One is large and the others are small. He has a car . . . it is not new but it is not old

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either. He has been to Europe, twice. I think, he is clase media media, maybe clase media alta . . . My sister and brother-in-law . . . he has two jobs . . . and my sister also works . . . but they have a nice house, not very large but not small. They have a car and their children are all in the colegio. It is very expensive to send three children to the colegio. It's true that many of the things they have would not be possible if my sister did not work but I still think they are comfortable. They are clase media media. Myself . . . we are not rich. Carlos earns a good salary. We own our house, we have a car . . . it's old but there is nothing wrong with it. I think we are clase media media also . . . maybe clase media alta but only because Carlos is a professional. We have what we need but we are not rich.

I think Maria and Laura are, like me, clase media media. Laura she was a poor girl. Her father was a shoemaker . . . nothing more. But now . . . they have two cars, a nice house, a house in Pucón and they spend a month each year in Viña. She is always dressed well . . . she is definitely clase media alta.

Or in another case:

I own my own home . . . I also have the little house in the back. That is rented. I am comfortable. I have most things that I need. I am clase media.

My sister, she is married to Dr. Hernán Lopez. He has an important position . . . an agronomist. He is a very respected man in his profession. He teaches here and at the university in Valdivia. He travels all the time. He just returned from Germany and he will be traveling to the United States next month. He makes only 180,000 escudos a month but he earns other money too . . . I

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> don't know how much. They bought a beautiful house . . . it is very modern. They bought it with dollars. He has a new car. He is clase media alta.

Although occupation is a major axis of internal stratification within the middle class, it is also true that access to the symbols of middle-class life is an important feature for measuring one's position and the positions of others.

I found that women were most explicit in the use of standard of living symbols. Men were often present at the interviews and contributed their perspectives, but their evaluations centered more on the general criteria of salary and profession. This difference reflects the woman's role as manager of the symbols of the middle-class standard of living. The major task la dueña de la casa performs is to insure that the household is well supplied with daily essentials as well as more durable and important items. This role makes women particularly sensitive to problems in securing the ordinary amenities of middle-class life. This appeared in their evaluations of, and responses to, the UP era.

For both political and economic reasons, the Marxist government was plagued by major distribution problems. As the purchasing power of workers expanded and

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shortages of ordinary consumer goods began to develop, the government tightened controls over price and supply channels. Families were entitled to purchase at legal prices certain items--sugar, coffee, tea, cooking oil, detergent, toilet paper. Toward the end of the UP period, many of these items were only available through government distribution programs.

Among my male informants, reactions to the UP stressed the overall inefficiency of the system.

> The problem with the UP was that they did not know how to run things properly. Corruption was rampant. You had to know someone to receive what you were entitled to. Sometimes the supplies never reached us. There were no drugs, no tractors, not even sheets for the patients at the hospital. Inefficient . . . some people had what they needed . . . others could not secure anything at all.

The focal concern of women was daily necessities.

> During Allende there was nothing to eat . . . nothing . . . we were almost starving . . . starving . . . do you believe that . . . it was true. I could not feed my family. What could I do . . . there was no oil to cook with. How can you cook without oil. There was no meat . . . there was nothing I could feed my family. There was no detergent, no Rinso or Omo . . . you couldn't wash your clothes.
>
> In Temuco it was better than in other places. We had no sugar but at least sometimes we had something to eat. Meat . . . my cousin lives in Santiago and she had no

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> meat for her children. When I visited her I brought it in my suitcase . . . no clothes for myself, or toys for her children but meat for her family.

Even among those sympathetic to the UP government, supply problems were a critical interest.

> It was very difficult . . . you know the workers used to say a terrible government but at least it is our government. Things were hard to get . . . sugar, oil, meat. The JAP distributed some things but it wasn't enough to last the week . . . there were many problems. It made things more difficult.

Having lived under the Allende government, I can personally attest to the reality of such shortages at least for the final weeks of the regime. Certain items were generally not available. However, substitutes were available. Oil was impossible to obtain through ordinary means, but lard was readily available in the market. Beef and pork were not to be had but fish, including varieties of lobster and shrimp, were plentiful and accessible. Starvation in this case meant a diet of lobster instead of beef and pork.

Many of my informants had at their disposal ways to circumvent some of the most pressing shortages. A flourishing black market existed for a host of household foods. Many of my informants dealt on the black market,

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although this undoubtedly strained household budgets. Several families I worked with received special allotments under government programs. Doctors, for example, were allotted extra rations of gasoline and extra monthly allotments of staples, i.e., flour and sugar, were given to the military and persons connected to military facilities. Additional sources of supply existed for those with friends and acquaintances in the government bureaucracy.

A second focal point of concern among my female informants was the disruption of ordinary supply channels. One woman recounted:

> Before Allende, before the UP . . . every day someone would deliver bread to my door. The butcher, he always saved me a chicken or two each week. If I was too busy to come to his shop he would have someone bring it to my house. With the UP I spent my entire day . . . all my time just trying to feed my family. I could not do anything else . . . my children, my responsibilities to my husband . . . they all had to wait.

Disruptions in supply meant that hours had to be spent waiting on long lines or colas, daily or weekly.

> Lines . . . there was a line for everything you had to buy. To buy bread . . . I left early in the morning . . . if you didn't go early there would be none left . . . an hour every morning. Everybody stood on line together . . . The empleada could not go. She had to cook what food I could find. Sometimes I had to spend three hours on a line to buy kerosene for the heater . . . I

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> remember one day I spent three hours . . . three hours . . . all morning waiting to buy a half kilo of ham . . . I had to leave for a minute . . . I asked the woman behind me to hold my place. When I came back my spot was gone . . . they wouldn't let me in so I had to go to the end . . . when I finally reached the store there was no ham at all. I had to buy something else . . . It was terrible to spend all that time on line . . . all the people together. All Chile was a grand cola.

Or in another case:

> They were distributing sugar. Twenty kilos for each person . . . I went and I took my two daughters and my maid too. All together we collected eighty kilos of sugar . . . I gave some to my maid and the rest I put in the basement of my house. There was always something you had to wait for. If you did not arrive on line early there wouldn't be any left at all.

Apparently it was not the inaccessibility of certain items--there were substitutes and means to circumvent some of the shortages--but rather the changes in the social and cultural forms surrounding distribution that were most disturbing to women. Furthermore, there was a less exclusive association between the middle class and the symbols of a high standard of living. Workers and campesinos had access to goods that had been previously beyond their reach.

> The prices were low . . . bread and milk. Allende promised to give all Chilean children a quart of milk a day and I think

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> he almost succeeded. The workers had more money . . . they didn't use it correctly. They bought radios and televisions. Don't tell me about the sufferings . . . look at the poblaciones . . . television antennaes.

Clearly, some of my informants viewed these developments as alarming and threatening. As one informant put it to me with a high emotional tone to her voice, "The worker clowns had all the refrigerators and they were giving them to the other workers. They made money at it too."

Petras and Lieberman (1973) have suggested that the middle-class reaction to Allende was that of a status crisis rather than a reaction to real material deprivation. Generally the middle class did not experience any declines in real income during this period. Interestingly, this crisis crystallized around consumption and the focus of middle-class opposition was organized by women, those most concerned with maintaining the symbols of middle-class life. The symbols of outward standard of living figured heavily in my informants' perceptions of those groups below them in the social hierarchy.

The regional class structure was usually described as a bipolar model; there were workers and campesinos and the middle class. To be a worker or campesino was for the

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most part also to be poor. Many of my informants were well versed in the various objective criteria of poverty. For example, they knew that Cautín's illiteracy and infant mortality rates were reported as among the highest in Chile. This was usually attributed to the presence of heavy concentrations of indigenous people in the zone.

Women were explicit in their perceptions of workers and campesinos as materially deprived. With the lifting of price controls and the end of modified rationing systems under the military government, the difficulties the poor were presumed to be experiencing evoked expressions of sympathy and concern.

> Oil . . . did you see how much it costs now. The prices keep going up . . . everything is very expensive. I am finding it difficult to manage . . . I must spend more money for the things that I have to buy. It is hard but I manage.

> The poor, the workers . . . I don't see how they can afford to eat. Even the bread, everyone has to have bread . . . it is so expensive. I just don't see how they eat . . . The children . . . they beg more now . . . all day the doorbell rings and the children come to beg. I tell Maria to give them something . . . it is very hard . . . the children.

Part of this concern is expressed through involvement in charitable organizations.

> I feel that I should help those less fortunate than I am. At the center we

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> collect clothes for women who have many children . . . they can't do it by themselves. We are thinking about adopting a small community, to help those who don't have anything.

Wives of comerciantes and landowners almost universally belong to the Red Cross and many middle-class women participate in Los Centros de Madres. Mass community charity drives are sponsored by these women's groups. At Christmas and during other major holiday periods, women's charity groups organize to distribute clothing, toys and food to the provincial poor. Local efforts occur in neighborhoods, as for example when a basket of food, primarily canned goods, was donated to the local night watchman so that "his family could have something good for Christmas."

For women, contact with the poor occurs almost exclusively through these groups. Los Centros de Madres bring together women of all social classes. Although these centers are organized around a neighborhood, neighborhood centers are often defined so as to include areas of different socioeconomic groups. Many of the other charitable organizations also draw together women of all social classes living in all areas of the city. Women were highly sensitive to visible differences in standard of

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living among members of these groups.

> We meet every two weeks . . . we help other mothers . . . mothers with twins and with many children. We sew clothing, collect clothing and then give it to women who live in the poblaciones.

> We meet in each other's houses, for onces. We all take our turn . . . except for two or three women . . . we don't want to embarrass them, they would be ashamed . . . they do not have proper dishes, or even a tablecloth. To buy coffee would be hard for them . . . they would be embarrassed.

Although aware of these distinctions, there is also a tendency to deny inequality among the participants in charitable organizations. These are all women who have come together to provide service to the community. However, under the military government, some of the overt aspects of these interactions between the members of social groups have been redefined. Generally, groups such as Los Centros de Madres have been closely supervised by the wives of local military personnel. One informant reported the following incident:

> At the first meeting after the coup only those groups that have been cleared by the military were allowed to attend the luncheon. The most political ones . . . those from the poblaciones were not permitted to reopen and none of the women from these groups were invited. This meeting was different . . . the women from the clase media were seated at tables in the front of the room, the others sat at the back . . . the poor women

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were seated apart from us. That has never happened before. I felt ashamed.

Apart from these involvements, my informants denied having contact with members of other social classes. None described their relatives as poor or members of the working class. All were middle class like themselves and in the genealogies collected, no occupation was given other than landowner, comerciante, empleado, or professional, with but one exception. One informant described his father as an obrero who had worked himself up to be an empleado in a ship building firm in the north.

Contact with campesinos does occur among those who own land in the province. Relationships with employees on the estates were described in paternalistic terms and several pointed with pride that they were godparents to the children of their workers. On the other hand, there appears to be changed attitudes towards inquilinos among younger landowners. One informant explained why he did not press for the return of portions of his expropriated lands.

I didn't want the land back. I would have had to take on the obligations and debts of the asentamiento and to care for the asentados and their families. I can not afford to do that. I have a good relationship with them but I am free of obligations. It would have been too expensive.

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In another instance, a son contrasts his feelings about the family's commercial farm with the attitude of his father:

> My father he loves the land. It means something very special to him. He keeps it not because he is interested in making money . . . it might be better to sell it . . . but because he loves the fundo. I am different. I would organize it in a different way if it were all my decision. We talk about it . . . sometimes we even argue . . . There are ten families that work the fundo. We don't need those ten . . . two or three could do the same thing. The production would be the same and it would be much cheaper to run. For me it's a business and you should run it to make a profit. My father won't do it my way . . . he feels an obligation to those families. Some of them have worked for us for twenty years. For me, it would be a difficult decision but I think, a necessary one. They would find other jobs. It is not my responsibility to care for all those families.

While middle-class perceptions of the poor are often characterized by expression of sympathy and paternalism, equally characteristic are expressions of fear, resentment and antipathy. Since contact with those less fortunate than themselves is restricted, much of their attitude crystallizes around their relations to the one group with whom there is a consistent contact, their maids. It is standard practice to hire empleadas only on the personal recommendations of other middle-class persons.

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None of my informants hired maids from newspaper advertisements and many preferred to hire empleadas from rural areas. Knowing an empleada's family was also seen as desirable because this provided information on the character of the domestic servant. Although a personal recommendation is not an absolute guarantee, it gives a feeling of control over the character and morality of domestic employees. Empleadas are often seen as lacking in certain moral characteristics, primarily a sense of responsibility and control of excesses. Among women, problems with empleadas are a constant and major topic of conversation. In my experience with informants, there was never a category of a really good maid.

There is a constant and rapid turnover in domestic servants. This is seen as a recent pattern and is contrasted to the image of the domestic servant of the past.

> When I was a child we only had one maid. She worked for my family for many years . . . she was almost like a mother to me . . . I loved her very much and when she died I felt great sorrow. She had to do everything. There were five of us, five children and a huge house to care for. She never complained . . . never. It was a better life than she would have had otherwise. She was almost a part of our family. Of course, not all maids were treated as well as we treated her. They often worked from before sunrise until midnight. Families

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ate dinner very late and she had to clear the table before she was allowed to go to bed. I don't know how true it was but my friends said that the maid was made to provide sexual services . . . the first sexual experiences for the young boys of the family.

Nowadays it is very different. I treat my maid very well. She eats what I eat . . . if I have meat for dinner she also has meat. They eat all the time . . . if you didn't watch them very carefully they would eat all the food in the house. But they are never grateful. Sometimes when you hire a new maid she makes you promise her a television of her own . . . do you believe that? The very least is that she demands that she can watch her programs during the day. They complain all the time.

I once had a good maid. She worked very hard . . . she was pleasant . . . so many are unpleasant, they complain. Her only problem was that she was a thief . . . she took things . . . maybe to give to her family. She was good but she left to get married. Since then . . . I haven't been able to find someone who is pleasant and responsible. I've had six maids in the last four years. They never stay. They leave for vacation and never return. Maria she went away for Easter . . . for three days and now it is a week and she still has not returned. She is irresponsible. I treat her well . . . I don't understand.

Others expressed similar feelings:

Ungrateful . . . she is ungrateful. When she had her baby I took care of her baby. I didn't let her go . . . she had no other place . . . She's left again . . . I don't know when she'll be back . . . a week, maybe two . . . She is irresponsible.

She is lazy . . . she complains all the time about how much work she has. She never

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> smiles. She isn't very intelligent. I teach her things and she can't remember them the next day. Sometimes I think she doesn't want to learn . . . but Martín [her son] loves her. Of course, she gives him everything he wants . . . she never says no. It is hard when there are two teachers in a house.
>
> She is wasteful . . . to do the dishes she uses a half box of Omo. She wants more money again. She is a good cook . . . they are hard to find.
>
> I don't have an empleada now. I had four maids in two years and each one was worse than the one before. One went out every night . . . to see her novio . . . sometimes she was back by morning. The other one she was a thief . . . she took things from the kitchen and sometimes from my pocketbook . . . money. I won't have another one. It is easier when I take care of the house myself.

Most women pride themselves on their generosity and understanding. The frequency with which empleadas leave for other employment leaves them with feelings of betrayal. They often attribute this behavior to the lack of appropriate moral qualities among maids. Since many local empleadas are Mapuche Indians, a fact that empleadas often deny, part of the negativism of the middle class is a reflection of their general attitudes toward indigenous people. However, the lack of appropriate moral qualities is seen as characteristic of the lower classes as a whole.

> It appears to me that you cannot be too generous with people . . . they don't know to accept your giving things and they take advantage. That was the problem with

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> Allende . . . he just gave away things to the poor. Poor people have to earn what they receive. They have to be educated . . . they have to be taught to be responsible, to work hard to earn what they receive.

The poor are not only materially deprived, according to informants; they also lack a certain morality. For example, in one conversation I had with my informants on their evaluations of the socioeconomic category of one of their employees, a difference appeared in the evaluations of the husband and wife:

> She: He works, he has a regular job. He lives in a house--it is very small but it is clean and his children are clean. He always wears a suit. He is clase media baja.
>
> He: No . . . you are wrong. He wears a suit but that is only because . . . well, he would like to be something other than what he is. He drinks . . . all the time. He has worked here for six months . . . lately he is sick all the time . . . sick from wine. He will not work here long.

Similarly, while the objective parameters of the middle class center on occupation and a standard of living, being middle class is more than these things. In the words of one informant, "The clase media for me . . . is having a certain mentality." What this consists of was never clearly defined. However, I found that certain ethical and moral evaluations were made for persons who

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had achieved some level of locally recognized success. Success for individuals, particularly when contrasted with family groups, was equated with hard work, intelligence, and responsibility. For example, one local family included within the second and third generation the owner of a transport firm and an import-export merchant. These men were seen as highly successful and respected members of the community.

> Oscar . . . he is a special kind of man. He not only works hard but he also knows how to make use of a situation . . . to use it for his advantage. He inherited some money from his father but most of what he has achieved he has done himself. In 1961 or 1962 he bought the transport company. It was small then but he saw that it would grow in the next few years . . . Mario is very like him. They have earned what they have. They are men whom you can trust . . . they keep their agreements . . . I remember even as children, those two were always more intelligent than the others.

In contrast, persons who have suffered declines in their positions were described as having an excess of some elements--too much drinking, too much social life, or too little intelligence. Another member of this family, a cousin, was often offered as an example of a local failure.

> Ricardo . . . he is not like the others . . . not at all like Oscar or Mario. They come from the same family but they are entirely different kinds of people. He works for . . . an empleado particular, nothing more. His father . . . was not very smart. He

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> handled his money badly . . . He sold his share in the company when he was very young . . . You know they marry each other for generations and then they become a little strange. Ricardo has the name but nothing else.

The behavioral complexes associated with success and failure are very often couched in ethnic terms--too much wine and women, he is too Spanish; a hard worker, responsible, and dedicated, a good German. A sense of balance in one's activities appears to be a major component of behavior associated with respectability.

> Chileans . . . they spend too much time eating and drinking. Every day they have lunch . . . two or three hours for lunch and usually they drink a bottle of wine . . . no wonder they can't work in the afternoon. I rarely go home for lunch anymore . . . I like wine but in the evening when I do not have work to do . . . That is the problem with Chile . . . too many people who have a good time but with too little of work. A little of both . . . it is better.

While declines were often seen as reflecting some moral flaw, there were also instances where declines were viewed with considerable sympathy and seen as due to circumstances beyond the control of the individual. The following case illustrates such an instance. In the late 1950s a man moved to Temuco from Santiago and opened a local company with a friend. During his first years in Temuco this company was successful. He and his wife joined many clubs in the city and developed a wide circle of

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friends among comerciantes and professionals in the city. In 1968 his interest in the firm was lost, allegedly due to the misappropriation of funds by his partner. From 1968 to 1971 he was unemployed. During this period his wife found part-time employment at the local university.

This four-year period was very difficult for the family. Two of their three cars were sold. However, people were sympathetic to their plight. Local merchants liberally extended credit. In 1971 the husband found employment as a middle-rung bureaucrat with a local government agency. Up to the military coup, their standard of living remained fairly constant. However, shortly thereafter they suffered a second major setback. Both reportedly had been leftist sympathizers. The wife was fired from her job at the university and the husband received a demotion and a cut in pay. In the months that followed, their youngest child was removed from a private school and placed in a local public school. The full-time domestic servant was replaced with a part-time empleada, who remained with the family only a short time. In early 1974, the telephone was disconnected and shortly thereafter, plans were made to leave the city. The wife left and the husband stayed on for several months in order to sell

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their home.

During the second major setback, they maintained restricted contacts with their local friends. However, in my discussions with their friends, their situation was viewed with sympathy even by those of opposing political positions.

> I spoke to Maria, she is leaving. She found a job in Santiago. Martín does not have one yet but he is looking for work. I am sad . . . she is a good friend . . . a charming woman. Things have been very difficult for them. Did you hear the story of how she lost her job at the university? She wasn't an extremist . . . it was very unpleasant for her. You know I was opposed to Allende but I understood how people can be brought to such a position. There is much poverty in Chile . . . they are impatient. Extremists are one thing . . . the MIR, but Maria she was not an extremist. She did what she thought was correct . . . It is very sad . . . Temuco is a very small town . . . people talk . . . everyone knows what you are doing . . . it will be easier for them in Santiago.

In this case, the decline was seen as due to factors beyond the immediate control of the persons involved.

Declines in standard of living as exemplified by the above case are usually not as drastic nor as readily apparent. More often it involves subtle compromises and alterations in standard of living. Scheduled trips may be postponed, temporarily or indefinitely; a used car purchased instead of a new one; the number of domestic servants

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gradually reduced over the years. For example, in one case a mayorista comerciante moved from a large house equipped with a swimming pool to a newer but considerably smaller unit. The number of domestic servants was reduced from three full-time to one part-time empleada. These changes reflected altered life circumstances--grown children requiring less space and fewer servants. Yet others retain these elements even though there is no apparent need. In another instance, a family owned several rural properties, several urban parcels, a private home, a summer cottage, and three cars. Yet in the summer of 1974, a scheduled trip to Santiago was cancelled due to inadequate cash. As it was explained to me, to finance the trip (a cost of approximately twenty dollars), livestock would have had to be sold. This was not done because market prices were too low.

Compromises of this magnitude are common every-day occurrences and are routinely discussed among persons of varying social distances. Even for the most influential members of the community, these changes do not necessarily herald a decline in social standing. This suggests again that the display of the symbols of middle-class standard of living is not the only criterion in the definition of group

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boundaries. My informants' perceptions of both those above them in the socioeconomic hierarchy, that is, the upper class, and their evaluations of prestige within the middle class, indicate that the quality of interpersonal networks is a significant variable.

While there were clearly poor as well as middle-class persons living in Temuco, informants emphatically denied that Temuco had an upper class. The rich in the city were seen as middle class themselves.

> An upper class . . . Temuco has no upper class . . . the upper class, they all live in Santiago . . . or maybe outside the country. They don't live in Temuco. Families such as Edwards, Larraín . . . they are upper class. The Edwards family once had a fundo in Cautín . . . in the west but they never lived here. Alessandri, the father, he owned a fundo here too. It was very large . . . 6,000 hectares. He never lived here. Alessandri, the son, when he was campaigning he visited the zone . . . he stayed with one of the Kampfs . . . on their fundo . . . maybe they were friends . . . I don't know . . . I don't know any upper-class people. They would not live in a city such as Temuco . . . Santiago but not Temuco.

In collecting one genealogy, two persons in the family had married individuals with the surnames of Edwards and Allende, respectively. However, my informant denied that these persons were connected to "the Edwards" and "the Allende" families in any way. The similarity of such names was seen as purely accidental.

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Local persons seen as controlling considerable wealth, were denied upper-class status by my informants.

> There are many wealthy people who live in Cautín . . . they are rich but they are not upper class. They are rich but . . . they don't have culture . . . for example, they came here as colonos and have earned money but they are uneducated. They don't know how to behave properly. They invite you to their homes and they don't know how to act . . . there are plastic flowers on the table . . . they are uneducated. They know only Cautín and Temuco . . . even if they have traveled they are not worldly. Their friends are like themselves, rich but not upper class.

The mentality associated with the upper class seemed to center on some measure of formal and proper education, a familiarity with social amenities and proper social etiquette. The following account of one informant's childhood contrasts with the above account:

> When I was young we lived in Santiago. My father was a comerciante . . . the stock market and other things. I was only a child. I had to go to school so we had to live in Santiago. The fundo . . . we spent summers here. On the fundo we lived in the big house . . . you saw its remains . . . it burned down when I was twelve and my mother never had it rebuilt. My father had died and I imagine she wasn't interested. I remember it was beautiful . . . the gardens . . . I would like very much to set them up again but it is much too expensive. My mother had three full-time gardeners just to care for the gardens. When she traveled she brought back to Chile trees and plants from all over the world.

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> I loved to come to fundo; every summer for two or three months. Sometimes my mother would go to Europe and then we could not come. I was always disappointed . . . My father . . . he visited us but he didn't stay for the summer. He came sometimes on weekends . . . he would bring friends with him . . . after dinner . . . he, my father and his friends would go to the library to smoke cigars . . . My mother sometimes would join them if there were other women. It was different then. She was a proper housewife. Before she married my father she spent a year in Germany learning how to be a proper duefia de la casa.
>
> My father's friends . . . they were businessmen like himself . . . sometimes political persons . . . I don't remember . . . I was young and not interested in those people. I preferred to ride my horse and to walk in the gardens with my mother.

Being upper class was associated with a cosmopolitan orientation, and having ties to persons who were powerful within the national context. While none of my informants claimed any connections to the upper class, several admitted to having relatives or friends, whom they saw as successful within the national context. This appeared only among professionals who referred to knowing persons in their fields who had earned national reputations--the head of the university, acknowledged specialists in their fields, and so forth. Only two of my informants stated that they descended from nationally prominent families.

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While denying the existence of a local upper class, there were a number of persons perceived as locally "important" (son importante) and having high social standing within the city. Persons thus identified came either from local commercial or from landowning families or identified with these families. Independent wealth, past or present, was a major criterion distinguishing these persons. They were consistently seen as owning large businesses and/or sizable properties as well as enjoying a high standard of living.

The focus on independent wealth may explain why professional and top-level bureaucrats were not included in the category of important persons. In instances where a professional or bureaucrat was identified as "important," their names arose in a context other than the identification of social position or in response to a direct inquiry. Without exception, the most prestigious professionals were tied to landed or commercial families through descent or affinal ties.

The zone's political respresentatives were seen as a group apart from these persons. Although local and national politicians often came from landed families, their political careers were not sufficient reason for them to be

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included in the class of "important" persons.

Wealth and the control of independent resources was not the only criterion used to identify Temuco's aristocracy. The feature that separated the city's most illustrious persons from those of comparable economic standing was service to the community.

> Don Enrique he is from a very old family in the zone. His family . . . they are not as rich as they were once but they are all still important in the city. He has done much for this city . . . Heinzman and Carbone . . . these are others . . . the city's aristocracy. Heinzman . . . he had the football statium built. Carbone, his family donated the money for the zoo. They have done much for Temuco.

Some of the city's most famous families have been its financial benefactors; those that have given large sums of money to city projects, even if this meant the relative impoverishment of the family. More often, service is seen as active involvement in community welfare groups. Consistently a core of persons appeared as the organizers and major participants in welfare groups and it was these persons whom informants identified most often as locally "important."

Social ties from my informants to these persons were an important element in the specific identification of "important persons." In response to questions on who

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they saw as "important persons," my informants most often identified older persons and especially those native to Cautín who were from the same ethnic group as themselves and/or persons to whom it was subsequently revealed that there was some personal tie--a distant relative, a schoolmate, and so forth. Recent arrivals to the city usually could identify only broad categores.

> The most important persons in Temuco . . . I am not sure . . . I think this city is a commercial city and the best families are the comerciantes. They have the wealth and power in the community. I read about them in the newspaper . . . they are very involved in clubs. I really don't know who they are . . . maybe someone like Carbone . . . he is always in the newspaper . . . I don't know the others.

Evidence of a wide and active social circle was a major component in the definition of prestige. Not only were prestigious individuals seen as well-connected locally--a host of family and friends within Temuco--but they were also regularly described as traveling or having lived abroad, having homes in Santiago, having foreign investments, or at least a foreign bank account. These elements suggest that such persons were seen as having economic and social connections to centers outside of Cautín.

Evidence of an extensive social network also

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appeared as an element in more routine evaluations of an individual's standing within the middle class. Persons recognized and respected within the community were never described as rich or wealthy, but rather as "tiene una buena situación" (he has a good position). These persons differed little in overt standard of living from others who did not merit this evaluation.

> Eduardo he . . . tiene una buena situación. He is not rich but he is comfortable. His business is doing very well now. He works very hard. He is well liked . . . he has many friends. His wife, she was born in Temuco . . . he is from a town in the south . . . he still has many friends there.

> I think Hernán is comfortable. He has a good job, a lovely home . . . tiene una buena situación. He lives well . . . I saw him at a meeting the other night. . . . He is thinking of joining the Lions Club. I certainly would sponsor him. I think it would be a good idea . . . I told him so. I like him very much.

The correlates of this expression were difficult to pinpoint. However, like persons included in the highest rungs of the local hierarchy, the expression was used to refer to persons who had a wide circle of friends. These persons did not avoid community involvement, although they were not the most active in local clubs. Financial security and the outward display of middle-class standard of living were clearly elements. However, I suggest that

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the most critical component is the quality of social networks. As one informant explained in her self-evaluation, "I am clase media alta not so much because of our income or even . . . profession but because of my friends and the people I associate with."

The emphasis placed on the quality of social networks reflects the organization of institutional structures in Chile. Over the past fifty years the state has come to exercise control over the allocation of resources, goods and services. Despite the elaborated development of the institutional complex, it is often unable to deliver a steady supply of goods and services, including items that reflect outward standard of living. A characteristic feature of regional middle-class life is the importance of "knowing someone" to acquire the material correlates of middle-class life.[3]

Ordinarily, the acquisition of major consumer products involves the mobilization of interpersonal ties.

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[3]Wolf (1966) suggests that the variability in complex social systems is related to differences in the way formal economic and political structures coexist, or are intermingled with interstatial, supplementary and/or parallel structures of various kinds. In Chile (and probably elsewhere in Latin-America), the interpenetration of social networks gives the operation of bureaucratic structures a peculiarly Chilean flavor.

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For example, you are introduced to the owner of a retail store by a mutual acquaintance before a major purchase is made. Similarly, the services of a specific corredor are used based on mutual social ties. While these ties are not absolutely essential, they facilitate transactions. Where there is no social tie, there is the risk of having the transaction concluded to the disadvantage of one of the parties.

> If you wanted to sell or buy a car . . . first I would see if I had a friend who might be interested . . . but it is not a good thing to sell to your friends . . . If anything goes wrong . . . he will feel cheated and may even think it is your fault. You feel that you have to give him a better price . . . A corredor . . . it's better to use a corredor. Then it's not your responsibility . . . he does the work and you are never bothered. He makes sure that all goes the way it should.

> Never, never take a check from someone you don't know . . . someone who is your friend . . . not just someone you know but a friend . . . some one you can trust. There are many good corredores in the city . . . Benito . . . I think he is the best. He is a good friend of mine. I went to school with him. He is very honest.

> Advertise in the paper . . . never do that. All day people will come to your house. Besides then everyone knows that you have something to sell or that you need something. It is much better to use a corredor.

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Certain types of goods can only be gotten through personal ties. Foreign manufactured goods are often inaccessible through regular channels. The major sources of these goods are personal ties to persons who have lived or traveled abroad, or ties to the diplomatic and foreign community. The overall amount is probably significant, but it is difficult to estimate just how much enters Chile in this way (Johnson, D., 1965).

For all segments of Temuco's middle class, the acquisition of the symbols of middle-class life depended heavily on interpersonal connections. Whether it was purchasing a new home, gaining admission to schools and clubs, or acquiring consumer products, personal ties were brought into play. For example, among informants who had recently bought new homes, the funds for this were partly accumulated during periods of residence abroad. In turn, residence abroad, particularly access to scholarships for professionals, depended on having strategically placed friends within the bureaucracy. Also, as the demand exceeds the supply, those who had bought homes were found to be friends of the architect whose company had designed and constructed these units.

Similarly, access to educational facilities,

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particularly higher educational units, can be expedited by interpersonal contact. Among two informants, their children's enrollment in military academies that serve as a substitute for military service was arranged by a family friend. Also, standard admission requirements to universities can be waived or lessened. For example, a family with three university-age children sent all three to major centers in careers of their choice despite the fact that the family had suffered a drastic decline in their income. The wife was descended from one of Chile's "best families," had attended one of Santiago's most exclusive colegios, and counted among her friends not only leading local landowners, but also nationally prominent persons. In another case, a family in a clearly superior economic position sent their children to university centers in Cautín for training in education and the technical fields.

Interpersonal ties are brought into play in situations ranging from the ordinary to the critical. One of the most common realms is bureaucratic favors--assistance in obtaining innumerable documents and avoiding red tape. This includes obtaining registration papers for cars, various kinds of licenses, identity cards, opening

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bank accounts, and other minor tasks of this order. The importance of networks in maneuvering the bureaucracy is suggested by the following incident that I was involved in. The following is an excerpt from my field diary:

> I am off again in pursuit of the lost check. Luis is going to introduce me to his good friend . . . who is jefe of the Banco del Estado here. I hope this pays off . . . none of the other six persons I have been introduced to have been of any use . . .
>
> This was an interesting one. I was introduced by Luis and then I explain the problem of the lost check. This man tells me there will be no problem at all. That's logical . . . he is, after all, head of the bank here. He then took me to the radio room so we could telex Santiago's foreign exchange section to find out where the check was. He instructed the radio operator to call his friend, Sr. something. The radio operator placed the call. We waited ten minutes and it turns out that the jefe's friend has been transferred to Puente Arenas since the eleventh. The jefe then turns to me and says he is very sorry but he cannot help me but that there is someone else in the bank who has a friend in the foreign exchange section who can help. A little help from your friends provided they are the right kind of friend . . .
>
> The check was at long last found. I went to see Maria on my last trip to Santiago. Her cousin has a friend who works in the foreign exchange section in Santiago. We went to see him and at last he found out what happened. Three months later and fourteen different connections . . . I am no longer poor . . . the money has arrived.

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Social ties are operative in setting aside the rights and priorities of others--waiving the waiting period for items for which there are long lists--telephones, new cars at official prices. Loans may be expedited by a personal tie to a strategically placed local bank official although such recommendations do not automatically guarantee loan approval.

Personal connections are major elements in job searches. Migrants from other parts of Chile were often found to have been promised a job by local friends or kinsmen in the appropriate institutions. Similarly, I found persons planning to leave Temuco made a systematic and extensive search among all friends and acquaintances in other parts of Chile.

Many of the insights I gained regarding interpersonal ties were functions of the perception by informants that I was a peer and social equal. I found that my position related both to my profession and to being North American. On the basis of my own interactions and observations of the interactions of others, I found that the social structure of Temuco's middle class could be analyzed as a system of reciprocity involving a continuous exchange of services among different categories of persons.

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All persons who participated were regarded as peers, and actual or potential friends.[4]

For both the commercial and professional-bureaucratic middle class there are at least five distinct categories of persons who can be regarded as peers. These are family members, school associates, professional, bureaucratic or business associates, community associates and neighbors.

Reciprocal exchanges between these persons did not usually extend to material items. Though neighbors provided support in various ways, this did not include material items--borrowing a cup of sugar from a neighbor was not acceptable. The material exchanges that occurred between adjacent households were handled by empleados and without the knowledge of employers. Gifts are given at rites of passage and to mark a departure. Professional services performed by a friend receive no financial remuneration. Repayment occurs in the form of other kinds of services, or information. Occasionally, in lieu of a fee, a professional will receive a small gift--imported liquor or cigarettes--though this usually implies that the relationship while more than economic, is distant.

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[4]For a more detailed discussion of the anthropologist as a peer, see Grant and Friedman (1976).

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The preferred way to exchange material items is to use the services of a corredor or riflero. Bargaining between friends is not permitted. Yet pricing too high or too low reflects on the quality of the interaction as well as the respective social positions of the exchanging parties. However, if an item is particularly scarce or desired, exchanges do occur. The character of these exchanges suggests that in the distribution of prestige items, the right to access is more critical than actual possession. The following is an excerpt from my field notes illustrating the difference:

> I have apparently insulted some people in my desire to follow the correct pattern, or at least what I had thought was correct. I was invited to have a drink with Juan and his wife last night. The Morales couple was also present. The conversation turned to my plans for leaving Temuco. We discussed breaking up my household and they specifically asked what I was doing with my things. I explained I had promised to give many things to la empleada and that other things I planned to turn over to a corredor. They continued to ask about what things I had brought with me that I was not planning to take back. Marita asked about the iron. She said that Juanita had told Maria about the nice "U.S. iron."
>
> There was a slight pause in the conversation and Juan turned to me and asked if they were not my friends. It surprised me. The mood wasn't angry just direct. He then went on to remark how I was selling things to total strangers and they were friends and I had not even asked if they were interested. I

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> apologized and explained that I had thought it better to sell to corredor for all the reasons we had discussed at other times but that if they were interested they would be welcome to anything. It was left open and indicated that it would be discussed later. The Moraleses said they would come by next week and talk some more . . .
>
> I have apparently misjudged some things. It turned out that neither Juan nor the Moraleses were really interested in anything. I asked Marita about it. She explained that although it was usually better not to sell to friends, sometimes it was alright. It depended on the actual circumstances but it was polite to offer. Good friends could do that.

Since the control of prestige goods reflects social connections, in offering to sell an item, one symbolically extends one's network. Offering marks close social ties.

Generally, the rules governing specific exchanges vary with mutual perceptions of social distance. Assistance for minor favors can come from any of the aforementioned persons. Before a task is attempted, a review is made of all possible connections to the appropriate institution. For more difficult or important tasks, such as assistance in finding employment, one relies on persons with whom there is a continuous social tie. Access to one's network to a friend, or enlisting the aid of third or fourth parties, is not readily extended. These exchanges fall under the heading of social

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introductions and are highly valued and not lightly bestowed.

Requests for assistance are usually worded so as to leave the person the option to voluntarily comply. Compliance depends on evaluations of the importance of the social tie. Important favors are granted only to certain categories of persons. Furthermore, there is patterned variation as to which categories are important to subsegments of the middle class.

For both the commercial and professional-bureaucratic middle class, family members ideally provide assistance in all areas. Although in an ideal sense the family is seen as extending bilaterally for several generations, in fact, the width and depth of the kin network is more symbolic than real. For all members of the middle class, the circle of family has become increasingly narrow, the nuclear family, siblings, aunts and uncles of the first ascending generation and first cousins. Where ties existed with other kinsmen, they were found to have developed on other than a kin basis, school or professional ties.

Compañeros de curso enjoy a special status in the lives of all members of the middle class. For comerciantes

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these persons were the pool from which close friends were drawn. Community relationships for comerciantes were also important. The emphasis placed on these groups means that the networks of comerciantes were highly localized. Among professionals, ties to university associates and professionals both within and outside Cautín have gained in importance in recent years. These ties were critical for they represent the major way networks were extended to various geographic locales and institutional complexes.

In general, access to economic and social position, your security as well as access to the symbols of a middle-class standard of living, depends directly on the quality of interpersonal ties. This was probably why evaluations of social standing in the community were found to reflect the overall social ties of the person. The highest slots in the local social structure were reserved for persons who controlled both economic resources and those who had access to another critical resource, people.

On the other hand, in surveying my informants as to what careers were desirable and appropriate for both themselves and their children, I found that commerce and agriculture were not regarded as viable alternatives. Responses clearly indicated that the professional career

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was seen as the prime way to ascertain a middle-class standard of living.

Within the professions, the fields of medicine and law were ranked in both the open-ended interview and closed questionnaire as the highest in both economic security and prestige. However, aside from the general designation of the profession as most desirable, almost one-fourth refused to identify any specific occupation and almost a half offered incomplete responses. They ranked only one or two of the professions instead of the ten requested. Explanations given for incomplete responses centered on a notion of freedom of choice--that each person should be allowed to follow the dictates of their desires and that all professions were more or less equal in security and prestige. Seven persons offered comments that argued that both economic and social rewards must be brought in line with the needs of a developing and modernizing society. Examples of such professions included health technicians, agronomists and agricultural engineers.

Perceptions of career options reflected the realities of the regional opportunity structure as it developed over the past ten years. The availability of career slots was a function of state policy. All

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prospective applicants to the university had to take state-administered standardized annual examinations. On the basis of the results, individuals were admitted to specific programs. If they failed to score high enough for their first choices, they were permitted a second or third option. Students barred from first choices often elected these options with the expectation that they would switch to other programs in subsequent years.

Major segments of the city's middle-class youth operate at a disadvantage in competing for admission to the most desirable university programs. The abundance of low-paid technical and bureaucratic posts often means that parents lack the necessary financial resources to maintain one or more children in lengthy and expensive programs. Although the state universities are relatively inexpensive, the location of the major sedes elsewhere in Chile means that parents minimally must bear the cost of room and board for as much as five to ten years. Technical and education training programs are shorter and less demanding financially because of proximity. The outcome has been to produce a fair amount of intergenerational continuity in the types of careers selected. This appears as a modernizing trend in career selection among youth. They are funneled to

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more modern fields because they lack requisite skills for admission to other types of programs. Both their perceptions of desirable career and the actual choice of a career have become more modern by default rather than by design. For the generation reaching maturity in Temuco, the roads to middle classness have become more restricted than even what existed a few years ago.

The critical resources, sets of interpersonal ties, that largely define an individual's life chances, have become increasingly localized. Thus, local bureaucrats and professionals lack the social ties that would guarantee admission to prestigious careers for their offspring. This localization process is equally characteristic of commercial and professional-bureaucratic middle-class families.

Lomnitz (1972), in one of the few empirical studies of Chile's middle class, argues that the boundaries of this group are defined by network of friendship and system of reciprocity of favors performed within an ideology of friendship. Exchanges between social equals differentiate the middle class from those above and below them. Among the families I studied, a similar system served to define the middle class. Thus, for example,

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services and assistance to social equals are performed in the name of friendship: maids, on the other hand, should give loyalty and show gratitude to their middle-class patrons. Interactions with those above them in the social hierarchy may also serve to define group boundaries. However, for Temuco's middle class, there is no upper class, there are no patrons.

As the state has come to define and control the regional economy and local opportunity structure, the expansion of the local bureaucracy has provided employment opportunities. However, there are indications that even for access to these posts, competition has intensified. This may explain why the open atmosphere of the city has become more restricted in recent years. While my informants overtly celebrated friendship and admired persons with many friends, they also no longer actively pursued interpersonal relationships. To remain at home and watch television is now more desirable than meeting new friends or reinforcing old relationships. Relationships have become burdensome and lost their yield. Thus, this group is not only isolated from those above them, but also has become socially isolated from each other.

Their growing sense of isolation and exclusion may

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also explain why the theme of "professionalism" has become a more important component defining social position. Professionalism was admired and the high status was accorded to persons with modern professional credentials. At least on some level, my informants believed that success and the potential for advancement should be a function of "objective" criteria and not only a function of social connections. The critical importance assigned to the symbols of their standard of living similarly reflects their exclusion from critical social networks. The ability to consume is one of the few areas where they still retain some degree of control. This would explain the intensity of the reaction many of my informants had to their loss of exclusive control over symbols indicating a high standard of living under the UP government. This regional middle class has been left with little to defend other than their middle-class standard of living.

However threatening the policies of the UP were, more critical changes have followed as a new model has been introduced by the military regime. The streamlining of local bureaucratic institutions produced an immediate reduction in the number of middle-class career slots. Similarly, the privatization of the economy has had an

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unfavorable impact on local commerce. While the removal of many import restrictions was seen as a positive measure by local comerciantes, the end of price controls sent the cost of many items spiraling. The disequilibrium produced by the new policies was officially explained as temporary and designed to undo the damage of the UP period. The junta called for sacrifice and patience in the "national reconstruction" effort. They claimed this would last a period of three years.

Despite official assurances that disruptions were temporary, I found that my informants, even the most ardent supporters of the new government, were less optimistic.

> Things are not good now . . . I cannot sell things. Prices are so high and many just do not have the money to buy. They say it's a free market system but I am not sure that is correct . . . it will take a long time for the economy to recover from the marxists. They ruined Chile, economically and politically. They say three years . . . much longer. A very long time to rebuild.
>
> A Marxist government . . . never again. For me it was terrible. It was the worst thing that could have happened in Chile. Now we must rebuild . . . the national reconstruction will take a long time . . . I don't know how long . . . five, maybe ten years . . . much longer than the three years they say.
>
> I don't understand what they are doing. They say, the military says it will take time to

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> rebuild . . . Under Allende I could not buy anything because there was nothing to buy . . . now it is there but the prices are so high that no one can afford to buy anything. It will take a long time . . . very long.

While many of my informants were unsure as to what the future held for them, it was equally clear that they were aware that a major change had occurred. Consistently and without exception, time was reckoned, events recalled and discussed, marked and delineated by one simple phrase--before and after "el once" (the eleventh of September 1973). For them, the military coup d'etat was a major turning point for Chile and for their lives.

While there was considerable ambiguity in attitude towards the military program, there was also a fairly consistent evaluation of the changes and their impact on the middle class.

> I don't know. It seems that no matter what kind of government there is, the middle class always suffers. Under the Allende the workers had everything . . . it was for them. The middle class suffered. Now . . . I have a friend . . . he wanted to buy a house. He thought he had enough money but not now. Houses are too expensive. He can't buy anything . . . the middle class . . . it is always us that suffers . . . always the middle class who must sacrifice.

> The junta . . . it says to run the hospital like an empresa. No heating . . . what will happen to the people . . . Allende . . . there were no drugs . . . now there will be no hospital. If you ask me, Frei was better . . . everyone had

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> something. Now I am not sure who has something. The workers . . . no not now though they say it will get better. The middle class . . . I just don't know how people can live now . . . so expensive to live. My private practice it is not good now. People can't afford to go to doctors. There isn't enough money for everything . . . medical care, especially if it's a specialty like mine . . . it can wait.

Confusion was particularly marked for youth.

> It's hard for the young now. I feel very sorry for my children and their friends . . . they don't know what do do. Gonzalo he wanted to study sociology . . . that is not possible. He doesn't know what to to and I don't know what to tell him.

> Anthropology . . . I like it but it wasn't my first choice. I wanted to study psychology . . . in Concepción but I couldn't get into the program so I chose anthropology. I think now it would be better if I went to Santiago. To study something else . . . I don't know what . . . my friends they are leaving Temuco . . . one wants to go to France . . . several are in Santiago. I just don't know.

> I am staying in Temuco . . . to study. I also have a job . . . with the cultural affairs department at the university. It is alright for now but I don't know how much longer. I would like to study in England or the United States . . . someplace other than Chile. It is very hard to know what to do now. Things have changed for some . . . for the peasants . . . they won't forget. The children, they watched their fathers die . . . they won't forget. For others it is just difficult to know what to do. Three of the students are leaving the program . . . I don't know what they are going to do.

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Clearly, the junta had interjected new elements into the regional economy that were operating to redefine the regional opportunities for the middle class. While aware of the dangers inherent in predictions, it appears that actions of the new regime were operating to make the regional option less viable. The number of middle-class positions in the province is decreasing. This raises serious questions about the future of Temuco's middle class, and perhaps about the Chilean middle class as a whole. What kind of middle class will emerge under the new model in Temuco is as yet unclear, though it is sure to be different from that which has been developing over the last ten years.

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CHAPTER VI

THE MIDDLE CLASS ISSUE:

A RECONSIDERATION

This chapter will summarize the research and explore its implications for assessing the role of the middle class in modernization and development. While it is clear that some groups exist that might be a middle class or at least cannot be readily assigned to the upper or lower class, an evaluation of their role in the development process has been hampered by both conceptual and empirical problems. Analysts of the middle class have failed to identify just what kind of "class" the middle class is, and there are few studies that describe the behavior of middle-class people. This study has focused on a group of 100 middle-class families and has provided data on the historical development, and social and material conditions of these families. It provides information on the middle class in Chile, but the fact that there are so few other studies on middle-class life makes it difficult to generalize what the middle class is and what it does

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elsewhere in Latin America. Clearly, if there is to be any meaningful assessment of the role and function of the middle class in the process of social change, additional empirical studies are needed.

This study described the lives of 100 families representing non-manual occupational groups--professionals, bureaucrats and entrepreneurs--living in Temuco, Cautín province, Chile. The members of these diverse occupational groups were found to share similar economic, social and cultural characteristics: a high standard of living which placed them within the upper 20 per cent of the national income scale; a style of living that included home and apartment ownership, one or more domestic servants; access to luxury consumer goods and the control of other forms of property; interpersonal networks that provided access to jobs, goods and services necessary for maintaining a high standard of living, but which rarely extended outside Cautín province, or to those above them in the social hierarchy; an ideology that transcended occupational and historical differences; and a view of themselves as "middle class," a group separate and distinct from other social and cultural groups in Chile.

Analytically, the middle class was found to be a

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political class and not a political-economic class. It was found to be a creation of the state, not a creation of market forces. The position of the state in Chilean society was the result of evolutionary processes characteristic of Chilean political economy from 1850 on. The basic feature of this process was the concentration of resources in the international sector and the control of Chile by the international sector. In the period between 1830 and 1891 the penetration of the Chilean economy by foreign investors left Chile's capitalist classes insecure. As a consequence, landed, mining and commercial classes used the state to defend their position in the international sector. The centralized state amassed the capital necessary for the further development of the export sector. By the last decades of the nineteenth century, the Chilean state, in its role as defender of the national economy, emerged as the strongest and most powerful force in thenational economy.

In the period between 1891 and 1925 the state, its coffers swollen by export revenues, sponsored programs to further develop the export infrastructure and to promote native capitalist investment in domestic agriculture, commerce and industry. Chilean capitalists, by this time

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displaced from their control of strategic resources, struggled to maintain their economic position by diversifying the scope of their internal investments. By the beginning decades of the twentieth century, although Chile's strategic resources (copper and, to a lesser degree, nitrates) were controlled by foreign corporations, the state controlled most of the national wealth derived from the export sector through its power of taxation. The collapse of nitrates, and somewhat later the world depression, produced a rapid contraction in the export sector that highlighted the dependent and vulnerable character of the Chilean economy.

Under the new nationalist-development model of the post-1930 period, the state sought to defend the national economy and mediate the impact of market forces on the national economy by developing national industries geared to the internal market. The state's resources were used to develop the infrastructure necessary for national industry, to subsidize private industry, and because domestic consumption was a key to the success of the model, to create a national consumer class. Under this model the state actively restructured the internal economy and redefined class arrangements. An aspect of this was the

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creation of a middle class. The state provided the middle class with jobs in the ever-expanding government bureaucracy, and maintained their standard of living, and hence purchasing power, through wage and salary policies. The function of this middle class was to consume the products produced by state-subsidized national industry.

Since the control of national resources was in the hands of the state, the cornerstone of the political system was competition among certain groups and individuals, something less than 20 per cent of the total population, for a share of the state's resources. At the apex of the system were the "political classes," professional politicians drawn from the upper class and the middle class, whose task it was to mediate the antagonisms between the social sectors they represented. The middle class was tied to the political classes by networks of clientelism. They also served as the major political constituency. In return for the political patronage and their votes, access to jobs was provided and policies that allowed them to maintain a high standard of living were promoted.

The nationalist-development model was ultimately a form of dependent capitalist development. It required imported technology, and thus was dependent on the export

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sector for foreign exchange. Because of this, the state faced objective limitations on its ability to capitalize this form of development. These limitations were obvious by 1955, when Chile was plagued with a stagnating economy and rampant inflation. This inflationary spiral was directly related to policies that maintained salaries of the middle class at levels in excess of Chile's productive capacity. Attempts to cope with mounting economic problems, produced modifications in the model. Both the state and the private sector began to emphasize consumer durables and intermediate goods industry.

These developments brought the Chilean economy more in line with new patterns in the organization of international capitalism. The dynamics of international capitalism had shifted toward the direct investment by multinational corporations in the manufacturing sector of underdeveloped countries. Funds for new industries were provided by foreign credits and investments. Multinational corporations entered the national economy. Foreign loans allowed the state to intensify its intervention in the economy. In Cautín, these new economic patterns contributed to the development of a regional middle class.

The process of formation of Temuco's middle class

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was analyzed by examining the way the state's policies created different opportunities for the use of resources in Cautín in each of the economic and political phases discussed above. The impact of the state's policies was first the development of a regional elite, their decline and finally its transformation into a commercial middle class.

During the initial settlement period in the first decades of the twentieth century, the state's policies of disposing of land in Cautín permitted nationalist capitalists to acquire land in the province. Apparently segments of this class had lost control of resources elsewhere in Chile and sought to use their land holdings in Cautín to prevent further downward mobility. As did the national capitalist class, local landed elements acted to defend their position by diversifying their investments. This diversification process was accomplished through the development of economic and social partnerships with resourceful members of foreign immigrant groups. The strategy used by landed groups and their immigrant partners for the accumulation of resources centered on the development of regional resources and their sale in the national market. Their accumulation of wealth had much to

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do with illegal encroachments on land and movable resources made possible by the weak control exercised by the state over provincial life.

A second group of local entrepreneurs drawn exclusively from foreign immigrant colonists expanded their wealth by developing Temuco and Cautín as a market for locally produced commodities with limited inputs from national commercial centers. Their success was a function of both urban growth and the commercial activity generated by the exploitation and sale of regional resources. For both groups the accumulation of wealth was an outgrowth of the development of Cautín's one strategic resource--lumber. The development of the lumber industry was, in turn, a reflection of urban growth and new investments by national capitalists in domestic commerce and industry. Even the most successful members of Cautín's commercial class were isolated from the nationalist capitalist class.

Under the nationalist development model, the dependent position of Cautín's economy and of the local commercial elite became even more apparent. The concentration and centralization of resources under the model led to the further displacement of local control over resources. The state increasingly came to define the

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parameters of the regional economy and to control local resources. Local commercial groups were unsuccessful in pressuring the state to enact policies beneficial to the local economy. This suggests that Cautín's commercial class was politically marginalized as well as economically isolated. In this sense, their economic isolation and political marginalization preceded and perhaps helped to cause their economic decline.

The reforms (1955-1959) in the nationalist-development model further restricted opportunities for the local accumulation of wealth; more importantly, what opportunities existed were increasingly dependent on the state. The increasing domination of the national economy by multinational firms and the related development of domestic consumer durables and capital goods industry produced policies designed to develop markets for both imported and domestically produced goods in the provinces. Cautín's commercial class was incorporated into the large-scale marketing networks of multinational and national firms. Their survival as a commercial class became a function of state policies. Major and minor fluctuations in regional commerce as well as some of the peculiar features of the local commercial class from the late 1950s on, were

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traced directly to the specific policies enacted under various political regimes.

The process of political and economic marginalization resulted in downward mobility or, at best, survival for local commercial families. The contraction of resources led to increased competition among family members for resources necessary in order to maintain a high standard of living. In turn, this provoked the breakup of the multi-family firms and the emergence of the nuclear family as an independent economic unit. The decreased size of the local firm made it impossible to sustain more than one family unit. Consequently, the descendants of local entrepreneurs were forced to seek alternative ways of maintaining their social and economic position. From the late 1950s on, the descendants of local entrepreneurs and landowners alike show a clear move toward professional and bureaucratic careers.

A second major component of the reforms of the late 1950s was the growth of a social welfare, educational and agricultural bureaucracy in the provinces. These institutions were manned by a growing professional and bureaucratic middle class, composed of natives of Cautín and migrants from other parts of Chile. The functions

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performed by this salaried middle class were the making of effective transactions, involving strategic resources of society, the collection of information for ultimate users. That is, their functions were in some sense "lubricatory" (cf. Leeds, 1973: 53). Although in theory designed to service Chile's masses, in fact these institutions benefited and provided services for the same groups that manned the institutional apparatus--the middle class. The growth of a regional bureaucracy increased the number of middle-class consumers in the province, and this group provided the mainstay of the local market for consumer durables. The logic of this was consistent with the Keynesian economic theory that induced middle-class consumerism in the first place.

For many members of the salaried middle class, incorporation into the local bureaucracy stabilized a deteriorating economic and social position. Middle-class migrants to Cautín were drawn from the salaried middle class of Santiago and other major cities. Their families had lost control of concrete economic resources two and three generations earlier. Using the development of Cautín's commercial class as a model, it appears that the loss of political power precedes the loss of the control

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of property. Thus, it might be argued that the ancestors of middle-class migrants were politically marginalized as early as the first decades of this century, if not before. The move to Temuco represented the last chance for access to a middle-class standard of living for the more marginal members of the national middle class.

Because Temuco's bureaucracy is part of the second tier of a highly centralized national bureaucracy, incorporation into local bureaucratic structures effectively removes individuals from access to positions in the first tier that control the allocation of strategic resources. The benefits of regional employment were described as primarily financial; in Temuco one could enjoy a higher standard of living than would otherwise be available. Because of this, as I suggested in Chapter V, membership in the regional middle class was a kind of trade-off. This trade-off consisted of relinquishing potential access to positions that control policy for access to an acceptable middle-class standard of living. However, to characterize the move to Temuco solely as a trade-off is deceptive, for it implies that these families had something to trade. Irrespective of their social origins, this group is characterized by its economic marginality. It has lost

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control of concrete economic resources and even the entrepreneurial middle class has had its economic independence highly circumscribed. The data suggest that this group of families has been left with little room for economic and social maneuvering; that is, it was already politically marginal.

The political marginality of these families is suggested by the pattern and use of interpersonal networks. Under the populist political system, networks of clientelism were a primary means of integrating the middle class into the system. These networks provided access to jobs and other kinds of goods and services necessary for maintaining a middle-class standard of living. However, the reforms in the nationalist-development model greatly increased the number of competitors for middle-class career slots. Many of Temuco's middle-class families lacked critical connections to individuals and institutions that controlled the allocation of jobs. There was a consistent move toward the localization of interpersonal networks among these families, and opportunities for social mobility within bureaucratic institutions were restricted. There was little data to indicate that this middle class functioned as anything other than a pool of voters; they had no patrons;

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they were not clients. The interpersonal connections available to them provided them with little more than a characteristic middle-class standard of living.

Given the increasing political marginalization of Temuco's middle class, it would appear that the major characteristic that serves to define it is its function as a consuming class. The importance of consumption was clearly indicated by the emphasis placed on overt standard of living in self-definitions of class position, perceptions of intragroup stratification, and perceptions of those below them in the socioeconomic order. However, consumption patterns were not the only measure used in defining intragroup differences or in defining those above them in the social hierarchy. Thus, the upper class was seen not only as wealthy, but more importantly as having a certain mentality, a cosmopolitan orientation and as participating in networks different from themselves. Additionally, the highest slots in the local middle-class hierarchy were reserved for persons who not only demonstrated extensive control of property, but who also had access to many persons. The joint focus on consumerism and interpersonal ties reflects the fact that access to the material correlates of a middle-class standard of

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living was a function of interpersonal networks.

Since its inception, Temuco's middle class has found itself increasingly marginal in terms of access to economic and political resources and ever more dependent on the state for its survival. The function it plays in the social order is to consume. Their concerns and their behavior increasingly center on little else than maintaining a middle-class standard of living. A basic quality of their lives was the struggle for survival, not social mobility. The new model of development imposed by the military junta has operated to make even their continued standard of living, that is, their middle class-status, questionable.

Since the 1933 coup d'etat, there has been a streamlining of the regional bureaucracy. The functions of this institutional complex had low priority in the new scheme for economic development. The dispensing of social services to the masses as well as attempts to revitalize agriculture through state-controlled agrarian reform are at an end. This has operated to make the regional alternative less viable and has intensified the competitive pressures for middle-class careers. The uncertainty with which my informants viewed the future and their use of the

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military's seizure of power as the major marker of the passage of social time, suggests that they are aware as yet only vaguely, that the military poses an immediate threat to their lives.

Under the new development paradigm, the emphasis is on the expansion of industrial exports and the attraction of foreign capital. This has required a dismantling of the economic and political order that developed under the nationalist-development model. There has been a return of free market forces in the operation of Chilean economy and a move toward rational and modern forms of economic organization that meet the needs of multinational corporations. The state can no longer afford to underwrite national industry or the national consumer market. Clearly, a middle class created and sustained by the state cannot survive under these conditions. The kind of middle class that is likely to emerge in Cautín is as yet unclear. The emphasis on modern and rational economy may require some kind of technocratic middle class. However, the number of such positions needed in a highly concentrated and centralized economy are few; thus, competition will be fierce. Given their economic and politically marginal position, Temuco's middle class is ill-equipped to compete

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for these limited slots. The new development paradigm appears to offer no structural or functional imperative to halt their downward mobility and it is not unreasonable to conclude that significant segments of these families are now economically and politically expendable.

On the basis of the evidence provided by the lives of these 100 families, the contention of modernization theorists that the middle class in underdeveloped areas enjoys economic and political initiative appears grossly inaccurate. Rather than occupying the apex of economic and political power, its central characteristics are vulnerability, dependency, and marginality. In this sense, dependency theorists have provided a more accurate picture of the middle class.

While dependency theorists have been more accurate in their general assessment of the middle class, they have failed to identify what kind of "class" the middle class is, or to identify the structural bases of middle-class dependency and the historical processes that have produced this dependency. This study has shown how reorganizations in the international economy provoked changes in the character of the Chilean upper class, including a redefinition of the role of the state in Chilean society.

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By 1930 the state's role as mediator between the international sector and the Chilean people is clear. In this role it actively defined the parameters of class groupings in Chile and effectively created and shaped a middle class. Thus, the middle class was shown to be a political class that is dependent on the state for its existence. The creation of this middle class grew out of the need to provide a consuming class for domestic industrial production. The middle class was dependent on the state not only for jobs, but for its characteristic standard of living. Moreover, the middle class was not alone in its dependency on the state. Chile's industrial class was dependent on the state through state investment to infrastructure and inflation subsidies.

The most pervasive feature of Chilean political economy after 1930 was the position of the state in structuring the internal economy and defining the parameters of class groupings. Class boundaries became a function of public policy. The boundaries of the domestic consumer class were manipulated through wage and salary policy. Up through the early 1960s the consumer class included the upper class, the middle class, and restricted segments of the working class. After the late 1950s the state

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attempted to salvage the nationalist-development model by extending the boundaries of the consuming class to include portions of the working and peasant classes. This trend reached its fullest expression under the UP government.

Similarly, the state's control of the Chilean political constituency acted to include the majority of middle-class consumers in the political system.[1] Under the populist political system, claims on the state's resources were articulated through the political parties and an array of corporate groups. The middle class was integrated with the "political class," which controlled the allocation of the state's resources through elections and through networks of clientelism. The leverage enjoyed by the middle class was great enough to demand the underwriting of their characteristic standard of living at least on a par with inflation and often in excess of inflation, at least through the mid-1950s. All participants in the system--the middle class, upper class and restricted segments of the working class--had access to some share of the state's resources. This prevented the

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[1]It is possible that not all middle-class groups were included in the "class" during this period. Without studies of Santiago's middle class in the period between 1930 and 1950, it is difficult to say just how rigid the boundaries separating "masses" and "classes" were.

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development of significant and enduring boundaries between the various participants and explains both the cross-class character of Chilean politics and the notorious lack of class consciousness among the middle class. In the period before the 1950s, class consciousness did not arise in the middle-class group because its collective experiences and interests did not oppose it to the interests and experiences of other participants in the system. Furthermore, the conservatism of the middle class can be explained by the fact that their integration into the system segregated them from the masses of workers and campesinos but not from those above them to whom they were tied through networks of clientelism. It is possible, however, that during the late 1930s and early 1940s, when the new political order was being established, the development of the system required that members of the new political class seek alliances with non-middle-class groups. Before the full-fledged development of state-subsidized industrialization, the number of middle-class voters and/or clients may have been insufficient to implement the new political order.

Generally, in the period before 1955, the data suggest that middle-class groups did not form a separate

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class distinct from other "classes" created by the state's policies. However, this study of a late developing middle class in Temuco suggests that further increases in the centralization and concentration of resources both within Chile and in the international sector created conditions for the emergence of a middle-class class.

Beginning in the 1950s, with the development of multinational corporations, resources in the international sector became more concentrated. Similar processes of concentration occurred in Chile's private and public sector during this period. As resources became more concentrated nationally, they also became less accessible. Simultaneously, the very process of concentration and the reforms that expedited this concentration, increased the number of competitors. During the 1960s the state's control over the national economy increased, as did the number of state employees and the size of the consuming class. In this situation, competition for a share of the state's resources, even for jobs, was likely to be fierce. There were bound to be losers in this competition, individuals and groups who may have enjoyed access to centers of power at some point but who now found it difficult to even find jobs that provided access to a

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middle-class standard of living. The increasing economic and political marginality of this group served to set them apart from other groups to whom they had previously been linked. Temuco's middle class appears to represent such a group.

Clearly, the experiences of these families suggest that they no longer had access to positions of power. Many of the families even found it difficult to find jobs suitable for maintaining a comfortable middle-class standard of living. The incorporation into the regional bureaucracy reflected their economic and political marginality. These families exemplified the unsuccessful competitors and were characterized by their increasing exclusion from the "classes." That this was happening was apparent to these families. They increasingly saw themselves as separate from the upper class, from Chile's important people and defined their standard of living, their motivations and their mentality as separate and distinct from those above them. Even Temuco's wealthy were not seen as upper class; they were also middle class. There was no upper class in Temuco; there were no more patrons.

Neither can it be said that this group of families

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have sunk so far as to be engulfed by the "masses," separated only by the thin line of higher standard of living. Although throughout the 1960s state policies were acting to enlarge the size of the consuming class, as well as to minimize standard of living differences between restricted segments of the working class and the middle class, the boundaries of this consuming class did not yet include significant portions of the masses. With but one or two exceptions, none of the 100 families studied came from working-class backgrounds. Thus, this group remained distinct from the masses by its social origins and its consuming functions.

Furthermore, under the nationalist-development model, access to positions that allowed for a middle-class standard of living, as well as access to consumer products that symbolized this standard of living, remained a function of interpersonal networks. The boundaries of this group were defined by a peculiar combination of consumption and politics. This unique constellation may explain the "status crisis" so many of these families experienced during the period of the UP. Not only did the UP's policies enlarge the group of consumers, they also enlarged the pool of political competitors. The social

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and political networks necessary for maintaining a middle-class standard of living became less exclusive to the middle class. Some segments of the working class were in a position to do what previously only the middle class had been able to do--dispense goods through interpersonal networks. That this should have happened was a logical outcome of the entire fabric of Chilean political economy under the nationalist-development model.

Herein also lies a clue to the basic contradiction underlying the process of middle-class formation under the nationalist-development model. Under the model, access to a middle-class standard of living was inextricably bound to political involvement. To consume meant having access to the state. As long as an elected government representing the state retained a monopoly on the resources necessary for the development of a consuming class, this consuming class could not be totally politically marginalized and still consume. In this sense, the full development of a regional middle class defined by economic and political exclusion was prevented by the model itself.

The future of the middle class under the new development paradigm is bleak. There is little likelihood that the military junta will continue to underwrite this

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regional middle class. The functions that the regional bureaucracy performed are no longer needed. Goods and services need be funneled to the masses only when they are participants in the system. Obviously, Chile's workers and peasants are no longer included as political actors. The streamlining of the regional bureaucracy means that the junta has withdrawn its standard of living subsidy to the regional middle class. The emphasis on the export sector, to the neglect of the internal market, suggests that the junta is little concerned with maintaining an internal consuming class. What consuming class exists will be generated by market forces. It will undoubtedly be small. There is little likelihood it will be based in Temuco. Thus, members of Temuco's middle class are not needed by the system either as lubricators, consumers or political participants. The junta's drastic and repressive depoliticization of Chile's population has included the once politically safe middle class. The military has undermined the structural and functional parameters of middle-class formation in Temuco. In some sense, the lives of these 100 families exemplify a class that died before it was born.

This study has linked the development of a middle

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class in Chile to the concentration of power and resources in the international economy and in the hands of the Chilean state. The question of just what kind of class the middle class is, has been examined by demonstrating the way the state came to define the class parameters of Chilean society and thereby to control the lives of 100 middle-class families living in Temuco, Chile. This middle class was shown to be a political class. While the limits of this study of a single middle class are clear, it does suggest that an area of fruitful inquiry is the relationship between state formation and class development in underdeveloped areas. Clearly, there is a need for such studies if we are to reconcile political-economic notions of class with the existence of the middle class which has at least a phenomonological reality.

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Appendix I: Population of urban centers in Cautín, 1970.

City	Population	City	Population
Temuco	104,372	Vilcún	2,038
Lautaro	10,448	Freire	2,006
Villarrica	9,122	Galvarino	1,735
Loncoche	6,619	Teodoro Schmidt	1,419
Pitrufquén	6,572	Melipeuco	1,274
Nueva Imperial	6,442	Perquenco	1,257
Carahue	5,891	Los Laureles	1,243
Gorbea	3,456	Chol-Chol	1,191
Cunco	3,342	Hualpin	1,149
Pucón	2,508	Lastarria	1,043
Cherquenco	2,258	Quetrutuel	1,039

Source: Entidades de Población, Cautín, 1970. Dirección de Estadística y Censos, República de Chile. Cautín, Chile.

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Appendix II: The population of Cautín and Temuco, 1885-1970.

Dates	Cautín	Temuco
1875	6,956	n.a.
1885	52,914	3,445
1895	89,463	7,078
1907	177,487	16,037
1920	251,193	28,546
1930	315,264	35,748
1940	374,629	42,035
1952	365,072	51,497
1960	394,654	72,132
1970	422,810	104,372

Source: XII Censo de Población, Tomo V; XIII Censo de Población, 1960: Demografía, Año 1970. Instituto Nacional de Estadísticas. República de Chile. Santiago de Chile.

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Appendix III. Sample of Closed Questionnaire administered to fifty persons in Temuco, Cautín Province, Chile, 1973-1974.

I Identificación

1-¿La organización donde trabaja? _____
2-¿Qué título tiene su puesto?_____
3-Nombre completo_____ Sexo_____
4-Dirección_____ Edad_____
5-Lugar de nacimiento_____ Estado Civil_____

II Educación y Trabajo

1-Estudios primarios. ¿Colegio?_____ ¿Dónde?_____
2-Estudios secundarios. ¿Colegio?_____ ¿Dónde?_____
3-Estudios universitarios. Universidad_____
¿Dónde?_____ ¿Carrera?_____
¿Duración normal de la carrera?_____ ¿Duración total de los estudios?_____ ¿Título?_____
¿Más de un título?_____
4-Estudios de Post-Graduado. ¿Universidad?_____
¿Dónde?_____ ¿Por qué motivos?_____
5-Estudios en el extranjero. ¿Dónde?_____
¿Carrera?_____ Duración_____ Título_____
6-¿En qué trabajó al salir de la universidad o colegio secundario?

Nombre de la organización	Puesto	Dónde	Duración

7-La organización donde trabaja ahora. ¿Cuántos años?_____ ¿Qué otras posiciones ha desempañado dentro de esta organización?_____
_____

¿Piensa en el futuro cercano cambiar de organización?
_____
¿Prefiera trabajar en un organización particular o pública?_____
8-¿De qué organizaciones profesionales es miembro usted?_____
¿Ha desempañado algún cargo en esas organizaciones?
_____ ¿Cuál?_____ ¿Cuántos Años?_____

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¿Considera usted importante ser miembro activo de esas organizaciones?_____ ¿Por qué?_____
_____

III Participación en la vida de la communidad

1- ¿Cuántos años ha vivido en Temuco?_____
¿En Cautín?_____

2- ¿Pertenece a algún Club o Asociación?_____

Nombre del Club	Años	Activo

3- ¿Ha desempañado algún cargo en eses clubes?_____
Cuál?_____ Años_____

4- ¿Le gustaría pertenecer a algún otro club?_____
Cuál?_____

5- ¿Es miembro usted de alguna iglesia?____ ¿Cuál?____
¿Cuantas veces al año asiste usted a servicios religioso?_____ ¿Pertenece a algún otro organización religiosa?_____
¿Cuál?_____

6- ¿Si su tiempo fuera limitado, a que organización de las siguentes le daría preferencia: (1) club social (2) club deporte (3) organización profesional (4) organización religiosa (5) servicio a la comunidad?_____ ¿Por qué?_____
_____

7- ¿Antes de venir a vivir en Temuco tenía usted aqui algún pariente, compadre o amigo?_____ ¿Cuál?_____

8- ¿Le gustaría trasladarse a algún otra lugar?_____
¿Dónde?_____ ¿Por que?_____
_____

IV Familia

1- Nombre del conyuge_____
Lugar de nacimiento_____ Edad_____
Estudios: Secundario_____
Universitario_____ ¿Título?_____
¿Ocupación?_____

2- Hijos: ¿Número?_____ Sexos_____
Edades_____

Colegio y Universidad	Occupación	Occupación de suegros

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3-Padres: Padre Madre
Nombre_____ _____
Lugar de nacimiento _____ _____
Residencia (adulto) _____ _____
Ocupación _____ _____
Tiene o tenia campo _____ _____
4-Suegros: Suegro Suegra
Nombre_____ _____
Lugar de nacimiento_____ _____
Residencia (adulto)_____ _____
Tiene o tenia campo_____ _____
5-Compadres: ¿Cuánto? _____ Hermanos_____
Otro parientes_____ Compañero de curso_____
Compañero de universidad_____ Colegas_____
Otros_____
6-Entre qué tipos de personas se encuentra el mayor número de sus relaciones en Temuco_____

V Datos Personales
1-Casa o departamento_____ Propia o arrendada___
2-Autos_____ Camión_____ camioneta_____
3-Teléfono_____ Empleada_____
4-¿Tiene casa de veraneo o campo?_____
Le gustaría tener uno de los dos_____ ¿Cuál y Por qué?_____
5-¿Con qué frequencia en el año va usted a Santiago?
_____
¿Tiene su propia casa en Santiago?_____ ¿Dónde suele hospedarse en Santiago?_____
6-¿Ha viajado en el extranjero?_____¿Dónde?_____
Duración_____ ¿Por qué motivos?_____
_____

VI Actitudes
1-¿Como clasificaría su propio rango social?_____
_____
¿Por qué?_____
_____
2-Y el de sus padres_____
¿Por qué?_____
3-¿En que campo de la economía le aconsejaría a sus hijos seguir?_____
¿Por qué?_____
4-¿Qué consejos le dieron sus padres a usted?_____
_____ ¿Por qué?_____
_____

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5- ¿Que clase de actividades persigue usted en su tiempo libre?_____

VII

1-Coloque en el orden de su preferencia los siguentes clasificaciones en cuanto a prestigo social.
2-Y en cuanto a comodidad y seguridad económica.

	1	2
ingeniero civil	_____	_____
ingeniero agrónomo	_____	_____
abogado	_____	_____
contador	_____	_____
profesor universitario	_____	_____
ingeniero comercial	_____	_____
médico	_____	_____
contador-auditor	_____	_____
veterinerio	_____	_____
otro	_____	_____

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