

EVALUATING THE INJURIES OF NEOLIBERALISM IN CHILE 1973-2015

by

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Abstract

This study of the neoliberal experiment in Chile from 1973 to 2015 uses the social harm approach. It offers an alternative evaluation of the benefits and harms of the experiment, the ways in which Chileans understand its consequences and where the legitimacy of the model unravels.

The study refines the conceptualisation and measurement of social harm, marrying the notion of harm with the Marxist theory of contradictions. The research design is multimethod, incorporating analysis of 59 semi-structured interviews with secondary quantitative data. The study captures and describes not only a wide array of harms and injuries in the reconfiguration of social dynamics under neoliberalism, but also investigates how these harms have been justified and challenged over time.

The study finds that there are areas in which the model has brought benefits to Chileans, but these benefits are flawed. The study critiques the neoliberal conceptualisation of harms as the ‘price worth paying’ for social prosperity. It concludes that the ‘winners’ of the model are very few, while those harmed populate the Chilean social structure from top to bottom. This study argues for a normative scenario to move toward a less harmful society.

Dedication

This thesis is dedicated to Nicolás, who chose to travel far from home to support me and be with me all the way through this challenging but wonderful journey.

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List of abbreviations

Abbreviation	Definition
OECD	Organisation for Economic Co-operation and Development
ECLAC	Economic Commission for Latin America and the Caribbean
ILO	International Labour Organisation
IMF	International Monetary Fund
ISM	Import Substitution Model
WC	Washington Consensus
UP	Popular Unity Coalition
AMGS	Metropolitan Area of Santiago
OIP	Register of Public Interest Organisations
DI	Dialectical Inquiry
SERNAM	National Women's Services
INJUV	National Youth Institute
WSS	Access to water and sewerage services
GDP	Gross Domestic Product
GP	General population group
PM	Policy makers
SM	Social movements

CHAPTER ONE: INTRODUCTION

This thesis seeks to scrutinise the neoliberal experiment in Chile through the lens offered by the social harm approach. The history of neoliberalism in the country started under Cold War logic and the fear of the U.S that the ideals of the Cuban revolution (1959) were rapidly spreading from Chile to the rest of South America. As a way of preventing Chile from becoming the ‘new Cuba’, a plot to overthrow the socialist presidency of Allende (1970-1973) emerged from the headquarters of the CIA. This plot involved military arrangements for generating a coup d'etat and the preparation of Chilean academics in the Monetary School of Chicago for implementing what until that time was only known in political economy textbooks as a theory, namely: neoliberalism (Kornbluth, 2013). The coup not only killed thousands of people but also set the ‘adequate’ repressive conditions for imposing neoliberalism in a ‘pure form’. Since 1973 Chile has been the laboratory for neoliberal experiments and now the country is having to deal with the consequences.

In autumn 2015, I visited the Museum of Memory and Human Rights in Santiago. This museum commemorates the victims of human rights violations during the Augusto Pinochet’ military regime from 1973 to 1990. The museum tells the story of one of the darkest eras in Chilean history. The tour starts by characterising the political process that led to the military coup, the daily life of Chileans under the dictatorship, and several stories of repression and murder that lie behind portraits, newspapers, letters, and torture devices exhibited in the museum. The museum educates the visitors of the days before that the coup erupted to how Chileans fought for democracy. The journey through the exhibition ends at the room ‘Never Again’ which shows how the left-wing coalition won the 1988 referendum with the promise of returning ‘Hope and Joy’ to Chilean society. Beyond the horrors of the dictatorship, something that caught my attention was the little space that the museum dedicates to talk about the economic,

cultural and social reforms of this period. To a large extent, those policies represented a Copernican twist compared to the way in which the Latin American region addressed their socio-economic model of development. In addition those policies have wrought profound consequences for contemporary Chile.

Fundamentally, one might argue that since 1973 Chilean society has been radically transformed, not only in economic terms but through economic rationales that have served to produce a new state architecture and recast social relationships in ‘neoliberal ways’. To some extent, the selective collection of memories of the museum becomes an expression of the complicit silence since 1973 of how Chile has been subject to policy reforms as an experiment in neoliberalism. In contrast to what is not said in the rooms of the museum, uncover the lives taken and tortured at the hands of the neoliberal experiment, this study examines the story of how Chile became a ‘testing ground’ for the neoliberal paradigm. Whilst acknowledging the visible injuries of the dictatorship, this study argues that the consequences of the injuries inflicted by less visible social harms can be just as harmful for human flourishing.

In order to scrutinise neoliberalism, it is necessary to begin with the claims of achievements that were expressed many times as a mantra for the experiment from the mid-1970s to the mid-2000s. For many academics, Chilean neoliberalism represents not only an example of the ‘right way’ for managing macroeconomic variables for underdeveloped economies, but also a success story of social achievements (Kaiser, 2015; Pakenham and Ratliff, 2007; Clearly, 2007; Moreno and Hernandez, 2004).

Focusing on economic-oriented results, both conservative and liberal sectors of society tend to agree that the country increased the per capita income; sped up economic growth; reduced inflation; and developed a strong regional platform for international investments. All these long-term economic drivers have contributed to either a promise

of a “society of opportunities” (Lavin, 1987, p.24; Piñera, 2010, p.3), or set the basis for the “economic growth equity framework” (Foxley, 1992, p.1; Garreton, 2010, pp. 101-102). This narrative of success is perceived as less homogeneous in its successes when we unpack the claims of social achievements. It is evident in the studies conducted by Chilean conservative think-tanks such as *Libertad y Desarrollo* and *Fundacion Jaime Guzman* that neoliberalism as a mode of development brought massive access to consumption, information, and a ‘know-how’ mentality. To some extent, for these think-tanks, this new mentality socially integrated Chileans into the ‘Western world’ taking up meritocracy, freedom, self-determination, and the entrepreneurial capacity of individuals as their own. In words of Milton Friedman, who envisaged the neoliberal experiment in Chile, he believed that:

“The Chilean economy did very well, but more important, in the end the central government, the military junta, was replaced by a democratic society. So the really important thing about the Chilean business is that free markets did work their way in bringing about a free society” (Friedman, 2000, p.17).

Although with far less enthusiasm than Friedman, *Cieplan* and *Fundacion Chile 21* (Social Democratic think-tanks) also recognised a game-changing mentality that positively contributes to strengthening democratic values after the dictatorship. However, they focus on how economic reforms such as liberalisation and privatisation can be reconciled with ‘human variables’. In other words, the claims made surrounding social achievements, relate to the history of transforming ‘savage neoliberalism’ into a neoliberalism with a ‘human face’ (Atria, 2013). These statements about neoliberalism in Chile are also about the relationship between equity and growth, and how this relationship may fill ‘the empty box’ of development as an example for others Latin American countries. As Clearly (2007) indicates, Chile has received international ovations for reducing the poverty rate dramatically, and for achieving – in terms of

certain social indicators- “the level of nations with income 50% higher, as are: literacy rates, educational coverage, years of education, nutrition levels, infant mortality rates and life expectancy” (Clearly, 2007, p.6). In fact, one might interpret that Chile won its place at the OECD table in 2010 thanks to its overall social and economic performance.

Nonetheless, in recent years (especially the 2010s) several voices have started to challenge the success of ‘social market economy’ (Mayol, 2012), either through massive socio-political demonstrations or academically. Fundamentally, one might argue that so far the core of critiques have focused on two related issues: inequality of income and opportunities, and the privatisation of social rights (Atria *et al.*, 2013; Solimano, 2015; Ruiz and Boccardo, 2014). To some extent, both concerns appeal to the societal and individual ‘cost’ by which neoliberalism has built its achievements. Even from an international perspective, OECD (2015a) and ECLAC (2010) have argued that ‘the Achilles heel’ of the model is its capacity to distribute benefits amongst Chileans and the extent to which many social groups have become socioeconomically marginalised. The narrative in national demonstrations of injuries inflicted by the model appears connected to diverse areas of the public life. Critiques range from increasing the consumption capacity of individuals based on debt rather than wages; to oligopolistic concentration; to the ‘commodification’ of the cultural, and social spheres, which have served as a breeding ground for social segregation, discrimination, and individualistic behaviours within society (Doniez, 2012; Matamala, 2016; Moulian, 1998; Ruiz, 2013).

The Chilean experiment, therefore, presents a fairly complex picture that moves between ovations and critiques, facts and myths, and to some extent, it remains unclear how these contradictory narratives are resolved in the minds of ‘ordinary’ Chileans. In this context, the aim of this thesis is to assess empirically –in quantitative and qualitative terms- the benefits neoliberalism has brought, as well the social injuries that it has caused over time. This evaluation will be approached in a novel way, through the

lens of social harm. This approach seeks to test not only if the social gradients between groups grew or became smaller; but also explore whether the experiment has helped Chileans to fulfil their material and relational needs and allowed them to flourish; and to understand the contexts in which the legitimacy of the model unravels.

Chile as a case study is relevant not only for framing a broader discussion of neoliberalism but also for extracting lessons to those countries that have decided to adopt neoliberalism as their model of human prosperity. Chile was the first country in either the developed or developing world to implement the neoliberal paradigm (Taylor, 2006; Nef, 2003; Hickel, 2016). Thus, it is likely that Chile is the place where the full picture of the consequences of neoliberalism can be seen earlier than anywhere else in the world. One might also argue that the true importance of the Chilean case is the ways in which the political circumstances of the country allowed the implementation of the neoliberal formulae in such a ‘pure’ form. In doing so, Chile earned its ‘case study status’ through the alliance between Monetary School of Chicago and the Chilean military, in which they decided to conduct the first ‘natural experiment’ of the Milton Friedman’s theory.

As many social scientists may agree, there are very few opportunities and conditions where one may implement theories of political economy in a pure state at the society level. Chile served as an incubator for ‘the new world order’ (Nef, 2003; Hickel, 2016). The Military Junta adopted techniques such as repression and torture in order to impose free-market arrangements, and in so doing, created a testing ground for the experiment without opposition (Klein, 2008; Borzutzky, 2002). Following Nik-Khan and Van Horn, it is possible to argue that one of the problems of the free-market reforms is that they “are not merely exponents of the logic of economics; they expound neoliberal ideas via economic language” (Nik-Khan and Van Horn, 2016, p.27). Through the narrative of economic language, this philosophy facilitates a rhetoric for ‘neutral’ interventions

neutralising the effects of the model that are assumed to be the unavoidable ‘price worth paying’ for development. This rhetoric has systematically impeded an alternative explanation of harm production in societies, which is precisely what evaluation of Chile through the social harm perspective adds to the debate.

I studied sociology in the early 2000s in Chile. Generally speaking, sociology focuses on a critical analysis of the structures of societies and the ways in which individuals socially organise those structures. In my sociology school, I was told that being trained as a sociologist and having the opportunity to study Marx or the Frankfurt School were privileges that only a few people had in the past. The reasons for considering a degree in sociology and some books as privileges were straightforward.

As Barros and Chaparro (2016) report, the military intervened in universities, disincentivised the study of the social sciences, shut down sociology schools and ‘cleaned’ the contents of courses of Marxist ideology. Academic staff were disappeared or exiled. Thus, the dictatorship redesigned not only social fabric but also presided over the demise of social science (in particular sociology) and its capacity to perform critical analysis of more endemic and structural phenomena. According to Barros and Chaparro (2016), the schools of sociology spent most of the 1990s and the early 2000s either reconstituting their academic staff or focusing on how the discipline could provide ‘practical tools’ for state and market problems. For many sociologists (including myself), the expression ‘practical tools’ is nothing more than a euphemism describing the process of commodification of sociology under neoliberalism.

As soon as neoliberalism eroded forms of critical analysis in Chile, there was a rise of liberalist discourses that tended to focus on micro-level explanations of harm. These explanations have been predominantly associated with the feckless behaviours of individuals and their incapacity to successfully use the ‘equally available’ resources for

all Chileans in their best interests. Nevertheless, as time goes by, this argument has been harder to justify as harm such as labour injuries, distrust, inequality, and financial insecurity not only seem to be widespread and systemic but also they can no longer be seen in isolation from one another. Therefore, very different explanations must be offered, and in this sense, the social harm lens adds to Chilean social science an opportunity to develop a new and alternative social critique.

As will be discussed in Chapter Two, the social harm lens helps to debunk behavioural explanations of harm, capture the range of injuries, as well as connect harm production to the reconfiguration of the Chilean social structure under neoliberalism. In doing so, one of the starting points that the social harm analysis provides us is that the use of economic language as a ‘technical reason’ to justify the ‘unavoidable’ production of harms on behalf of economic and social prosperity is a misleading argument. There are not natural rates of harm, on the contrary, harms are ‘socially mediated’ (Pemberton, 2016), which means that harms can be both explored and transformed in the socio-relational dynamics of societies.

The ‘socially mediated’ perspective about harms may give clues on how these harms can be preventable or reduced as part of a social policy aim. In this sense, the aim of this study seeks to evaluate the role played by the neoliberalisation process in Chile from 1973 to 2015 in the production of both economic gains and social harms. A set of research questions, some primary and others secondary, were designed with the achievement of this objective in mind:

Overarching research question:

What does a social harms analysis contribute to an understanding of the implications and interpretations of neoliberalism in Chile, 1973-2015?

Sub research questions:

1. What roles have the process of neoliberalisation in Chile from 1973 to 2015 played in the production and reproduction of social harms?

How can we understand the distinctive phases of the neoliberalisation process in Chile and how do these different configurations relate to the production of social harms during this time?

Which conceptualisation of social harm most accurately maps the harm produced as a result of neoliberalism?

2. How are benefits and social injuries of neoliberalism interpreted by Chileans?

How have these harms been explained and to what extent do they legitimise the current neoliberal form in contemporary Chile?

1.1 Thesis structure

This research is organised in nine chapters starting with the conceptual framework that underpins the study. This framework is split into chapters Two and Three, which establish the theoretical pillars of this research.

‘Chapter Two: Defining social harm’ describes the objectives of the social harm perspective and contextualises the current ontological and empirically oriented positions of social harm (Lasslett and Garside, and Pemberton respectively), in order to establish a definition of harm based on a Marxist notion of dialectics. The main focus of Chapter Two is to answer the questions of how can we identify harms for evaluating the Chilean experiment? and why do we need a broad lens to achieve this purpose?

‘Chapter Three: Dialectical contradictions, social harm and neoliberalism’ is the second theoretical pillar that used to scrutinise the Chilean experiment in an alternative way. This chapter explores a theory model of harm causation using the principles of the

dialectical contradictions of capitalism; uncovers how capitalist contradictions are violent and injurious when they are presented within a neoliberal framework; and offers a hypothesis of how individuals make sense about harms and injuries. This chapter links five foundational contradictions of capitalist societies with explicit forms of harm, and discusses how the hegemony of capitalist societies are secured against the harms and injuries that they produce. In this sense, Chapter Three offers an understanding of neoliberalism as a 'paradigm of thoughts' in relation to the contradictions that are produced by this type of social organisation. This serves to uncover the crucial characteristics of neoliberalism and presents the general legitimacy claims of the neoliberalisation project needs in order to operate.

It should be noted that it is likely that there are more contradictions than those identified in this chapter, however, this thesis privileges five specific contradictions which Harvey (2014) notes as being the ones that capitalism could not function without. Four out of five contradictions have their roots in Marxist philosophy, namely: the production of use and exchange values (Contradiction I), surplus and exploitation (Contradiction II), the process of commodity production/consumption (Contradiction III), and the process of accumulation by dispossession (Contradiction V). However, the fifth contradiction is based on one of the most salient characteristics of capitalism identified by Max Weber, which is the tension between instrumental and value oriented rationality (Contradiction IV). The analysis of this tension was sought to revalue the relational aspect of the 'spirit of capitalism', which is referred to by Marx in the superstructures of societies but is better developed in Weber's theory. Essentially, it will be argued that neoliberal societies can be viewed as a harmful capitalist organisation for human realisation, given the way in which the five dialectical contradictions seems to play within this type of capitalist arrangement.

The fourth Chapter of this thesis is *'The different phases of the neoliberalisation process in Chile'*. This chapter seeks to explain in great detail the historical generative context of harms in Chile before evaluating the neoliberal experiment in the finding chapters. This chapter aims to build the bridge between the theory chapters and the findings chapters in order to establish a background context to facilitate comprehension of both benefits and social harms in Chilean society. This chapter gives an account of how 'an ideal type of neoliberal society' was manufactured under the dictatorship (1973-1989). It explores how the development of the neoliberal history that came after the return of democracy (1990- 2016) has been about 'diluting' this experiment so as to transform 'savage neoliberalism' into a neoliberalism with 'a human face'. The chapter argues that this process of 'patching the experiment' relates to the ways in which the legitimacy of each phase has been tested by the harms and injuries that result from the contradictions that the experiment has triggered over time.

'Chapter Five: Methodology' explains the framework used in this thesis for developing a strategy that can measure the production/reduction of social harms. The chapter describes the multi-method and case study design, and discusses the different challenges associated with carrying out an analysis of social harm. The dialectical logic used in this study will be explained, and the purpose of each technique used in the data collection process, as well as the way in which the obtained data was analysed will be set out.

Chapter Six to Eight present the findings of the research. Using the framework of contradictions, *'Chapter Six: Scrutinising the experiment through the social harm lens: Contradictions I and II'* and *'Chapter Seven: Scrutinising the experiment through the social harm lens: Contradictions III to V'* seek to explore whether neoliberalism has helped Chileans to reduce the formation of physical/mental, autonomy, and relational harms. Here, the quantitative and qualitative findings of the neoliberal experiment will

be evaluated against the normative model set out at the end of Chapter Three. This analysis will establish the main characteristics for identifying a less harmful society.

Chapter Eight '*the legitimacy of the neoliberal experiment in Chile*', explores the contexts where the legitimacy of the experiment unravels. This chapter will work with the different discursive strands that emerged from the qualitative data and will uncover the different levels and areas where the neoliberal experiment gain legitimacy.

'Chapter Nine: *Conclusions*' closes this thesis. This chapter reflects on four major areas in which this study presents conclusions not only for the Chilean experiment but also for a broader discussion of neoliberalism. The thesis ends where it began, examining the particularities of Chile as a case study of a harmful neoliberal society.

At the end of this manuscript, my aim is that readers will not only be aware of the contradictions, ironies, benefits, and challenges of the neoliberal experiment in Chile; but also that this study will contribute to and stimulate the imaginative ways in which the emerging field of harm studies may be further developed.

CHAPTER TWO: DEFINING SOCIAL HARM

2.1 Introduction

The aims of this chapter are to describe the goals of the social harm perspective and to provide a definition of social harm by answering the questions of how can we identify harms, and why do we need a broad lens to achieve this purpose? The intention behind these objectives is to develop an alternative analytical framework to scrutinise the neoliberal experiment in Chile. Although harms and injuries seem to be widespread and systemic, and even though the rise of social movements in the country has made visible some of these harms, Chilean social science has lagged behind in developing a critical analysis of neoliberalism as an integrated whole. Developing a social critique becomes imperative not only because it may help to reconstitute the critical thinking eroded under the dictatorship, but it may also stimulate the current debate about the societal and individual ‘cost’ upon which neoliberalism has built its achievements.

This chapter is not a chapter about the Chilean experiment; it is a chapter that helps to build the social harm lens for evaluating this experiment. Section 2.2 will describe the aims of the social harm perspective and its advantages for the Chilean case. Section 2.3 will explain the development of the social harms focusing on the methodological challenges of distinguishing between harms and non-harms. It will be argued that a needs-based approach is critical for developing this new lens of the structural analysis of harm. With the intention of advancing this discussion, section 2.4 and 2.5 of this chapter will offer a dialectical understanding of needs that will lead us to a particular definition of harms. This provides a map for the next chapters exploring the neoliberal experience of social harm in Chile.

2.2 The aims of the social harm perspective

The social harm perspective is a theory of how societies organise, explain, intensify, and reduce harms. The social harm lens seeks to study how processes and dynamics forged at the very centre of social fabric interrupt the flourishing of individuals within capitalist societies. The social harm approach as a field of study in its own right (Zemology) has an object of study and a method. The object of study focuses on how societies produce structural harms and injuries at the ontological level of human needs; while its method seeks to articulate tools for assessing, diagnosing, and evaluating the extent and experience of those harms.

The study of harm has both descriptive and normative dimensions that guide its social inquiry. At a descriptive level, this lens aims to document harms and injuries in an objective and systematic way. The objectivity of the social harm approach is given by its method. Although some methodological issues need to be resolved (see section 2.3 for details), the approach aims to distinguish between harms that undermine the fulfilment of human needs, and events that whilst for many Chileans can be annoying, unethical or produce irritation, that are ultimately are not harmful.

The social harm lens also aims to capture the totality of injuries and harms within societies. The approach seeks to ‘join the dots’ between harms and the reconfiguration of the social structure in an alternative way. The emphasis on ‘alternative way’ is critical in so far as this lens allows to understand that, for example, the death of 2.3 million people per year as a result of occupational accidents or work-related diseases (ILO, 2016) are neither natural events nor part of ‘the lottery of life’. From a social harm perspective, these harms tell us more about the ways in which our societies are organised. In this sense, the basic premise of the social harm lens is that capitalist societies are organised in specific ways that are intrinsically harmful (exploitation, commodification, alienation). However, as Pemberton (2016) suggests, the extent and

experience of harm are not inevitable, it varies, according to the forms social organisation take.

At a normative level, by uncovering the connections between the organisation of social structure and harms, what the social harm lens does is to demystify beliefs that link social structures with ‘natural’ rates of harms as an ‘unavoidable’ cost for social prosperity. The political objective of the approach is not to reveal whether harms are intentionally produced within the capitalist dynamics, but to think about the ways in which harms can be prevented and reduced to move towards harm-free societies. As mentioned in Chapter One, it is precisely this normative aspect of the social harm perspective that justifies the efforts to scrutinise the neoliberal experiment in Chile. The demise of social science under neoliberalism in this context, has eroded the development of an alternative explanation of harm production, and thus, has systematically impeded the search for different models of social prosperity.

In essence, the dominant discourse in Chile suggests that the best way to organise society is by the logic of ‘survival of the fittest’. The consequences of this social arrangement have rarely been a zero-sum game (lose-lose or win-win), often someone wins while others lose. However, there is a dominant narrative that ‘collateral’ harms which affect individuals who lose are not only a price worth paying for economic progress and development, but also resultant of individual’s feckless behaviours. The country was envisaged as not only a testing ground for economic formulae but also as an ideological battlefield to “attack collectivism”(Nik-Khan and Van Horn, 2016, p.29). The equation is simple, this model of prosperity encourages individuals to face the vicissitudes of life individually, and its starting point is that every individual has the same initial conditions and capacities to compete for their life chances.

Under this paradigm, Chilean social science has focused on the study of how and why individuals as isolated units may or may not ‘succeed in society’, leading the attention of social inquiry to the realm of individuals’ behaviour as an explanation. However, social movements who criticise the consequences of neoliberalism have started to ‘connect the dots’ between harms in a clear sociopolitical narrative, such as the links between education, inequality and debt problems. For them, a model mainly based on the individual’s efforts and rewards is not sufficient to reach social prosperity, yet the tools for making sense and exploring an alternative way to organise Chilean society remains an unresolved issue (Atria, 2013; Mayol, 2012).

In other words, what the social harm approach does for Chile is to document not only benefits and injuries left by more than forty years of neoliberal experiment, but it also develops a hypothetical scenario to move forward. Nevertheless, one of the main challenges for evaluating the Chilean experiment through the lens of social harms is developing a criteria for distinguishing between harms and non-harms. Consequently, there are various theoretical points that need to be discussed and resolved before this lens can be used to scrutinise the harm experience of the Chilean experiment.

2.3 The problem of how we can identify harms: the development of the social harm lens so far

Hillyard and Tombs in the book *Beyond Criminology: Taking harm seriously* (2004) are credited with beginning a re-engagement with the idea of social harm, following the earlier work of Sutherland (1940) and the Schwendingers (1970), who introduced the concept linked to criminological debates. In particular, Sutherland (1940) analysed the different injuries that states and corporations can cause to people (Sutherland, 1940), while the Schwendingers (1970) focused on how “criminal law would overlap the definition of crime on the basis of human rights” (Schwendinger and Schwendinger, 1970, p.146). The book *Beyond Criminology* offered further development of critical

criminological studies through the emergence of zemiology as a field of study, which is where this research locates itself.

Hillyard and Tombs (2004) in their work on zemiology developed sociological categories that capture the vicissitudes of contemporary life ‘from the cradle to the grave’. Their categories of harm include *physical harms*, *financial/economic harm*, *emotional and psychological harm* as well as a reference to *cultural safety* (Hillyard and Tombs, 2004, pp. 19-20). However, in their attempt to abandon criminology they did not present a systematic method that shows how they get to these categories. Thanks to the authors, what we do know is that the concept of social harm makes visible how events may systematically deny people opportunities. It remains less clear how can we identify and distinguish degrees of harmful activity.

In response to this identified problem of a method to study harms, but also with the intention of strengthening the demarcation of the object of study (social harm), two groups of positions emerge within the social harm literature. The first position is Pemberton’s position (2016), who in his book *Harmful Societies* provides a clear operational definition of social harm, yet the way that this definition is situated within the processes and structures of societies is less clear. The second position refers to the argumentations made by Lasslett (2010) and Garside (2013) who discuss the necessity to allocate harms within an ontological framework, however, they do not offer an operationalisation of the concept unlike Pemberton. With the intention of unpacking the methodological challenges to discern between harms and non-harms that ultimately will help to build an alternative analytical framework to scrutinise the neoliberal experiment in Chile, let’s develop the contributions made by these two group of social harm scholars.

Pemberton (2016) explores structural harms in different variations of capitalism, offering a typology of harm reduction strategy by type of capitalist arrangement such as neoliberal, liberal, corporatist, meso-corporatist, and social democratic. Within his contributions, it is relevant to note that the Pemberton is the first one so far to operationalise the different types of social harm. To the author social harm:

“Acts as shorthand to reflect the relations, processes, flows, practices, discourses, actions and inactions that constitute the fabric of our societies which serve to compromise the fulfilment of human needs and doing so result in identifiable harms” (Pemberton, 2016, p.24).

Pemberton (2016) identifies three type of harms within varieties of capitalist regimes: physical/mental, autonomous, and relational harms. To the author, physical/mental harms may occur “when individuals cannot maintain sufficient health or when individuals lose a sufficient degree of control over their lives” (Pemberton, 2016, p.28). As examples of this type of harm, Pemberton measures the statistics associated with homicide, suicide, infant mortality, and obesity. In the case of autonomous harms, the author identifies these “from situations where people experience fundamental disablement in relation to their attempts to achieve self-actualisation” (Pemberton, 2016, p.29). This operationalisation means that harms are expressed when the individual’s capacity to formulate and to choose their ends is systematically affected, such as the capacity for understanding and learning, and the absence of available opportunities to engage in productive activities. According to the author, this can be tracked through statistics of relative poverty, unemployment, and long working hours.

Regarding relational harms, Pemberton (2016) operationalises these types of harm incorporating Yar’s (2012) ideas. Yar (2012) highlights the importance of the intersubjective components of reality to define the relational structure that lies behind

the social harm concept. Similar to Marx (2010a), Yar (2012) implies that there is nothing in the essence of humans that cannot be other than social. Our self-recognition (needs and desires) will depend on the perceptions and attributes that other individuals allocate to us. Based on Yar (2012), Pemberton (2016) understands the manifestation of relational harm i.e. when individuals are socially excluded, or when they experience “the feeling of shame, guilt and humiliation” (Pemberton, 2016, p.31), as a result of the social relations which occur within the societal structure. For operationalising these type of harms, Pemberton uses the percentage of population that see family once a year or never.

Although Pemberton engages in ontological discussions about how we discern between harms and non-harms to establish the operationalisation of structural harms, one might argue that it is less clear how his ontological position links to his social harm analysis in practice. Fundamentally, Pemberton argues that the discussion of social harm can be related to an ontological question about human needs, as he declares:

“Any discussion of human needs entails an exploration of the facets of being and the material resources, skills, knowledge, and social networks that are required for us to be able, as humans, to realise our innate potential. Quite simply, when these needs are not fulfilled, these deficits represent a series of identifiable harms”(Pemberton, 2016, p. 27).

The author bases his conceptualisation of human essence using the theory of need by Doyal and Gough (1991) because, according to Pemberton, Doyal and Gough understand that a “comprehensive exposition of human need is a notion of harm” (Pemberton, 2016, p.27). Pemberton is right; the normative nature of need provides a model for which a rounded notion of injury might be developed, but also a sense of how we might reduce injuries. In other words, Pemberton’s argument assertively identifies

that the development of the social harm lens should be rooted within an ontological position of needs insofar as needs have both a descriptive capacity to read ‘what is missing’ to achieve human flourishing and a normative ability to set an ‘ideal type of flourishing’.

However, Doyal and Gough (1991) work with an a priori set of universal needs, and therefore, this perspective for defining human essence does not take into account how needs are historically situated. Consequently, one might interpret that when Pemberton uses the theory of Doyal and Gough, he seems to give a little room to the contingent role that social relations plays in the fulfilment of needs, and therefore, its impact on the manifestation of harms within processes and relations in capitalist societies.

Although Pemberton offers an ‘anchor space’ where harms can be captured, the author’s position about needs is not free of shortcomings for the conception of harm. His ontological approach will impact the analysis of injury. In particular, his emphasis on universal needs allows identifying harms and injuries in a ‘snapshot way’, which means that the lens is capable of capturing harms when they are already manifested within societies. However, what a universal conception of needs cannot do is to tell us the specific mechanisms that allow the formation and manifestation of harms in each society because universal needs are always expressed in particular modes.

Thus, if the relations of harm constitution are always historically located, an ontological approach to universal needs may underestimate the intensity and extension of harm, providing a social harm picture but an incomplete one. For example, if it unpacks the relational category of social harm, one might argue that interpersonal distrust is a relational harm insofar as it undermines the issue of social integration in societies, and by those means, distrust in others injures human flourishing in its relational dimension. In this sense, Pemberton’s views on the universal need for social trust are

useful for identifying the injury itself (interpersonal distrust). However, this perspective cannot tell what allows the specific harm to manifest. If one analysed what happened after and before the Chilean dictatorship or what occurred after and before the Stasi times in East Germany, it is likely that interpersonal distrust as a ‘universal category of harm’ could be found in both societies. However, the relationships of harm constitutions are different, and so, distrust as social harm has not only another type of expression but also experience.

If we are not aware of the historically located causes that lead to the formation of harms, the approach may capture with less accuracy the evolving dynamics that allow the formation and manifestation of harms as effects, and additionally may reduce the chances of preventing their appearance. As noted before, the harm prevention aspect is critical for the normative dimension of the social harm lens. If we only understand ‘generic causes’, it is hard to prevent or reduce harms and injuries because they are activated differently in specific modes within societies.

Up to this point, we know that the distinction between harms and annoying or irritating events has to do with the adverse effects of these events on human flourishing. Therefore, in order to truly comprehend social harm, we need a broad lens that can map out the complex and various ways in which human flourishing can be compromised. One way to capture these ‘shorthand’ is by placing and developing the social harm discussion at an ontological level as the second group of social harm scholars (Lasslett and Garside) did in their works. Nevertheless, it must be emphasised that neither Lasslett nor Garside offer an operationalisation of social harm like Pemberton. While Pemberton tends to make sense of social harms within capitalist features as processes already constituted and static, the contributions of Lasslett and Garside help us to understand how the intensity and extension of the harm categories are forged at the very centre of capitalist dynamics. In so doing, depending on the particular historical

development of capitalist relationships and processes, harms can vary in effects and so in their manifestation.

Within this second group of social harm scholars, Lasslett (2010) approaches the difference between harms and non-harms through a dialectical conception of being as an ontological totality. The author seems to imply that individuals are not only social but also physical beings, and in so doing, Lasslett focuses on how different societal processes and relations may produce particular forms of social harm, which can undermine one or more elements of the being's structure. To a large extent, Lasslett (2010) provides critical elements that will serve us to develop the social harm approach taken in this research. Within this, perhaps the most important for us is how the author, through the notion of dialectics, identifies that there is:

“A fundamental contradiction of social development, it simultaneously produces forces that both preserve and undermine the organic/inorganic world forces”
(Lasslett, 2010, p.12).

As Lasslett (2010) notes, there are social and material necessities that need to be met as humans. However, one of the paradoxes within this ontological totality is that in parallel, societies can both contribute to and undermine human flourishing. This dialectic understanding provides an idea of how we can begin to work with the hypothesis that neoliberalism as a model of social development produces harm. It also prompts us to consider that the model is capable of producing strategies that may actually reduce harms and injuries.

Garside (2013) makes clear the distinction between social harm (that compromises the flourishing of individuals) and ‘annoying’ situations based on Mészáros’ ideas. Garside understands social harm as the process by which the dynamics of capitalism systematically undermine physical needs, such as the impacts of “the monopolisation of

the means of production and the products of social labour by the representatives of the capitalist interest” (Garside, 2013, p.262) on “the more or less spontaneous regulation of biological reproduction” (Garside, 2013, p.261). Garside wants to believe that by transforming the dynamics of capital, it is possible to begin to design harm-free societies. However, one of the disadvantages of Garside’s approach is that he focuses on the physical dimension of harms whilst omitting relational types of harms.

This leads us to conclude that based on the existing literature, there is not a clear method for identifying social harms that can help to scrutinise the Chilean experiment a holistic way. Pemberton (2016) offers us an operationalisation of harm but it is less clear how this operationalisation may address the ontological issues of harms in a more dynamic way. Conversely, Lasslett and Garside provide a better ontological response for developing social harm as an object of study, yet the operationalisation of social harm is omitted. Thus neither of the two social harm positions is entirely satisfactory, and as such, there is space to take forward the conceptual definition of harm. With the intention of advancing a method for identifying harm from non-harms that can be used for evaluating the Chilean experiment, it will be argued that a dialectical understanding of needs may contribute to marry the two positions characterised.

2.4 The understanding of needs

As far as social harm is concerned, the concept of ‘needs’ is critical in order to comprehend what social harm is. The social harm debate demonstrates how the concept moves from a universal definition of need to the particularities of different societal contexts. One of the problems when considering ‘needs’ linked to particular categories (like Lasslett and Garside), is the difficulty in measuring them.

To understand needs only as universal may lead to lose sight of the historical development of these needs, although it seems to facilitate the measurement of harms

(as in Pemberton). Thus, one of the challenges of the social harm lens is to establish a conceptualisation of needs in a way that both can measure social harm and give a comprehensive account of universal and particular needs. Using a dialectical conception of needs, one might argue that this situation can be overcome, yet it is not so simple. If one looks closely at Marx's theory of capitalism (Marx, 2010a), it is possible to find the same dilemma. Consequently, from Marx's standing point, it is conceivable to give some clues to how this issue can be solved.

On the one hand, Marx states that needs are relative and can vary depending on the historical trajectories of the material circumstances. However, Marx also expresses that the need for labour has universal characteristics to reach the self-realisation of individuals. Therefore, similar to Fraser's (1998) argument, it is possible to visualise in Marx an understanding of needs with dialectic logic. In essence, Marx seems to be saying that both universal and particular needs can be read as part of a single dialectical unit.

To begin with, it is possible to find universal needs in the social fabric. As Marx and Engels (2010b) express:

“The first premise of all human existence, and therefore of all history... [Is that] men must be in a position to live in order to be able to “make history”. But life involves before everything else eating and drinking, a habitation, clothing and many other things. The first historical act is thus the production of the means to satisfy these needs, the production of material life itself” (Marx and Engels, 2010b, p. 12).

The authors suggest that there are not only fundamental material needs that must be satisfied, but also relational needs that individuals have in order ‘to make history’. In the light of this, it is possible to share Lasslett's (2010) assumptions on the ontological

totality of the being structure and to be in agreement with Pemberton's (2016) ideas that there are universal needs which must be met. Equally important is how Marx (2010c) understands how the universal conception of needs must take into account its mediation as particular needs, and how particular needs in its mediation must address universal needs. As Marx observes:

“Hunger is hunger, but the hunger gratified by cooked meat eaten with a knife and fork is a different hunger from that which bolts down raw meat with the aid of the hand, nail, and tooth. Production thus produces not only the object but also the manner of consumption, not only objectively, but also subjectively” (Marx, 2010c, p.33).

Consequently, one might suggest that universal needs necessarily operate in particular modes. One can also argue that the variation of particular needs is connected to the development of human history. Thus, it is not illogical to suggest that there is a mutual dependency between universal and particular needs where particular needs can become universal needs by the forces of history. Following Fraser's example of the need for travel, one might understand these ideas as follows.

Fraser (1998) argues that the need to get from A to B can represent a universal need, yet this need can be satisfied in several ways such as: by horse, by car or walking. However, as the author assertively claims, it is impossible to refer to those ways without an explicit link to the universal need for travel. Hence, one might share partially the emphasis that Garside (2013) and Lasslett (2010) put on particular needs, with the reservation that Pemberton's idea (2016) of emphasising universal needs, it is also accurate. In so doing, it should be said that the dialectical conception of needs offered by Marx, may contribute to the development and identification of social harm, in which can different positions of needs-based approach co-exist among social harm scholars.

To a large extent, Fraser helps us to reconcile the two social harm positions when the author interpreting Marx illuminates that:

“Marx’s analysis suggest that ...To treat ‘wants’ as somehow inferior to needs is to be dismissive of the way people and cultures posit their particular needs. Modern need theory should not, therefore, be positing universal needs over particular needs or vice versa. Instead, it is the mediation of universal and particular needs that should be the primary focus” (Fraser, 1998, p.87).

Assuming this dialectical understanding of needs makes it possible to advance in the second problematic area of needs, which is that needs may be able to develop new needs or not. As Marx claims in the Volume one of Capital (2010a):

“By acting on the external world and changing it, [man] at the same time changes his own nature. He develops his slumbering powers and compels them to act in obedience to his sway” (Marx, 2010a, p.124).

This quote appears to suggest that there is an inescapable relationship between human beings and nature as well as between individuals. Thus, when nature is intervened upon, individuals are also changed. This change affects not only the relationship with nature, but also how individuals establish relations with others individuals. Therefore, when human beings intervene in the external world with the purpose of satisfying their needs, individuals act in the world with the capacity to change both their own nature and their circumstances of living. This means that individuals are capable of auto-generating particular expressions of needs while in parallel they are able to develop new needs. As Sayers (1998) explains, needs seem to be negated alongside the capacities of individuals, as ‘their slumbering powers’ are developed in a positive state in the social fabric (Sayers, 1998). In fact, according to the author, “the growth of new needs is the spur to the development of new powers and capacities” (Sayers, 1998, p.67).

Consequently, it could be said that there seems to be a constant dynamic between the satisfaction of needs and new needs as a result of the tension that power and capacities in individuals are capable of generating. In doing so, one might argue that the fulfilment of needs will always be incomplete, and in the cases where harms can be reduced, this does not necessarily imply that other harms can appear or that both old and new harms can be mixed. This understanding of needs leads us to consider that when Pemberton (2016) assumes the existence of universal needs that must be filled, the author is missing out the historical and dynamic ways in which individuals can develop ‘their slumbering powers’, and accordingly create new needs. In this sense, paraphrasing Sayers (1998), one might conclude that needs and harms are two-sides (constructive and adverse), of the same process.

2.5 Social harm as a definition

Using a dialectical understanding of needs, but also considering the different contributions made by the social harm scholars, one might indicate that the difference between harms and non-harms relies on how the flourishing of people is systematically denied through relationships or processes that happen within the dynamics of capitalist societies. In this sense, social harm is the ‘visible structure’ or the ‘result’ of processes and relations by which social injuries occur. Thus the effects of social harm will vary according to the processes and relations to their constitution.

Similar to the question posed by French philosopher Merleau-Ponty - what is a visible thing? one might ask this same ontological question of this perspective of harm. Thanks to the social harm scholars, we know that harms are socially mediated, which means that the social nature of the world is built on shared experiences of individual subjectivities. Thus, the world is both ‘subjective’ and ‘social’. However, it is thanks to Merleau-Ponty that we can speculate that this constructed sense of social creates a

‘manifested’ or ‘visible’ world that “is inseparable from our bodily, situated, and physical nature” (Reynolds, 2004, p.6).

As Merleau-Ponty (1968) argues, what we experience as real has to do with “the metaphysical structure of our flesh”(Merleau-Ponty, 1968, p.9), which means nothing more than ‘the body’ is the primary place for knowing the world either as object or subject of knowledge. Therefore, following Merleau-Ponty’s logic, it is ‘the body’ the place that makes ‘things visible’, and ‘the body’ is the only site where the ontological totality of the being’s structure can be found. This makes it possible to argue that what makes harms visible, is when ‘the body’ of individuals that host their needs (physical/mental, autonomy, relational) is directly undermined.

Bearing this in mind, we need a sufficiently broad lens to capture the full variety of these ‘visible structures’ in order to scrutinise the Chilean experiment. It is important to highlight that the research focuses on the ontological categories of needs as a measurement strategy (physical, autonomy and relational). In doing so, the operationalisation of social harm will be closer to Pemberton’s (2016) categorisation, because this is the one that has most convincingly moved from theory to practice.

It is worth noting again that the downside of Pemberton’s approach is not the establishment of the social harm categories themselves, but rather how the author gives an account of these social harms, downplaying the role of processes, relations, and history in their formation. However, Pemberton’s categories should be read under his presumed intentions to work on a comparative capitalism. To some extent, Pemberton’s categories seem to share the same roots of thought with Marxist theory and the scholars of social harm. For example, physical harms appear to have strong bonds with the capacity to reproduce the livelihoods of individuals. Further, in the Marxist theory of estranged labour, the category of autonomy harm as positive liberty is also considered,

while the concept of relational harms naturally emerges from the Lasslett conceptualisation of being structure. One might interpret that the problematic area of Pemberton's operationalisation is that the exclusive use of quantitative measurement in the field of comparative capitalism tends to underestimate how social harm categories come to be. However, it is also possible to argue that this drawback can be overcome studying a specific case study or utilising mixed method techniques so as to enrich the importance of processes and relations in a historical continuum.

With this in mind, physical and psychological harms are constituted through relations that allow their visualisation. Physical and psychological harms are the manifestation of historical relations, and in doing so, both dimensions are mediated by the social circumstances where individuals live. Firstly, physical harm (as a visible structure) occurs when individuals cannot ensure the production and reproduction of their livelihoods. As a consequence, this may generate a systematic impediment (historically located) to the fulfilment of individuals material needs. In other words, interpreting Marx and Engels, physical harms occur when individuals cannot sustain "the production of the material life itself" (Marx and Engels, 2010b, p. 12). However, within this definition, a precaution is needed. It follows that the material reproduction of individuals becomes more complex as the thickness of the social fabric runs through human history. For instance, nowadays access to food, absolute poverty, and access to health care systems are not the same as Marx diagnosed for nineteenth-century in British society. The progress of technology and the incremental density of the social fabric have transformed universal material needs into particular forms of needs.

The access to reproduce the livelihoods of individuals varies depending on the society, its history, and the quality of life reached by that society. For example, in the Chilean Saltpeter in 1912, housing access was not at the same standard as with contemporary Chilean society (MINVU, 2007). In this sense, physical harms are expressed by the

grade of development of livelihoods. Nonetheless, it is possible to observe that the universal need for shelter is maintained. Therefore, at present, access to shelter should not only be about gaining access to housing, but it should also refer to its quality.

The same rationale of physical harms is replicated when psychological harms are defined. As Pemberton (2016) notes, the reproduction of human beings also implies that individuals are capable of sustaining their mental capacities at healthy levels. In doing so, high levels of stress, overcrowding, or depression may lead to the reduction of the chances of the material reproduction insofar as the individuals' bodies cannot be used as a 'means' to obtain their livelihoods.

Secondly, autonomy harm can be formed through processes and relations that allow its visualisation. As Sayers (1998) pointed out, "the growth of material needs tends to generate the development of higher mental needs which relate to the sphere of autonomy" (Sayers, 1998, p.67). In Marx (2009) this idea of autonomy is fully presented when the author discusses estranged labour. To Marx, the productive work is the space where autonomy shapes the conditions for the self-realisation of individuals. The author understood, the alienated labour produced whereby individuals:

"Do not affirm himself but denies himself, do not feel content but unhappy, do not develop freely his physical and mental energy but mortifies his body and ruins his mind" (Marx, 2009, p. 30).

Hence, the social participation of individuals in the productive structure of labour is critical for developing their 'physical and mental energy'. In doing so, it can be suggested that autonomy harm happens when individuals lose control over their livelihoods in order to satisfy their needs. In other words, paraphrasing Marx (2009), autonomy harms occur when individuals tend to emphasise the idea of self-sacrifice rather than self-realisation. It is important to note that the self-realisation of individuals

is at risk when they do not have the capacity to make autonomous choices and when they are somehow 'trapped' by their circumstances of living. In this context, autonomy harms can also be seen beyond the alienation of individuals within the productive structure of labour insofar as the 'physical and mental energy' of individuals are used in all elements of our daily life. Max Weber (1996) illustrates this point when he expresses that the economic ethos in capitalist societies tends to spread its instrumental rationality through all aspects of life imprisoning individuals in the 'iron cage', and producing what Weber called 'the tragedy of culture'.

Thus, one might argue that when economic rationality is spread through social institutions, capitalist societies produce a specific lifestyle that may impact people from the choices that they make as consumers, to their social aspirations. Moreover, if we are going to understand autonomy is harmed when individuals do not have capacity to make autonomous decisions in all aspects of social life, for example, education as a practice of freedom (Freire, 2005). Autonomy harm may take several forms, such as labour exclusion, educational achievement stratifications, and differential access to the consumption sphere.

In the case of relational harm, as part of the human nature, there is a constant tension between egoistic needs and social needs. The egoistic needs can be understood as a necessity to satisfy individuals' universal needs while social needs can be interpreted as the medium to satisfy the need of societies. Both elements, egoistic and social, are mutually affected by their dynamics. In Marx's theory using the concept of complementary opposites, the conception of the social world as relational nature is presented as the motor of human history. Compelling evidence of the critical role played by the 'social component' to achieve the self-realisation of individuals can be found in the *German Ideology* when Marx and Engels express:

“The production of life... appears as a double relationship: on the one hand as a natural, on the other as a social relationship. By social we understand the co-operation of several individuals, no matter under what conditions, in what manner and to what end” (Marx and Engels, 2010b, p.13).

Considering the words of Marx and Engels (2010b), it remains clear that individuals cannot reach their social realisation without establishing relations with other individuals. Thus, any social organisation where individuals are totally or partially excluded from the relational structures of societies should be understood as relational social harm. For example, relational harms may relate to structural inequalities regarding incomes and available opportunities. However, one might also understand that relational harm may happen when there are either low levels of interpersonal trust or distrust in the institutions of societies, given that distrust favours antagonistic relations between both individuals and groups. Additionally, we may also expect relational harms to occur when individuals have low levels of social integration into societies, which tends to facilitate different forms of discrimination and segregation.

The types of social harm identified in this chapter frame the way in which the Chilean experiment will be scrutinised. These typologies are an analytical resource rather than expressions that happen separately. Indeed, where physical harm takes place, there are several chances that relational and autonomy harms are at play too and vice versa. It is unlikely that social harms are isolated from each other, especially considering we understand harms to have their origins in socially mediated circumstances.

2.6 Summary

This chapter has been concerned with establishing the first theoretical pillar underpinning this research, namely, the method to identify social harms from non-harms as means through which to scrutinise the Chilean experiment. The difference between a

situation that can be annoying for individuals and an event that is harmful was set out as being when these events compromise the fulfilment of ontological needs (physical/mental, autonomy and relational). The operationalisation of this method will be explained in Chapter Five when the second theoretical pillar of this research (contradictions) and the general background of the harm production in Chilean society have been established.

The chapter explained the aims of the social harm perspective and argued that the social harm lens offers an alternative perspective on the debate about the evaluation of neoliberalism in Chile.

Those supporting the neoliberal experiment may use this lens to look at the roots of harms and their socially mediated contexts. For the critics of neoliberalism, the social harm lens may provide a comprehensive framework to ‘make the connections’ between different harms within Chilean society. The approach has room for both positions.

Organising the development of zemiology between analyses more oriented to ontological discussions of harms and an operational position of harm has built our understanding of needs, to lead us to a social harm definition. To this end, Pemberton’s categories have been married with a dialectical perspective so as to provide more dynamism to the social harm categories. In doing so, social harms (as ontological categories) are established as the visible structures of temporal and historical processes by which social injuries occur. Thus, social harm effects will vary according process and constitution of relations. However, one might argue that a critical theoretical aspect of our definition of harm remain unclear, namely: what are the causes of harms to individuals? Consequently, our task for the next chapter is to contextualise the dialectical understanding of needs into the contradictions of capitalism, so as to explain

how social harms are produced in capitalist societies (in general) and neoliberal societies (in particular).

CHAPTER THREE: DIALECTICAL CONTRADICTIONS, SOCIAL HARMS AND NEOLIBERALISM

3.1 Introduction

Using the principles of dialectical contradictions of capitalism and the notion of hegemony, this chapter seeks to establish an explanatory framework for the generation of harms in societies and how people make sense about these harms. In this context, this chapter will be used as the second theoretical pillar to scrutinise, in the next chapters, the neoliberal experiment in Chile.

As noted in Chapter Two, thanks to Lasslett (2010) and Garside (2013) we understand that the causes of harm have to do with the dynamics of capitalist societies, which vary within and between cultures as well as over time. However, it is thanks to Pemberton in his chapter about *Capitalist formation and the production of harm* (2016, pp. 35-79) that we know more specifically that alienation, commodification, surplus value and exploitation can act as inherent harmful features of capitalist societies linked to the formation of harms. The necessity of reconciling Pemberton's ontological categories with a dialectical perspective is clear. As argued in Chapter Two, without acknowledging that both harms and needs are historically situated and formed, we will have a model of harm causation that constantly appeal to generic causes instead of particular ones. As a result, the normative ability of the social harm lens for preventing and reducing harms in societies can be compromised. Therefore, if we want to understand social harm dialectically, (in other words, as the visible structures of relations and processes within capitalist societies -see Chapter Two), we might also need to investigate the capitalist features that Pemberton proposed as causes of harm in a more 'relational' way. In particular, instead of looking at the *features* of capitalism that may cause harm, we should search for the *connections* within these features because if the capitalist features in analysis historically vary. The relations of harm

constitution will also vary, giving social harm another type of expression. In this sense, it will be argued that the device of dialectical contradictions can be theoretically useful to explore how the satisfaction of individuals' needs that allow them to flourish, are undermined within capitalist societies. In doing so, one of the aims of this chapter is to progress the argument that capitalist contradictions are the generative context of the 'social' within harms.

In this research, the theory of contradictions is viewed as a methodological tool that helps us to understand the internal relations and tensions of capitalist societies. In a similar way Marx's use of a dialectical approach to investigate the 'base' and 'superstructure' of capitalism (Marx, 2010a; 2010c), the dialectical contradictions of capitalism will be used to unravel the causes of social harm. In this sense, an important point to take into consideration is that the focus of this chapter is neither rehearsing Marx's theory of capitalism nor offering an 'exit strategy' to overcome capitalist contradictions. The aim of this chapter is to use critical aspects of Marx's theory (such as his dialectical understanding of the dynamics of capitalism), to build up a suitable framework for explaining the generation of harm in capitalist societies.

Section 3.2 works with five foundational capitalist contradictions as a way of understanding the contradictions of capitalism in relation to harm production. Four of the contradictions in the study can be identified in the field of the production-consumption of material and intangible goods, while the fifth contradiction is related to the system of ideas of capitalist societies. Essentially, this section will focus on the production of use and exchange values; surplus and exploitation; alienation and commodification; private gain and the appropriation of public goods; and the tension between instrumental rationality and value-oriented rationality as capitalist elements *in contradiction* that allow the formation of harms. Section 3.3 brings Gramsci's concept of hegemony as the organisation of consent into the social harm discussion. Section 3.3

problematizes how individual's values, social aspirations, and actions are linked to the institutional arrangements of capitalist societies in such a way that provides individuals with an explanatory framework to either justify or criticise the generation of harms. Section 3.4 discusses the general characteristics of neoliberalism as a paradigm, and reflects on the ways in which the five capitalist contradictions are manifested in this type of social organisation. This section seeks to define how neoliberalism –as a type of harmful society- looks in theory so as to uncover, in the following chapter, the generative context of harm in Chile from 1973 to 2016.

3.2 Understanding the contradictions of capitalism in relation to the production of harm

The first point for understanding contradictions is that contradictions are permanent dynamics in capitalist societies and their dynamics are precisely the specific causes through which harms becomes 'visible' or 'manifested'. The method for treating contradictions in relation to the harm production is based on Harvey's idea that capitalist contradictions are multiple, yet do not necessarily have a negative meaning or derive from a crisis. As the author suggests, "contradictions have the nasty habits of not being resolved but merely moved around" (Harvey, 2014, p.4). This point is extremely relevant for the development of the social harm lens as it implies that both old and new harms can be reduced or intensified in societies, thus from the perspective of this research, capitalist harms never completely disappear but merely refashion the extent and experience of harm.

The second key point that the readers should have in mind when they think about contradictions is that the historical trajectories of capitalism have proven that capitalist contradictions cannot be confined only to the five contradictions. As demonstrated in Chapter One, it was decided to work with only five foundational contradictions because they present the most direct link to human flourishing, and in so doing, as Harvey

argues, “capitalism could not function without them”(2014,p. 14). We also saw in Chapter Two, that capitalist contradictions always take different expressions depending on the type of regime (neoliberal, corporatist, social democratic, and so forth) and the historical conditions of their formation.

A final point when considering capitalist contradictions in relation to the harm production, is that in contrast to natural science, the study of the social fabric of our societies can neither be isolated from other social phenomena through laboratory experiments nor explained by a single factor. Therefore, in the same line as it was argued that physical, autonomous, and relational harms could play together in societies (see Chapter Two), it is not illogical to expect that capitalist contradictions can also spin into one another.

Although this chapter treats contradictions as isolated from each other so as to visualise in a better way the generation of harm in capitalist societies, contradictions have several internal relationships that cannot be separated. One of the problems associated with making visible the internal relationships is that even though one might attempt to attribute some ‘order of emergence’ between capitalist contradictions, the truth is that we cannot establish a definitive linear link between them because they can be configured in hosted different ways within different capitalist varieties. In other words, it is impossible to establish a general theory of how contradictions have been balanced in societies, how they relate to one another in capitalist regimes, or when they are less or more harmful to human flourishing. Such phenomena can be explained by the fact that contradictions are culturally and historically located (same as harms and needs). They also, to a significant extent, must be handled and resolved by political means.

To illustrate why we cannot establish a direct link of how contradictions can spin off one another given their strong historical and political nature, one might observe how the

Keynesian policies of state intervention not only reduced the income inequality but also boosted employment after the great depression of 1929 (Piketty, 2014). In doing so, the U.S context may illuminate a situation where the tensions generated by two contradictions such as the tension between public goods and private gain, as well as the tension between surplus and exploitation (treated in this chapter as Contradictions V and II, respectively) were politically held back for a period. It can be argued that these tensions were unleashed again as soon as Reagan initiated his policies of ‘minimal state’ and free market competition in 1981. Thus, it is not illogical to interpret that Reagan sought to resolve Contradictions V and II very differently to Keynes. As Reagan put it: “the nine most terrifying words in the English language are: I’m from the government, and I’m here to help” (Reagan, 1986, p.1). This quote seems to suggest the way in which the tension between public goods and private gain was handled impacts upon the tension between surplus and exploitation, although here one might also argue that to some extent, this represents ‘a chicken and egg’ situation.

The British context provides another useful example of how contradictions are not only politically handled, but they also “have the nasty habits of not being resolved but merely moved around” (Harvey, 2014, p.4). If we think about the harmful implications of Margaret Thatcher (1987) when she stated “there is no such thing as society: there are individuals, men, and women and there are families” (Thatcher, 1987, p.3), it is possible to visualise how individualism, which mirrors the tension between instrumental rationality and value oriented rationality (treated in this chapter as Contradiction IV), may impact upon the satisfaction of relational needs. Years later, one might also observe how David Cameron in his victory speech (2005) used Thatcher’s words to frame the project of Big Society as follows: “There is such a thing as society, it’s just not the same thing as the state” (Cameron, 2005, p.1). This type of political statement lends support to the idea that while one contradiction is attempted to reduce harms (such as

strengthening civil society), another can emerge to suit new ends (like the untold injury and harm of austerity that Pemberton referred to in the afterword of *Harmful societies*, 2016). In so doing, one might argue that capitalist contradictions can politically reinvent themselves and morph into something else. However, as Harvey warns, “the something else may be better or worse for the people” (Harvey, 2014, p.4).

The main point of this argument is that we need to think that capitalist contradictions are always historically and culturally situated, and not only are they handled and resolved by political means, but they are also internally connected. Given the constraints of space and time of this research, it is impossible to map out the full range of internal connections across societies and between capitalist contradictions. Nonetheless, something that it possible to achieve in this study is to use the device of these five foundational capitalist tensions to explore how harms are generated in an applied case. Pure and simple, the framework of capitalist contradictions in relation to harm offers us the theoretical parameters for testing - in the Chilean context- the ways in which contradictions are connected; how they are politically resolved; and how, ultimately, they impact upon the flourishing of individuals. For now, let’s examine each capitalist tension linked to the production of harm on its own merits.

3.2.1 Contradiction I. The production of use and exchange values: the tendency of exchange value to undermine use values

The way in which capitalist contradictions can be understood is straightforward. On one hand, two capitalist features have their own internal dynamics, and on the other, they have a connection space that linked together. It is argued that within this ‘connection space’ or ‘tension space’ is possible to find the mechanisms that allow harms to be formed. In this case, the capitalist features are use-values and exchange-values. It will be claimed that in the ‘connection space’ (between use and exchange), values can be

found to be the most salient and perhaps foundational constituents of harm in capitalist societies. This is the observed tendency of exchange-values to undermine use-values.

Capitalist societies are organised in specific ways that are intrinsically harmful, and this contradiction fundamentally relates to the causes of harm production because the use-value dimension is where human needs of all kind are satisfied in their ontological categories (physical/mental, autonomy, and relational). However, as it will be explained, this use-value dimension has been systematically injured by the internal dynamics of exchange-value, allowing harms to be formed. In order to develop this argument, it is necessary to begin by characterising what use and exchange values are. Marx offers a great starting point for contextualising this social harm discussion.

The production of use and exchange values relates to the process of commodity circulation in capitalist societies. This process tells us how an object is produced, exchanged, and consumed in societies. Marx characterised the use-value dimension as an “object of the satisfaction of any system whatever of human needs” (Marx, 2010c, p.802). Thus, one might argue that the use-value dimension is a critical aspect for the realisation of individuals. However, one of the complexities for understanding use-values is that this value is not a fixed value. The use-value of a commodity has many meanings as societies and people exist. As an illustration of this characteristic, one might say that to some people the use-value of an iPhone is to communicate with others by phone. To other people the value is related to having internet access, while another group of people uses their iPhone to listen to music. In any case, users can attribute different meaning (values) to any specific object of needs satisfaction.

The use-value category can also be ‘tricky’ for the reason that the use-value logic can express not only material goods but also intangible goods. If we take the example of education as an intangible good, we can still visualise the same characteristics as in the

iPhone example. It follows that to some people having a certain level of education can represent access to the labour market, to other people it can represent a way to possess wealth and power, while to other people education can represent learning and knowledge. Certainly, in Marx's time iPhones did not exist. In reality, Marx used the example of a coat and 10 yards of linen to make his point (Marx, 2000b). Nevertheless, coats, iPhones, and education have in common this use-value nature no matter in which epochs of capitalism they relate to. As Marx argues:

“Use value falls within the realm of political economy as soon as it becomes modified by the modern relation of production, or as it, in turn, intervenes to modify them” (Marx, 2010c, p.802).

It is fundamental to comprehend that all use-value has a dual nature that expresses an exchange-value. One might characterise the exchange-value dimension as the ‘objective units’ of the use-value, which is represented by money in the market circuit (Marx, 2000b). Nevertheless, the ‘mystery of the exchange-value’ as ‘objective units’ is to determine how much exchange-value is necessary to possess an object that can express several forms of use-value as well as how much cost a commodity produces.

The key aspect for understanding the exchange-value dimension is to understand that on the one hand money as a commodity (as use-value) facilitates the circulation of all other commodities, however, on the other hand, it possesses an intrinsic exchange-value (Marx, 2000b). The major problem with this use/exchange value process is that since the material support of money (gold and silver) was abandoned, the tension between the use and exchange-value has increased under a financially speculative capitalist system. The exchange-value can represent an exchange-value itself without an explicit link with the use values (Harvey, 2006a). In doing so, the extent that the use values are the space where individuals can satisfy their needs, and the extent to which these link with

exchange-value through history become increasingly disconnected. Immediately, social harm appears in relation to the use-value space. In other words, one might interpret that emergent within the ‘connection space’ between use and exchange values, is the first identifiable contradiction that acts as a cause of social harms.

When all kind of commodities (or social goods) are transformed only in exchange-value without a clear value expression, the issue turns into an exchange-value problem (market problem). Accordingly, one might argue that the human needs realisations are affected whenever there is a segmentation of the access to exchange-values that consequently injure the access to use-value. Such a dynamic probably happens because inside the meaning attributed to use-value, the material and relational realisation of individuals are hosted.

The tendency of exchange-values to undermine the use-values can interrupt the flourishing of individuals in three ontological dimensions. In essence, the thesis contends that we cannot identify all the use-value meanings for people because they are always expressed in particular forms of needs, and we cannot refer to all the variation of exchange-values (money) because they also are historically situated. It is in the ‘connection space’ between these two capitalist features where harms are formed that interrupt the flourishing of individuals. The thesis also contends that is not possible to truly understand the intensity and extension of harm if we do not reflect on the particular stage in which each capitalist features (use and exchange value, respectively) are driven by their own internal dynamics.

Regarding the ontological harms that the historical and cultural formation of this contradiction can produce to individuals, it is possible to identify that the lack of exchange-values naturally leads to the production of physical harms insofar as individuals cannot reproduce their ‘material life itself’. However, physical harms can turn into autonomy harms when the access to use-values, for example, access to higher

education, is determined by the amount of money that individuals can afford. To a large extent, higher education as a social good that mirrors the self-actualisation of individuals (Freire, 2005), is a useful example to explore how social harm is produced, especially when in neoliberal societies social goods enter into a process of privatisation (see section 3.4 for details about the links between neoliberalism and privatisations).

Higher education as an exchange-value needs facilities, services and the wages of teachers to operate, plus a profit mark-up. Higher education is a good which people consume for several years. Thus, it is a good that people can pay for using various means, such as with cash or through a loan with interest rates. The goal of the owners of higher education institutions is to produce exchange-values and profits for their benefits, while states have different education policies so as to help people to pay for their education. Even though states help with the cost of higher education (particularly for individuals who are at the bottom of the society), the higher education within neoliberal regimes generates mechanisms to enable access to education for their people through loans where most people pay double for the initial cost of education. The high rate of debts generates untethering between the original use-value and the exchange-value of the good decreasing the satisfaction (well-being) that the good had prompted originally.

The higher education market segmentation tends to determine the range of use-values available to individuals co-opting their capability to choose (autonomy harm) as well as their chances of inclusion in society (relational harm). More specifically, we know that the differential access to the labour life depends on the educational area where individuals learn the skills for the labour market. In this sense, higher education has the potential to determine the pattern of social mobility in a social structure, opening or closing access to the labour market. Thus, interpreting Freire's ideas on education

(2005), one might argue that education can develop not only capabilities in individuals (autonomy) but also possess significant elements of self-actualisation for integrating people into society.

This example of higher education is useful because it not only shows how the formation of this contradiction at a point in time can produce physical, autonomy, and relational harms; but this example also helps to emphasise how two contradictions can be related even though their relation can vary depending on the capitalist regime and society in analysis. For example, it is especially true for Chilean society that the capitalist tension between public goods and private gain (treated in this chapter as Contradiction V) was attempted to be resolved by the privatisation of public goods.

According to Espinoza (2005), the logic of the Chilean higher education is simple. The privatisation of the educational system under the Pinochet era created a system based on state loans and private credit. This system expanded access to education although this expansion has made individuals economically responsible for their education (Espinoza, 2005). Thus, the social harms identified in relation to the tension between use and exchange values may be valid for the Chilean case, and consequently, it is possible to make a connection between Contradictions I and V. Nevertheless, neither harms nor links between Contradictions I and V can apply in this same way when an element of our example is modified. For instance, instead of selecting Chile, we use the Argentinian case that historically has resolved to handle Contradiction V through a free of charge educational system (Finnegan and Pagano, 2007). Here, the tendency of exchange-values to undermine the use-values can disappear for the education example. However, eventually, the connections between contradiction I and V and their linked harms can be established as we focus our attention on other good such as electricity,

which according to Azpiazu and Vispo (2004) is a public good that was privatised at the early 1990s in Argentina.

The main argument is that this model of contradictions for exploring the production of harm tells us where to find the causes of particular harm production in each society. Additionally it explains how a contradiction can interrupt the flourishing of individuals in their ontological categories (physical/mental, autonomy, and relational). The use of this model of harm causation must always be applied to a particular case, as the Chilean and Argentinan examples show not only the pattern of contradictions may bounce differently off one another, but also the harm may be extended.

3.2.2 Contradiction II. Surplus and exploitation: the tendency of the development of surplus at the expense of human flourishing

Contradiction II follows the same logic as the five contradictions presented in this explanatory framework for the generation of harms. Fundamentally, there are two capitalist features with their own internal dynamics (surplus and exploitation, respectively), and a ‘connection space’ that link together these two features. Again, it is argued that in the ‘connection space’, harms can be formed and hosted in different ways.

As concluded in Chapter Two, needs and harms represent two-sides (constructive and adverse), of the same process of human flourishing. This contradiction relates to the causes of harm production, because human exploitation seems to be the negation side by which human needs are developed in a positive state. In this sense, it is claimed that the development of the surplus feature has systematically injured individuals by exploiting their capacity to flourish. So as to understand how this contradiction interrupts human flourishing, it is necessary to start by briefly reflecting on the process

of the surplus-value production in capitalist societies, and Marx's theory of estranged labour can once again offer a starting point for framing this discussion.

Based on Contradiction I, we know that the unlimited capacity of capital accumulation leads to uncoupling the use and exchange values. However, Contradiction II relates to how the disconnection of both use and exchange values facilitates the production of surplus-value. Following Marx (2000b), we can consider that the labour force is a commodity that workers put into the market so as to obtain their means for subsistence, and we know that these means for subsistence aim to satisfy the workers' ontological needs (physical/mental, autonomy, relational). As any commodity, the labour force possesses an exchange-value (the wages of workers) and a use-value (the capacity to produce other commodities). However, we can observe that the commodities created by the labour force always have an exchange-value higher than the initial value that the labour force puts in the creation of the original commodity. How does this happen? Marx unravels the surplus creation as follows.

The surplus value is the third part of the commodity circulation process, which is the 'excess' between the social value of labour and all the material costs involved in the production of commodities. The dynamic to purchase labour force and to have all the material available to produce a commodity becomes a profitable business when the surplus is greater. The harmful aspect of this dynamic is that in order to produce greater surplus, the owners of business tend to reduce their cost of production (Marx, 2000b). These costs can be reduced through several measures: through a reduction of the quality/quantity of the materials involved in the production of a commodity; through a reduction of the quantity of wage labour; or through a reduction of both. The multiple combinations to reduce costs of production may bring social harms that can be allocated in the 'connection space' between the intentions of capital to increase surplus and the compulsion of workers to satisfy their needs (physical/mental, autonomy, relational) by

selling their capacity of producing commodities to capital. The problem is that to a significant extent, both dynamics are incompatible, especially under neoliberal regimes whereby often workers lose while capital wins. To extract the surplus feature, capital needs to exploit the ‘physical and mental energy’ that give workers self-realisation, and in doing so, the surplus feature transforms the positive ability of workers to create commodities for satisfying needs into its negation side, namely: exploitation.

This ‘connection space’ between capital and labour can interrupt the flourishing of workers in several ways. Perhaps, the most obvious harm is when capital pays little to workers, a situation that generates physical harm insofar as the wages of workers are not enough to afford, for example, the cost of having a shelter. As noted in Chapter Two, having shelter is one of the most fundamental needs that individuals must satisfy in order to sustain the production of the material life itself. However, under the capitalist logic of reducing costs, as long as the wages of workers are low-paid the workers will have limited access to housing. They may have access to houses built under low quality standards, or they may experience overcrowding. These situations can lead workers to ‘mortify their body and ruins their mind’ (Marx, 2010c), yet the workforce has no option other than to sell their work even if it can be harmful to them because it is the only way to assure their livelihoods.

Moreover, it is possible to observe that physical and mental injuries can also be formed when workers develop their productive work. Workers can experience stress, depression, physical injuries derived from their work activity (e.g. back injuries and hearing loss), or even fatal occupational injuries. Here, the ‘connection space’ between the capital’s intentions to increase surplus and the necessity of workers to satisfy their needs can generate workplace conditions that are inherently harmful to workers, but

again, workers have no other option than to sell their work if they want to meet their needs.

A critical example that illustrates this point can be read in relation to what happened in the San Jose copper-gold mine in Chile where 33 subcontracted miners spent 69 days trapped under 2.300 ft underground in 2010. The trial that followed the rescue showed that the 33 miners were not only aware that there was a chance that the mine could collapse burying them alive, but that they asked the owners of the mine several times to make the necessary adjustment to prevent the structural collapse. Nevertheless, the response of the owners to the worker's demands was that the economic cost associated to repair the pillars in which the mine was constructed were high. Consequently, to close the mine or to repair the pillars were neither a good option for business nor the best option for workers if they wanted to keep their jobs.

Although the San Jose mine represents an exemplary case of capital irresponsibility and poor state supervision over health and safety legislation, which applies to many workplaces in Chile. This example facilitates understanding of how physical and autonomous harms can be formed in these contradictions, especially when several studies have shown that Chilean workers face similar problems such as long working hours, low-paid jobs, and few chances to negotiate their working conditions (Duran and Kremerman, 2015; Duran and Paez, 2015).

Similar to Contradiction I, harms and Contradiction II can be hosted in different ways depending on the historical and cultural internal dynamics of each capitalist feature that form the contradiction at a point in time. So it is not possible to establish a link between contradictions interacting. In the case of the San Jose mine, the tendency of extracting surplus at the expense of individuals flourishing may be connected with the 'tension space' between instrumental rationality and value oriented rationality (Contradiction

IV). Here, the exploitation of subcontracted workers relates to a rational ethic that valorises the economic logic of cost-benefits rather than the worthiness of workers. Nevertheless, as Contradiction IV will uncover, the behaviour of the owners of the San Jose mine can be read as just the tip of the iceberg of a more endemic dynamic within capitalist societies, which is as harmful to the flourishing of individuals as the dynamics presented in this contradiction.

3.2.3 Contradiction III. The process of commodity production/consumption and the realisation of individuals

As argued in Chapter Two, there is an interdependent link between egoistic and social needs that individuals need to accomplish for their self-realisation. Consequently, relational needs are as important as physical and autonomy needs for human flourishing. Within this context, this contradiction uncovers how the flourishing of individuals is interrupted mainly when exchange-values undermine the ontological category of relational needs either when a good is produced or consumed. In particular, this contradiction explores how individuals start to think that their relations with other individuals are relations between ‘commodities’ instead of social relations. In order to develop this social harm argument, first of all, we need to refresh our understanding of the role played by the labour force in the commodity production process.

Marx suggests one might consider that “the workers appear as an element incorporated into capital within the productive process, as its living and variable factors” (Marx, 2000c, p.547). In doing so, thanks to Contradiction II, we know that to consider individuals as variable factors is problematic for their realisation not only when individuals sell their work in the market in order to secure their livelihoods, but also when they buy objects to satisfy their needs in the consumption sphere. From these two related aspects, it is clear that the self-realisation of individuals within the productive

process is split between the subjective components of the human needs (use-value dimension) and the objective elements (commodities) that individuals put into the market. Therefore, one of the problems in the commodity process is that the labour force as a commodity tends to subjugate ‘the subjective worth of individuals’ to the market demands. As Marx illuminates:

“The means of subsistence arise as autonomous powers, personified by their owners, over against labour power which is deprived of all material wealth; it is the fact that the material conditions, indispensable to the realisation of labour, alienated from the worker” (Marx, 2000c, p.458).

Marx appears to state that individuals under the productive circuit tend to lose the subjective component that corresponds to a critical aspect of the nature of social life (relational needs). Consequently, as soon as individuals lose this subjective component, they start to think that the relations with themselves as well as with other individuals are relations between ‘objects’ rather than relations between individuals. If we assume that such a phenomenon happens, we can speculate that the process of commodity production/consumption may act as a cause for the formation of social harms.

To a large extent, one might argue that when things become independent from the individuals, individuals change their subjectivity into ‘object relations’. As the individuals place their relationships as external to them, a rise of violence and competition may happen because these alienated units (formerly individuals) are incapable of visualising how their own realisation is possible thanks to their relations with others. Thus, social solidarity and social trust as basic conditions for accomplishing relational needs, might appear pointless through individuals’ eyes demonstrating relational harms. In line with Bonger’s thoughts (1969) one might argue that:

“A society based upon exchanges isolates the individuals by weakening the bond that unites them. When it is a question of exchange the two parties interested think only in their own advantage, even to the detriment of the other party” (Bonger, 1969, p.41).

As soon as the realisations of individuals are transformed into objects, the object itself - in the form of exchange-value- will impact on the sphere of consumption. In so doing, this shift forthwith reverses the relation between the ‘object’ and the realisation of needs (Marx, 2000c). To put it simply, through a *commodity fetishisation* process individuals tend to believe that their realisation is given by their capacity to consume items (as exchange-values) producing psychological and autonomy harms. For example, even though a greater segment of workers do not have access to consume items in the short term, the access to credit and loans can actually give workers the facilities to satisfy their needs. However, in the long term, this same formula may trigger psychological social harm to the extent that higher levels of stress or anxiety can be produced when individuals’ salaries are not enough to cover their debts, and consequently, they might end up ‘feeling trapped’ by their circumstances of living.

Moreover, the commodity fetishisation tends to de-dramatise moral conflicts by the imposition of ends logic over the means. Thus introducing legitimising devices for different forms of exploitation undermining the autonomy of workers. As Pemberton argues (2004), the concept of morality is “the primary structure of the intersubjective relation” (Pemberton, 2004, p.67), but when individuals change their subjectivity to object relations the moral indifference appears. When commodification processes take place in societies, to some extent, poverty and structural inequalities issues become acceptable and indifferent morally speaking. Therefore, considering all the possible outcomes mentioned above, one might argue that the identifiable social harms naturally

emerge each time that the social contribution of individuals is determined by their economic worth in the social structure.

The ‘connection space’ where harms can be formed in this contradiction is allocated in the process of commodification of individuals’ relationships, and as any capitalist contradiction, they can be hosted in different ways depending on the historical time, culture, and capitalist regime. Here, it is possible to observe that the configuration of harms has to do with how a good is produced and consumed, but we know that the methods of commodity production-line constantly change with the introduction of new technology. Thus, harms can vary as long as new methods of commodity production and consumption can be created. Similarly, although it is not possible to establish a general theory of how this contradiction relates to other contradictions, one might establish a link to Contradiction I. It follows that as long as exchange-values and use-values can be more disconnected, the relationships between individuals can be more focused on exchange-value issues (money) instead of use-values. In so doing, the relationship that brings individuals together can be more economical than social, hosting immediately the harmful dynamics that were uncovered in this contradiction.

3.2.4 Contradiction IV. Instrumental rationality and value oriented rationality: the tendency of the development of instrumental rationality over value oriented rationality

Social actions that aim to create exchange-values as their ultimate end mirror instrumental rationality, while social actions that allow individuals to trust and appreciate others for their subjective worthiness require value-oriented rationality. In this context, it will be argued that in the middle of these two type of rationalities is possible to find a capitalist dynamic that is inherently harmful to individuals. In particular, it will be claimed that this contradiction interrupts human flourishing when there is a tendency of the development of instrumental rationality over value oriented

rationality, to the extent that the only type of social actions that allow individuals to fill autonomy and relational needs is when individuals act under use-value motivations.

In order to develop this social harm argument, it is important to remind the readers that in Chapter Two we defined the space of individuals' autonomy as a far more broad area than the participation of individuals in the productive structure of labour. In doing so, although Marx (2010c) highlights the dynamics of the superstructure of societies and how these dynamics can generate particular forms of social actions, one might argue that the ideology of capitalist societies are not as fully developed as they are in Weber's theory.

Weber brought to social theory an understanding of the 'capitalist spirit' that helps us to comprehend the formation of relational and autonomy harms in a more holistic way than Marx. Before developing further this idea, it is useful to identify some shared aspects in the theories of Marx and Weber. For example, both theories have a schema to identify the structural components of capitalism as well as a theory of social classes. Moreover, whereas Marx focused on the exploitation of labour as a salient characteristic of capitalism, Weber focused his analysis on the rationality behind those actions. It is not illogical therefore to claim that both theories are complementary rather than exclusive for framing this social harm discussion, insofar as they provide different aspects of characterisation of the same phenomenon.

Weber (1996) argues that capitalist societies have a particular type of rational organisation, which was founded in the rational ethic of ascetic Protestantism (therefore imbuing an economic ethos). That rational ethic valorises instrumental rationality over value rationality. In Marxist terms, the key to this economic ethos may represent in the profit orientation of the capitalist mind, thereby articulating the ways in which the mode of production (and its social relationships) are performed. This economic ethos will

multiply and impact the cultural sphere, in a largely negative manner, propitiating an increase in the levels of individualism and moral relativism (Weber, 1978).

To Weber (1963), the rise of the economic ethos can be related to the history of the civilising process through which ‘the sacred became profane’. In this sense, the author used his ideal type methodology to characterise the types of social action involved in the formation of different rationale. In particular, Weber in his book *Economy and Society* (1978) appears to be suggesting that there is a permanent tension between instrumental rationality and value oriented rationality in capitalist societies, a ‘space of tension’ that for us, can give some clues about where harms can be formed. Both rationales were defined by Weber as follows:

“Value-rational orientation would be the actions of person who, regardless of possible cost to themselves, act to put into practice their convictions of what seems to them to be required by duty, honor, the pursuit of beauty, a religious call, personal loyalty, or the importance of some ‘cause’ no matter in what it consist... [while]... instrumentally rational: that is, determined by expectations as to the behaviour of objects in the environment and of other human beings; these expectations are used as ‘conditions’ or ‘means’ for the attainment of the actor's own rationally pursued and calculated ends” (Weber, 1978, p. 24-25).

Weber (1978) implied that the capitalist societies held an inherent dynamic which tended to prioritise a rational economic action, requiring instrumental rationality with the intention of satisfying its ends. This means that the profit oriented ethos can be used in an attempt to reach determinate ends. As Weber (1978) claimed, this tendency does not necessarily mean that in capitalist societies value oriented social actions do not exist, yet most of the dominant social actions operate under instrumental rationality.

The key point for us is that the underdevelopment of value-oriented actions can trigger relational harms, to the extent that less value-oriented rationality produces fewer solidarity actions within societies and a lack of common projects. These two critical issues (solidarity and common purpose) are essential to individuals satisfying their social needs. In other words, one might argue that the economic ethos introduces a constant tension between instrumental and value oriented actions where the instrumental rationality pushes it to its limits for the minimum demands of common good (value oriented actions), because there is no weight of the cost which their own actions has over others individuals. Consequently, one of the biggest problems with this instrumental logic hosted in people's mind is that each person becomes an island, and in doing so, the social bond between individuals is undermined.

In the case of individuals' need for autonomy, this instrumental logic can also produce harm to individuals, especially when this economic rationality is spread through culture and social institutions. Weber illuminates the autonomy harm dimension through the following characterisation:

“The care for external goods should only lie on the shoulders of the saint like a light cloak, which can be thrown aside at any moment. But fate decreed that the cloak should become an iron cage” (Weber, 1996, p.181).

Fundamentally, one might interpret that when the instrumental logic is embedded in culture (the iron cage) instead of the spirit and the original vocation of individuals appears “an empty vessel and a desperate compulsion” (Weber, 1996, p.182). In other words, the ‘needs’ and ‘wants’ determined by this economic spirit may stimulate particular life-choices, consumer patterns, and social aspirations. As a result, an alienation of the human spirit takes place in such a way that freedom is transformed into a necessity and expressed by a lack of autonomy.

Once again, although it is not possible to indicate the particular life-choices and consumer patterns that can host autonomy harms in each society, the framework of capitalist contradictions can help us identify specific causes of this social harm production. Moreover, similar to the rest of contradictions, depending on the relevance that a society attribute to economic rationality, this contradiction can impact upon other contradictions such as human exploitation (Contradiction II) insofar as there is no weight of the cost which individuals' own actions have over others individuals. Nevertheless, one might also expect that the harmful dynamics of this contradiction (IV) can modify their dynamics depending on the way in which other contradictions are manifested. For example, one might speculate that when Contradiction I is out of control within societies (the tendency of exchange-values to undermine use-values), it is likely that Contradiction IV can be intensified too, because the use-values dimension is the space where value-oriented rationality motivates social actions to fill autonomy and relational needs.

3.2.5 Contradiction V. Public goods vs. private gain: accumulation by dispossession.

In this research, the last capitalist contradiction that acts as a cause for the generation of harm relates to the “process of divorcing the producer from the means of production” (Marx, 2000a, p.522), which is nothing more than the ‘space of tension’ between public goods and private gain. Public goods reflect collective efforts in producing material or intangible goods that cannot be generated individually such as health care systems or water supply systems. In this sense, public goods seek to satisfy shared needs between individuals and they are based on the idea that all members of the community, in one way or another, contribute to the production of these goods, and so all individuals should benefit from them.

In contrast to public goods, private gain reflects on the process by which capital aims to transform the use-value dimension of public goods into exchange-values for its own

benefit. In this context, it is argued that between the capitalist features a dynamic is generated that systematically undermines the flourishing of individuals. In particular, it is claimed that the way in which this contradiction interrupts human flourishing has to do with a process of accumulation by dispossession, whereby all use values that help individuals to fill their needs are transformed and appropriated by capital in the form of exchange-value. However, this process of accumulation by dispossession does not happen spontaneously, it is dependent upon the type of capitalist regime and the agency of states. This is demonstrated by the way in which they legislate and manage public assets to intensify or reduce this capitalist tension. In order to unpack how this contradiction can interrupt the flourishing of individuals, it is necessary to frame this social harm discussion using Harvey's ideas (2010) about the primitive accumulation of capital.

According to Marx, the origins of capitalism can be found in the logic of accumulation by dispossession (Marx, 2000a). However, thanks to Harvey we know that this process of divorcing the producer from the means of production should not only be taken into account when analysing the primitive accumulation of capital, but also should be considered as one of the wider mechanisms in reproducing the dynamics of capitalism. It is easy to make a case for this accumulation by dispossession when analysing the expropriation of natural resources since colonial times in Latin America, or when neoliberal societies decided to privatise public goods. In both cases, one can observe that private property has a social bond in relation to the right to use objects that belong to the owners without asking first how the property itself was obtained.

Private property is regulated differently depending on the type of state as well as the legal system of a society. As Weber identified "often bureaucratisation has been carried out in direct alliance with capitalist interests" (Weber, 1970, p.230). In fact, from a monetarist perspective, states should act only as a night watchman in an attempt to

protect the individual private property rights. In doing so, Harvey (2014) argues that states and private property holders seem to have a symbiotic relation where the latter needs the former so as to exercise its rights. One could argue that the different processes of taxation are articulated to support this symbiotic relation as the capital gets profits and the state obtains money to operate the various services associated with social goods. Depending on the model of taxation (progressive or regressive), the gain equation is balanced between the state and capital.

One of the contradictions that appears in advanced capitalist societies occurs when the logic of commodification (Contradiction III) starts to operate in the provision of social goods on behalf of efficiency. States, particularly under neoliberal regimes, transfer the management of social goods into private hands to supervise the regular operation of social goods (Solimano, 2015). Consequently, a key point for the emergence of social harm is that the motivation of capital reproduces only exchange-values, while states through legal regulations tend to lose control with regards to how the capital gives the provision of social goods. Through the profits of the market, the capital in many respects not only controls the economic area, but also starts to control and administrate public goods. The administration of the public goods in private hands can operate at different levels, and it can take different forms of accumulation by dispossession. This dispossession process can occur through the links between politics and businessmen, or as happened in the Latin American region, it can take a form of pressure from international firms to local states or from an international organisation such as IMF and the World Bank (Solimano, 2013).

The tendency to appropriate public goods into private hands threatens the realisation of human needs, particularly when people do not have access to market because the social goods in the form of commodities follow the same process as any commodity in the

market circuit. Hence, stratification based on monetary gains is derived from segmented access to a health care system, social protection, education or housing, producing a co-optation of the exchange and use value at the same time. For example, it is possible to observe how the lack of exchange-values for accessing a health care system can immediately generate physical harms to the extent that the health of individuals is a primary requirement to sustain the material life itself. Similarly, when individuals cannot access to education their capacity for understanding and learning can be compromised, and in doing so, autonomy harms can appear as soon as the individuals cannot learn how to develop their 'slumbering powers' that allow them to satisfy their needs.

Moreover, when public goods of society are concentrated in few hands, this also implies that individuals need to elaborate personal strategies if they want to face different social risks. As long as the private sector transforms public goods in exchange-values, the way to face the vicissitudes of life will be determined according to the type of access that exchange-values can buy. As noted in Contradiction II, the capitalist logic of reducing costs to increase the surplus feature ends up generating low-paid wages. Thus, it is not illogical to expect that those who cannot generate enough exchange-values may experience more difficulties for satisfying needs than those who hold ex-public goods.

While it is true that this capitalist contradiction shared some aspects of the Contradictions I and III, one might argue that its distinction lies in the role played by the states in facilitating the modes of accumulation by dispossession, which depending on the variety of capitalism, can provide more or less attribution to the capital for administering common wealth. In essence, the manipulation of social goods as a commodity tends to reduce the chances for human flourishing because it limits the possibility of individuals performing free choice and restricts their access to use-values.

Same as the previous contradictions, this contradiction does not only impact upon other contradictions depending on the historical development of each capitalist feature (in this case, public goods and private gain), but also can be handled and resolved in different ways depending on political issues. For example, at the beginning of section 3.2, the U.S case was used to visualise how the Keynesian policies implemented in Roosevelt's time aimed to reduce the harmful dynamics of this contradiction by providing an interventionist role to state in the economic process. However, years later Reagan's administration decided that on behalf of efficiency, the provision of social goods should be managed by private entities. Thus, once again, it is possible to observe that there is no singular way to handle contradictions, nor do harms operate to the same extent or intensity even if we are referring to the same society but within different historical periods.

Before we can move to the next section, which is about how individuals legitimise the contradictions of capitalism from culture, it seems important to remind the readers that the aim of this research is to scrutinise the neoliberal experiment in Chile. Consequently, all the issues that we discuss in this chapter have no other purpose than to build a suitable social harm lens that can help us to understand in an alternative way, the consequences of the neoliberal experiment in Chile, and how the contradictions of the model are resolved in the minds of 'ordinary' Chileans.

So far, Chapter Two has argued that the social harm method for identifying harms from non-harms needs to be based on a dialectical understanding of needs. This section sought to expand this argument by saying that the causes of harm production should also be understood in a relational way. In this context, it was explained how harms can be formed in a 'relational space' between capitalist features; and how these five capitalist contradictions can relate to the explicit form of physical/mental, autonomy,

and relational harms. Although this model of harm causation cannot tell how contradictions interrelate to one another, or when they are more harmful to human flourishing. This is because needs, harms, and contradictions are always manifested and handled in particular modes. The theoretical model devised assists us in beginning to establish where the causes of harm production can be found - within the processes and dynamics- whereby the social fabric of societies are constituted.

3.3 A hypothesis of how individuals legitimise capitalist contradictions

If the five capitalist contradictions teach us anything, we know that the internal dynamics of capitalist societies generate harm to individuals that undermine their material and relational needs. Thus, a question that immediately emerges in relation to the intrinsically harmful dynamics of capitalism, is that if capitalist contradictions are so detrimental to people and they can produce massive injuries and harms, why do capitalist societies not fall apart? In other words, how do capitalist societies secure their hegemony against harms and injuries that they produce? The response is not simple, yet from a social harm perspective, it is possible to speculate that the response to these questions has to do with how *common sense* is produced and distributed within societies. In this context, it will be argued that, through the construction of common sense, capitalist societies spread specific theories that help individuals to explain harms and injuries. In order to develop this hypothesis it is necessary to reflect on how common sense is built and how the specific contents that end up preserving the hegemony of capitalist societies against the harms and injuries are hosted within capitalist contradictions.

Generally speaking, common sense can be understood as all values, beliefs, social aspirations, and norms that give shape not only to social actions but also the ways in which individuals make sense of their actions. Common sense mirrors the complex

relationships in which individuals are arranged and come to constitute the organisation of social fabric.

Following Gramsci's ideas (1999), one can interpret that common sense can be manufactured in capitalist societies either through active consent tools that end up creating "a genuine national popular will" or "by the armour of coercion" (Gramsci, 1999, p.532). Nevertheless, as Portelli (1985) argues, neither can consensus be used as the only base for building common sense, nor can coercion be held for an extended period without losing the hegemonic capacity of constructing common sense in societies. Consequently, it is likely that both consent and coercion mechanisms are needed to explain the harms and injuries that capitalist societies produce to individuals.

In the Chilean case, it is true that neoliberalism could not have been preserved without political repression and the installation of mechanisms of consent before the military left power (see Chapter Four section 4.4 for details about the 'military enclaves' of democracy). However, one can also argue that even after the dictatorship active consent tools were needed to secure the hegemony of the neoliberal project. Otherwise, as Atria (2013) suggests, it would not have been required to transform 'savage neoliberalism' of the military and the Chicago School into a neoliberalism with a 'human face' (see Chapter Four).

To define what can be harmful to individuals and what is an inevitable injury within capitalist societies depend on the several ways in which different institutions within societies (such as states, schools, mass media), can set the parameters for understanding social life. For example, thanks to Gramsci (1999), we know that it is in the educational space where values, norms and beliefs a genuine 'popular will' is created. Nevertheless, it is also possible to observe that state can have a similar function when the author argues that:

“The state is the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance but manages to win the active consent of those over whom it rules” (Gramsci, 1999, p. 504)

All mechanisms that have an ideological-cultural role for building a common sense must spread specific contents that help individuals to make sense of the different harms and injuries that capitalist societies produce in such a way that even though capitalist contradictions are intrinsically harmful, their hegemony is secured. If we look back to Contradictions III and IV (sections 3.2.3 and 3.2.4), it is possible to speculate that inside of these same capitalist contradictions the content for securing hegemony and explaining the harms and injuries of societies can be manufactured. As noted before, Contradiction IV relates to the specific values and rationality that motivate different social actions while Contradiction III characterises these social actions. In both cases, it was concluded that these contradictions undermine the realisation of social needs by weakening the bond that unites individuals. In so doing, the specific contents that are spread through capitalist arrangements can be read in relation to individualism and the process of commodification of individuals' relationships.

Thus, if capitalist societies produce conditions through which each person becomes an island, it is likely that the ways in which harms are explained in individuals' minds will have to do with an individualist and fragmented conception of how harms should be handled and resolved at the individual level. In this sense, it is likely that individuals validate the harmful dynamics of contradictions as long as these consequences do not negatively impact upon their own flourishing, because they are incapable of visualising how the injuries and harms that other individuals experience can undermine their own realisation.

In essence, this thesis contests that the social production of distance between individuals and the commodification of individuals' social relationships build a common sense for interpreting harms based on indifference. This indifference, forged in the very centre of social fabric, allows reading human suffering caused by capitalist contradictions from a distance because the social bond that brings individuals together is replaced by an economic ethos that systematically changes the subjective worth of individuals into instrumentally oriented relations. Consequently, as long as the promise exists that the system may work at the personal level, the legitimacy of capitalist societies is secured against the harms and injuries that they produce. However, when capitalist contradictions spin out of control, and capitalist societies no longer keep their promises, nor can they secure the satisfaction of needs at the individual level, societies have not other option than reinvention of the political contradictions. In so doing, capitalist societies can develop new forms of consent and coercion that end up naturalising harms and injuries, or they can reduce some harmful dynamics of capitalist contradictions while other harms can be created.

3.4 Neoliberalism, contradictions, and legitimacy aspects

This last section seeks to reflect on the general theoretical aspects of neoliberalism as a type of harmful society, to pave the way for providing in the next chapter a background of the harm production in Chile. This section works through the hypothesis that the contradictions of capitalism are violent and injurious when they are presented within a neoliberal framework. However, similar to other capitalist varieties, it is likely that the neoliberal hegemony is secured thanks to its mechanisms of consent and coercion that underpin the construction of common sense from indifference.

Although the contradictions of capitalism are always brought to the fore, it is possible to draw some similarities amongst them. It follows that neoliberalism shares with the other forms of capitalism (Liberal, Corporatist, Social Democratic, and so on) its dialectical

contradictions, yet it is also true that neoliberalism has specific characteristics, strategies, and processes that makes it, perhaps, the most puzzling type of social organisation.

Following Pemberton's work (2016), there seems to be considerable statistical evidence to demonstrate that neoliberal regimes have a low degree of social solidarity and a high level of commodification with regards services provided through market structures. Pemberton shows that neoliberal regimes consistently have higher levels of physical, autonomy, and relational harms than the rest of capitalist varieties, yet nowadays neoliberalism seems to be one of the most popular modes of societal organisation. Therefore, neoliberalism is "nothing if not contradictory" (McGuigan, 2014, p.226). In being so, it seems relevant to discuss neoliberalism not only in relation to its harmful dynamics but also to how it preserves its hegemony. To this effect, sub-section 3.4.1 provides a characterisation of neoliberalism as a broad 'paradigm of thoughts'. Sub-section 3.4.2 aims to connect the dots between the general characteristics of neoliberalism and its manifestation within capitalist contradictions. The last sub-section (3.4.3) seeks to revisit the mechanisms of coercion and consent developed in the previous section applied to neoliberalism.

3.4.1 Neoliberalism as a paradigm of thoughts

After reading *the Handbook of Neoliberalism* (2016) where more than 60 academics reflect on the origins, political implications, social tensions, and knowledge production of neoliberalism, it seems clear that neoliberalism is a catch-all term for defining a complex paradigm of thoughts (Spring, Birch and MacLeavy, 2016). It would be a mistake to think about this type of social organisation only as an economic program, market principles, and policy prescription that emerge from the School of Chicago (1958), The World Economic Forum (1971) or through the Washinton Consensus policies (1989). As Peck and Tickell (2002, p.380) argue, neoliberalism "seems to be

everywhere”. Neoliberalism is a paradigm that has to do with a vision for democracy (Hickel, 2016); development (Hill, Wald and Guiney, 2016); citizenship (Mitchell, 2016); social aspirations; values; and discourses (Lewis, 2016) to name but a few. Consequently, defining neoliberalism is not an easy task. Yet England and Ward (2016) in their chapter theorising neoliberalism allow us to conceive of this paradigm of thoughts according to the following general traits:

“(1)A commitment to a hegemonic ideological project exercised through the formation of class-based alliance- elite actors, institutions and other representatives of capital- at a variety of spatial scales ... (2) A commitment to market fundamentalism extending and disseminating market values to all institutions and social action (3) The destruction and discrediting of Keynesian welfarist and social-collectivist institutions... (4) Confidence in replacing state ownership with private ownership to create more efficient systems for the allocation of resources... (5) A belief in minimal state recasting the state’s responsibilities to civil society for the collective well-being of its citizens” (England and Ward, 2016, pp. 54-58).

As the quote mentions, one of the first traits of neoliberalism is that the neoliberal project is built under an ideological hegemony. For Harvey (2007) and Plehwe (2016), this idea means that the history of neoliberalism is the history of how class-based alliances (representatives of capital) concentrated wealth after they dismantled Keynesian policies through mechanisms of active consent and coercion. Following the ideas of England and Ward, one might understand that the history of class-based alliances is not just about imposition “but also about the willing consent by those being subordinated, so that common sense becomes how the subordinate class live its subordination” (2016, pp. 55-56). In doing so, to a significant extent, neoliberalism

successfully installed “a mental structure that shapes the way its holders see the world” (Panizza, 2009, p. 9). It follows that one can also characterise the neoliberal paradigm as a form of subjectivity. In simple terms, what this paradigm does is allow reading the injuries and harms caused by this type of social organisation based on specific assumptions about “human nature, freedom, individuality and rewards” following market principles (O’Neill and Weller, 2016, p.86).

Although the points 1 and 2 of the neoliberal traits identified through England and Ward quote can be more associated with ideological aspects of societies, it is also true that the remaining points aim to portray economic and policy practices of the neoliberal paradigm. Neoliberalism as a political practice has close links with different institutional arrangements that reshape the relationships between state ownership and private ownership. Perhaps, the most compelling evidence of these practices and programmes is the set of policy prescriptions made by the Washinton Consensus for the Latin American Region. Here one might characterise the economic basis of this paradigm in relation to what the literature has described as ‘marketisation’, ‘deregulation’, ‘liberalisation’ and ‘privatisations’ (England and Ward, 2016), whereby “neoliberalism stands for a category produced by observed commonalities among policies and events” (O’Neill and Weller, 2016, p.87).

On the basis of the relationships between state ownership and the role played by the market, an essential characteristic of neoliberalism also emerges in connection to statecraft. As England and Ward (2016) argue, “neoliberalism as statecraft involves an agenda aimed at reducing government spending while increasing economic efficiency and competitiveness” (England and Ward, 2016, p.56). In terms of Peck and Tickell (2002), one might understand statecraft as the permanent reconfiguration of ‘rolling back’ and ‘rolling out’ the provision of welfare. The state architecture in neoliberalism recasts social relationships in a way that the relations between state-market-families

tend to provide more responsibility to civil society for the collective provision of wellbeing.

Even though continue descriptively characterising neoliberalism, the truth is that this will always be incomplete. One of the core puzzles about neoliberalism is that its characteristics are in a state of constant transformation and adaptation, which give the permanent feeling that neoliberalism “does not exist as a finite end-state” (Springer, 2015, p.7). In fact, academics like Peck (2010) or England and Ward, (2016) prefer the word ‘neoliberalisation’ instead of neoliberalism as a way to reflect on the conflictive and evolving processes and relations of this type of social organisation. In Chapter One, we identified the research questions using the term of ‘neoliberalisation’ instead of ‘neoliberalism’. Although both terms are often used interchangeably in this research, neoliberalism will always be referred to as a process rather than a fixed and static model.

Beyond the terminology distinction between ‘neoliberalism’ and ‘neoliberalisation’, a key point is that the transformational features of neoliberalism lend support to the hypothesis that neoliberalism seems to have a permanent ‘restructuring ethos’. This ethos allows this type of social organisation to keep operating despite the socio-political project facing episodes of crisis.

As Pemberton argues (2016), “while crisis may be necessary to bring equilibrium to the system, they are also responsible for an array of harm” (Pemberton, 2016, p.41). It is helpful therefore to consider how different crises can reshape some of the harmful internal dynamics of neoliberalism as a way to ensure its continuity. In other words, one might argue that neoliberal capitalism seems to be capable of dismantling the structures that can protect individuals against harms, replacing those structures for new ones in a way that end up encouraging previous harms while creating new ones. One might

speculate how both economic and political crises have been used as moments for articulating different adaptative responses that neoliberalism needs so as to keep reproducing its hegemonic logic. For example, we know that neoliberalism did not collapse after the financial meltdown in 2008. We are aware that the crisis ushered in an era of austerity plans that gave neoliberalism a ‘new spirit’ with its plans about how to rebalance economies (Clarke and Newman, 2012). Similarly, although it is not self-evident the links between neoliberalism and different political crisis, one might arrive at the same conclusion as Klein (2008) in her book *The Shock Doctrine*. Klein (2008) uncovers that neoliberalism on more than one occasion promoted crisis (or in some cases different scenarios of crisis), with the intention of facilitating the installation of the project in countries such as Poland, Chile and Iraq. It seems clear that the different processes of crisis have strong bonds with the construction of social changes, and neoliberalism uses these crises in their favour.

3.4.2 Neoliberalism as an ideal type of harmful society

Up to this point, the first sub-section was concerned with establishing the overall characteristics of neoliberalism. One of the remaining tasks is to theorise how these features are manifested by the five capitalist contradictions in a particular that is harmful to society. Borrowing the concept of ideal type from Weber, it is possible to understand that neoliberalism as a harmful society “is not a hypothesis, but seeks to guide the formation of hypotheses. It is not a representation of the real, but seeks to provide representation with unambiguous means of expression...” (Weber in Whimster, 2007, p. 111).

The first capitalist contradiction that systematically compromises human flourishing was previously characterised as the tendency of exchange-value to undermine use-values. Consequently, the first task is to think about how this capitalist contradiction is

expressed in neoliberal societies. Considering Harvey's theory (2007) that the market dynamics in neoliberal societies promotes 'an ethic for all human action', one might consider that the 'subjectivity' of societies (the use-value link) is reduced to its exchange-value dimension. If we pay attention to one of the intellectual fathers of neoliberalism, it is possible to observe that in Hayek's view (1992) the spontaneous market is the best way to provide some kind order to the 'needs' and 'wants' of individuals. In doing so, one might speculate that neoliberal societies as an ideal type tend to instil the belief that market dynamics can reduce the complexities of the cultural and political bases of societies, as long as there are economic prosperity human needs can be achieved. In other words, the neoliberal mantras about economic growth and trickle-down effect "as the magical elixir for prosperity" (McGuigan, 2014, p.224) seem to be manifested in Contradiction I insofar as they reduce the problem of satisfying human needs to a problem of the law of supply and demand. Thus, this capitalist contradiction can be more injurious when is presented in a neoliberal framework because neoliberalism works with the assumption that the exchange-value dimension is the place where physical, autonomy, and relational needs can be satisfied. However, as noted before, it is in the use-value space where human needs can be meet, and so, neoliberalism from its very inception produced a dynamic that is intrinsically harmful to human flourishing.

Regarding the second capitalist contradiction, which is the tendency of the development of surplus at the expenses of human flourishing, it is also possible to suggest how neoliberalism as an ideal type expresses the dynamics between surplus and exploitation in a harmful way. Neoliberalism insists that "the interests of workers are best served when labour arrangements are individualised and transacted in markets, and when collective forms of labour organisation are suppressed" (O'Neill and Weller, 2016, p.87). Neoliberalism stands for "labour-market flexibility and the promotion and

nurturing of cost-competitiveness” (Hay, 2004, p.508), which involves, in reality, that workers have very few possibilities to negotiate their work conditions even if it can be harmful to them. For example, when we remember how Thatcher and Reagan handled the miners’ strike in England (1984-85) and air traffic controllers strike in the U.S (1981) respectively, it is easy to connect the dots of how the fear of joblessness and the creation of a reserve army labour encourages not only low levels of worker representation and wage bargaining but also facilitates a harmful scenario where workers have no other option than to sell their work if they want to satisfy their needs. Thus, this capitalist contradiction can be more injurious when it is presented in a neoliberal framework because as long as there are fewer restrictions on capital to increase surplus, the positive ability of workers to create commodities are more likely to be transformed into exploitation.

In the case of Contradiction III, which is about commodity fetishism, the manifestation of this capitalist contradiction is not different from the previous two tensions. It is clear that neoliberalism supports how “commodities are used conspicuously to say something about social identity” (McGuian, 2009, p.86). In this sense, it does not come as a surprise that studies such as *The cultural contradictions of capitalism* of Daniel Bell or *Distinction* of Pierre Bourdieu were written in the 1970s and 1980s to reflect on how the neoliberal paradigm brought to culture new patterns of consumption, lifestyles, and judgement of taste. In so doing, one might argue that neoliberalism within this capitalist contradiction means that markets can best determine all allocative decisions articulating a feeling that every aspect of life can “in principle be treated as a commodity” (Harvey, 2007, p.165).

Although there is a connection between Contradiction III and the values that motivate commodity fetishism, it is important to mention that Contradiction IV, which relates to the tendency of the development of instrumental rationality over value oriented

rationality, is also expressed in a harmful way under the neoliberal paradigm. It follows that Contradiction IV in its ideal type of harmful society appeals to replace the liberal ‘homo economicus’ of Adam Smith as an exchanging creature to a competitive creature (Read, 2009). To some extent, Wrenn (2014) illuminates how in this type of social organisation instrumental rationality is manifested when the author expresses that:

“Neoliberalism teaches through the socialisation process that each individual should be accountable to herself, and in so doing, each individual’s responsibility to others and to the collective is eroded” (Wrenn, 2014, p. 347).

The primary subjects of neoliberalism are “abstract individuals as a normative base” (Eagleton-Pierce, 2016, p. 20). This means that the set of core values that seem to undermine value oriented rationality can be read as a sense of “self-sufficient moral agency and individualism” (England and Ward, 2016 p. 57), which as noted before, can end up facilitating a model of general indifference in relation to harms that other individuals may experience under neoliberalism.

In the case of the last capitalist contradiction, which has to do with the tendency of appropriation of public goods into private hands, Harvey (2007) believes one might understand neoliberalism as a class project to restore and consolidate power and capital. In doing so, it is not illogical to suggest that one of the most distinctive features of neoliberal capitalism as an ideal type is “the preferences for private forms of property over public forms of ownership as society’s driving force” (O’Neill and Weller, 2016, p.87). In Harvey’s view this reflects on nothing more than the capital accumulation by dispossession. In this context, one might characterise the manifestation of this capitalist contradiction following the same features of dispossession that Harvey (2007, pp. 160-163) portrays in the book *A brief history of neoliberalism*, namely:

- The privatisation and commodification of hitherto public assets

- The financialisation of the economy through mechanisms of financial speculations such as, credits, loans and mortgages
- A state redistribution frame under the trickle-down effect

The intensification of Contradiction V also helps to shape societies. It has recently been confirmed by the OECD (2015b) that since the installation of the neoliberal paradigm in the 1980s, the income inequality has increased in times of economic prosperity and economic crisis. However, this type of social organisation still appears to be a legitimised project to such an extent that Donald Trump, who represents not only the interest of capital but also the ‘business logic’ of neoliberalism, won the presidential election in the U.S.. Consequently, similar to what we were wondering before with regards to the legitimacy aspects of capitalist contradictions, it seems relevant to discuss if it appears to be a harmful type of social organisation, why do people support neoliberalism?

3.4.3 Legitimacy aspects of neoliberalism

As noted before (section 3.3), capitalist societies have different mechanisms for preserving the hegemony, and neoliberalism is no exception. Similar to what was expressed in the section about how individuals legitimise capitalist contradictions (3.3), one might observe that neoliberal societies need to execute mechanisms of both coercion and consent. Regarding mechanisms of coercion, the links between authoritarianism and neoliberalism are undeniable. For example, in places such as Uruguay (1973) and Argentina (1976), the implementation of total market freedom required the abolition of democratic government, which means that in practice, “neoliberalism must heavily regulate the political sphere so as to deregulate the economy even if this involves mass imprisonment and concentration camps” (Hickel, 2016, p.144). Thus, where neoliberalism originally worked really well was not in free

market democracies but under authoritarian conditions where the capitalist contradictions were put on standby until a point where the political system is controlled and re-designed. Academics like Plehwe (2016) and Springer (2016) share the idea that the installation of the neoliberal project in the Latin American region started under authoritarian conditions to subsequently pave the way for more democratic type of consensus such as the Washington Consensus.

Although there is a relationship between neoliberalism and political violence (Springer, 2016), neoliberalism also seems to have mechanisms of active consent that constructs and justifies its hegemony. As noted before, neither coercion nor consensus can be used as the only base for a long term hegemonic project. In this sense, one might argue that “through constellations of top-down and bottom-up hegemonic tools such as the media, politics, educations, and policy institutes”(Macrine, 2016, p.308), neoliberalism activates a seductive rhetoric of liberty and consumption that help to legitimise this type of social organisation.

Certainly the concept of liberty invokes one of the core conditions for the human flourishing, which is autonomy. Nonetheless, as Polanyi (2001) suggested, the idea of liberty tends to present a dilemma. On the one side, one might interpret that neoliberalism monopolises the ‘true liberty’ as a negative liberty “which equated economics with contractual relationships, and contractual relations with freedom” (Polanyi, 2001, p.266). However, on the other side, this liberty simultaneously tends to promote individual freedoms such as the freedom of speech and freedom of conscience, providing space to legitimise economic freedom as ‘a price worth paying’ for individual freedoms.

One might argue that the slant that neoliberal capitalism gives to negative liberty reduces liberty to the sphere of choosing between different market options. In so doing,

consumption becomes where neoliberalism gains great popularity. As Harvey (2007; 2014) highlights, through credit, new mechanisms of indebtedness were spread to society installing the idea that even the most humble of individuals could own a stake in society. An issue that for Lazzarato (2011) leads individuals to “the existential condition of the indebted man, at once responsible and guilty for his particular fate” (Lazzarato, 2011, pp.8-9). Consequently, one might argue that neoliberalism presents a fairly complex picture that navigates contradictions to become a dominant pattern whereby the free-play of market forces can be seen as a formula to fulfil not only material needs but also autonomy needs.

3.5 Summary

This chapter used the theoretically applied understandings of contradictions to explore how a series of tensions within capitalist features are articulating the socially mediated structure of harms. The dialectical understanding of harm production can help to capture not only a broad range of injuries, but also can provide a much clearer visualisation about where to find the causes that produce harm to individuals. Within the five contradictions, the thesis contests that capitalist contradictions cannot be read in isolation. The chapter also concluded that this research will not seek to establish a general theory of how contradictions may relate to one another, because they are handled and resolved by political means and therefore fall outside the scope of this particular academic endeavour.

Related to how individuals legitimise capitalist contradictions (despite their inherent harmful dynamics), it was argued that through the contents spread by Contradictions III and IV, capitalist societies seem to manufacture a common sense of purpose based on indifference and individualism. In so doing, capitalist societies secure their hegemony against the harms and injuries that they produce by installing the idea in individuals’

minds that as long as harms do not impact upon their personal flourishing, the system may work.

Acknowledging that harms are not naturally produced, and considering that there are various ways in which injuries can be increased or reduced, the last section of this chapter has worked with the hypothesis that the contradictions of capitalism are violent and injurious when they are presented within a neoliberal framework. Neoliberalism was described as a broad paradigm of thought. It has not only specific characteristics in terms of function as an economic programme, but additionally incorporates a set of ideological propositions about human nature that function around a restructuring ethos. This assures its continuity over time, especially in times of crisis. The five dialectical contradictions identified at the beginning of this chapter manifest themselves in harmful dynamics in neoliberal societies, through mechanisms of coercion and consent to build hegemony.

Legitimising neoliberalism was exposed as being closely linked to authoritarianism. It was also illuminated that the rhetoric of liberty and consumption seem to provide significant popularity for neoliberalism.

Before we can move to the next chapter, it seems important to note that although the device of dialectical contradictions was used as a methodological tool to explore the generation of harm in capitalist societies (with a special emphasis on neoliberal arrangements), it is inevitable that this dialectical approach to social harm will have some limitations. Perhaps, the natural concern about dialectical approaches are that if capitalist contradictions produce harms that never completely disappear but merely refashion the extent and experience of harm, the analysis of social harm can be caught up into an infinite loop of dialectical contradictions. In doing so, it is difficult to imagine a political scenario for building up a harm-free society.

Although in section 3.2 we gave historical examples of where the harmful dynamics of capitalism were politically held back for a period, and therefore one might consider that less harmful societies are possible; contradictions are part of the natural development of capitalism because they are nested in the centre of how mankind articulates its relations. If we take the words of Marx and Engels in the Manifesto of the Communist Party (2010a) about how the history of mankind has always been about the tensions between groups such as “freeman and slave, patrician and plebeian, lord and serf” (Marx and Engels, 2010a, p.14), it is possible to make the point that the dialectical logic emerged before the formation of capitalist societies. In so doing, we might consider that somehow contradictions are embedded in human nature. However, in parallel, in the same Communist Manifesto, the authors offered an ‘exit strategy’ to overcome capitalist contradictions.

It is important to note that countless authors have tried to solve this paradox about dialectics over time. Whilst this is something that cannot be resolved in this research, this thesis aims to further understanding of this political debate in order to illuminate the development of the social harm lens, especially when applied to the primary research purpose, which is to evaluate the Chilean experiment.

If we assume that both harms and capitalist contradictions can be reinvented and morph into something else, then the social harm question is ‘to what extent the system has to result be reformed to in less harmful forms of capitalism?’. Without a doubt, the response to this issue is political, yet some ideas for political praxis can be drawn from the five capitalist contradictions as follows.

One might argue that a more harmful capitalist variation can be identified when several processes and relations end up in systematic impediments to the (temporal/historical)

fulfilment of material and relational needs. Thus, a less harmful society as a normative model for scrutinising the Chilean experiment can be found when:

- 1) There is more equitable development of exchange and use value production, which means that both values are less disconnected from each other.
- 2) Societies are more capable of achieving self-realisation rather than self-sacrifice in individuals.
- 3) When the process of commodification of social relationships is low in societies.
- 4) Societies promote the use of valued oriented rationality above instrumental rationality.
- 5) Societies tend to protect more to individuals from the different social risk generated by the vicissitudes of life.

CHAPTER FOUR: THE DIFFERENT PHASES OF THE NEOLIBERALISATION PROCESS IN CHILE

4.1 Introduction

This chapter seeks to provide a general historical account of how the different phases of the neoliberalisation process have reconfigured capitalist contradictions in Chile. However, the focus of this chapter is neither related to each contradiction described in the previous chapter with a particular neoliberal phase nor links together contradictions to the production of social harms. What this chapter does is to build the bridge between the theory chapters and the finding chapters by setting the general background of harm production in Chilean society.

This chapter is based on the idea presented in Chapter Three, that most characteristics are presented as an ideal type of a neoliberal harmful society. In Chile these were manufactured and implemented in a pure way in the country as soon as the military came to power in 1973. However, the development of the neoliberal history that came after the return of democracy (1990- 2016) is different. This phase of history is about how contradictions have been repeatedly politically reinvented to transform this ‘ideal type of neoliberalism’ into a neoliberalism with ‘a human face’, due to the harms and injuries that have been triggered over time.

Most of Chapter Four will focus on the particularities of each neoliberal phase in the Chilean context. Each phase of neoliberalism seeks to represent the different ways in which the political strength of social actors through a particular set of policies or a prevailing ideology, unleashed some contradictions while others were reduced, thus creating different versions of neoliberalism. It will be argued that these different versions of neoliberalism or ‘patches’ of the experiment sometimes helped to secure the

hegemony of the experiment, while other times they contributed to amend or challenge its assumptions.

The different phases of the neoliberalisation process were separated into four phases, which corresponded to explorations in social timing or readjusting the neoliberal project itself. However, before we can discuss the phases, this chapter will provide a brief historical characterisation of the Latin American region that mediated the appearance of neoliberalism in the country, and how Allende's period generated the political conditions for the eruption of the military coup. It will be argued that the government of Salvador Allende can be read as the preamble to neoliberalism given the way in which capitalist contradictions were handled from 1970 to 1973. It will be claimed that the 'Chilean way' to address capitalist contradictions was forged between the ideals of the Cuban revolution, the Import Substitution Model, and the political and economic pressures of the Cold War.

The first phase of the neoliberalisation process will describe the implementation of the ideas of the Chicago School, which started abruptly in September 1973 through a military coup. In this phase, it will be argued that the Pinochet dictatorship put on standby the capitalist contradictions displayed in Allende's period until a point where the political system was heavily re-designed in various 'neoliberal ways'. Fundamentally, it will be observed that the majority of characteristics associated with the general traits of neoliberalism defined in Chapter Three were implemented in a 'pure' way, such as: a commitment to market values; confidence in replacing state ownership with private ownership to create more efficient systems for the allocation of resources; and the destruction of social-collectivist institutions. However, this phase caused a host of physical harms in order to impose the 'ideal type of neoliberalism', and to a large extent, this impacted the legitimacy of the model leading to the second phase.

Between 1990 to 2000 the second phase of neoliberalism took place. Here, the neoliberal project would attempt to establish a viable political project taking distance from its 'purest form'(strongly authoritarian in nature), to get closer to a version of neoliberalism based on democratic values. The milestones of this period were forged between the first democratic period after the return of democracy, and the last government of the left wing conservative party. The 'patches of model' in this period would address some harms and injuries left by phase one, while others were left to run riot. Among the consequences of this phase, it will be observed that the amendments of the model produced low levels of poverty, high economic growth, but strong economic inequality that led to a rise in citizens' dissatisfaction.

The milestone that resulted in the constitution of the third phase of neoliberalism (2000-2013) was the advent of social movements, which demand more social and economic equality within society. These social movements challenge the overall hegemony of neoliberalism by judging once again the contradictions that the model has triggered but now based on the 'new patches'. This phase is characterised by both the attempt at handling contradictions based on the attrition of the structural reforms made during the eighties, and the meagre results of the model during the nineties. The model will insist that Chileans should be responsible for handling the potential harms and injuries at a personal level. The chapter concludes with the fourth phase of neoliberalism, which correspond to what happened from 2013 to 2016. In this phase, it will be argued that there was an intention to remove neoliberalism and its way of handling contradictions. However, this discourse immediately lost legitimacy when it was discovered that even those who were in favour of removing the neoliberal project were receiving money from business who acted as keepers of the neoliberal experiment in its purest form along the four phases.

4.2 Latin America as the background of the Chilean case

To understand contemporary Latin America, and contextualise neoliberalism in Chile, it seems important to refer to four historical moments in which the region has built its model of development: the de-accumulation process, the development of the Import Substitution Model (ISM), the Washington Consensus policies, and the resurgence of left-wing governments.

To begin with, the transition from pre-capitalist societies to capitalism originally related to the way in which the socio-economic matrix of the Latin American region was forged under the European colonisation. As Cuevas (2007) argues, the European period of primitive capital accumulation corresponds in Latin America to a period of de-accumulation process. To a large extent, when capitalism expanded its mode of dispossession beyond its founding territories, this generated a dialectical logic of accumulation between the capitalist core and its periphery. As Composto (2012, p.327) warns us, there are not “developed and developing countries”, but rather there are functional positions inside of the dispossession logics where the core capitalist countries can only keep their system thanks to the de-accumulation of peripheral countries. On this subject, one might interpret that, from its very beginning, the colonial legacy of dispossession would shape the way in which Latin American societies have addressed their modes of production.

In practical terms, this de-accumulation means that social institutions, legislations, and states are shaped by the command and will of the core societies in such a way that it creates an institutional landscape with powerful external influences (Gough, 2004; Filgueira, 2009). For example, in countries like Venezuela, Brazil and Bolivia (which are privileged places in terms of water, hydrocarbons, oil, and minerals), their natural resources have been extracted under monopolistic conditions thanks to a close alliance between local oligarchies, transnational companies, and foreign states. According to

Composto (2012), this situation has not only secured the production and consumption of raw materials at low cost for ‘central countries’, but it has also strongly influenced the decisions of Latin American states regarding environmental regulations, the development of national industries, and wealth distribution.

After the 1929 economic crisis, the Latin American region tried to reverse this high dependency of foreign investors by installing the Import Substitution Model (ISM). The ISM was developed by economists from the Economic Commission for Latin America and the Caribbean (ECLAC) during the 1950s, whose diagnosis was that “economic activity in the richer countries often led to serious economic problems in the poorer countries” (Ferraro, 2008, p. 58). The overall aim of the ISM was to replace foreign imports with domestic products by developing national industries (Mesa-Lago, 1992). Nonetheless, as Filgueira (2009) reported, the ISM could not compete in the international markets due to the low development of technology in the process of commodity production. In the case of Chile, as Turmo and Moslares (2007) indicate, the results of the ISM were not different. Chile had a slowdown in economic growth, the national products could not be competitive in international markets, and state investment in domestic companies led to a fiscal deficit.

Nevertheless, it is important to note that the ISM was not only an economic strategy but also a social plan for improving the quality of life of people within the Latin American region (Mesa-Lago, 1992). In this context, although there were improvements regarding social benefits at work, the results of the ISM also presented mixed outcomes. For example, Barrientos (2004) indicates that the provision of welfare policies mostly protected formal workers, producing social disparities between people who were included in the productive circuit and individuals who were not. As a consequence, large inequalities in access to provision in areas such as education and health were maintained. In fact, according to Filgueira (2009), these social disparities contributed to

the appearance of Latin American dictatorships during the seventies for the reason that the high levels of inequality seem to destroy the notion of citizenship, promoting greater predisposition toward authoritarian solutions. Thus, one might interpret that although the ISM tried to reduce some harmful characteristics of the de-accumulation process times, it is also true that in some countries there was a partial coverage of social protection while in other countries disproportionate social benefits were preserved for small sectors of society (Mesa-Lagos, 1992).

At the time that the ISM was installed (with all its pros and cons), the U.S was already 'nervous' with the ISM's idea of replacing foreign imports with domestic products, and to a significant extent, the Cuban revolution (1959) did not contribute to overcoming this feeling. The Cuban revolution led Latin America to enter into the binary logic of the Cold War encouraged other countries to embrace ISM and to explore new formulae that could generate the conditions for the development of the region. This situation stimulated in the mind of the U.S 'an anticommunist paranoia', and was the reason why the the U.S government ended up creating the Alliance for Progress program. As Taylor (2006) reports, the main objective of the Alliance for Progress program was to prevent the spread of communist ideology through financial support for economic and education programs. In essence, the intention behind those programs was that the different countries in Latin America could follow the same developmental pattern as the U.S.

However, from a historical perspective, it is known that the U.S government through its intelligence apparatuses such as the CIA intervened far beyond economic programmes. As an illustration of this point, the U.S carried out a secret operation called 'Operation Condor'. This operation was a campaign of political repression that gave 'technical support' to right-wing dictatorships to eradicate communist ideology by killing and disappearing active or potential opponents in countries such as Argentina, Chile, Bolivia, Uruguay, and Paraguay from 1968 to 1978 (Spronk and Webber, 2014).

While it is true that the Alliance for Progress program inaugurated neoliberalism in Latin America, and even though it is also true that the U.S collaborated to the installation of military regimes, one might argue that the region truly embraced the neoliberal project after the debt crisis in 1982. The Latin American states, so as to finance the development of the ISM, accumulated an external debt that they could not pay back leading to the economic collapse in 1982 (Ocampo, 2014). In the light of this scenario, in Washington 1989, a set of policy prescriptive instructions were written that for the region so as to receive financial help from the IMF and World Bank. Nevertheless, one of the ‘tricky’ aspects of these prescriptive policies was that they were presented to the public only as ‘a set of economic reforms that would help to balance economies through fiscal discipline, redirection of public spending, trade liberalisation, foreign investment, and privatisations’ (Williamson, 2008).

However, as noted in Chapter Three, what happened, in reality, was that these policies were “more than an economic agenda” (Stiglitz, 2008, p.45), because they also brought new forms of subjectivity and a particular way of state management that recast social relationships. Within this argument, it is important to highlight that these “recommendations made sense for particular countries at particular times” (Stiglitz, 2008, p.41). For example, while neoliberalism was already installed in Chile, Ecuador initiated its process of neoliberalisation after the debt crisis in 1984, and Colombia did the same just after the WC recommendations under the Gaviria’s administration in the 1990s. While Chile implemented neoliberalism under political repression, both Colombia and Ecuador were facing more pressures from the IMF for loans and debt restructuring than they did from military repression.

Thus, there is neither a uniform context nor the same justifications for implementing neoliberalism across countries. Nevertheless, as Stiglitz points out, something that is pretty clear for the majority of the Latin American countries is that “there is not

consensus except that the Washington Consensus did not provide the answer, its recipes were neither necessary nor sufficient for successful growth” (Stiglitz, 2008, p.41). As a matter of fact, Nef (2003) explains that Chile’s performance between 1970 and 1990 shows that “the rate of real growth was relatively modest compared with Colombia” (Nef, 2003, p.17), which means that Colombia before neoliberalism reached more successful economic growth than the neoliberal Chile.

With the intention of having the extent of implications of the policy recommendations, the following table (Table 1) aims to summarise the three waves of privatisation made by the region so as to accomplish the requirements suggested by the WC. As the table shows, the first wave was associated with the privatisation of national industries and consumption goods. The second wave referred to a process of infrastructure and telecommunications, while the third wave included the privatisation of essential social goods such as pensions, health, and education. To a large extent, one might suggest that the installation of the neoliberal project happened throughout the entire Latin American region, and within this, it is also possible to argue that Chile was the only country in the region that privatised the vast majority of their public assets. However, what is striking in the Chilean case is that this privatisation process occurred not only in a ‘pure form’, but also happened far earlier than the rest of the Latin American countries under authoritarian conditions.

Table 1. Waves of privatisation in Latin America (selected countries)

Countries	Wave 1		Wave 2				Wave 3		
	Industry	Telecom.	Harbor	Electricity	Water	Highways	Pensions	Health	Education
Chile									
Colombia									
Argentina									
Mexico									
Uruguay									
Brazil									
Panamá									
Ecuador									
Nicaragua									
Honduras									
Guatemala									
Costa Rica									
Paraguay									

Source: Pampillon, 1998, p. 84

If we focused on the WC economic results, it is possible to confirm that the GDP rate of growth for the period 1991-2002 was inferior to the 1950-1980 decades in the region (Moncayo, 2003). Even more, it has been concluded by Huber, Hill and Solt (2004) and Walton (2004) that although the open economic strategy successfully achieved the reduction of the inflation rate, this strategy simultaneously increased economic volatility facilitating the economic crisis in Mexico 1995, the Asian crisis 1997-99, and actively contributed to the economic collapse in 2001 of Argentina. It is also possible to argue that the social results were not as different as the economic ones. On this subject, for example, it has been documented by Lloyed-Sherlock (2009) that instead of reducing socio-economic disparities “many welfare interventions such as the reforms in education, health and social protection have actively contributed to them” (Lloyed-Sherlock, 2009, p.348). Moreover, as it has been reported by ECLAC (2014a) that the productive structure still presents an unequal development of the productive force and the social relations of production. In doing so, there are still differences in the level of productivity, the income distribution, the consumption sphere, as well as the living standards of the workers (ECLAC, 2014a). All disparities that, according to regional statistics, have tended systematically to have greater effect on vulnerable groups such as women, young people, and people with lower level of education (ECLAC, 2010).

As a way to overcome the mixed results of WC, there was a second set of policies through which the Washington recommendations incorporated opening social safety nets, prudent capital-accounts, legal/political reform, regulatory institutions, labour market flexibility, and poverty reduction (Green, 2003). However, at the time that these recommendations were made, there was a ‘left turn’ in the region that decided to replace the neoliberal formula for socialist ones (Pimienta and Arante, 2014). To a large extent, Sader (2008) summarises quite well what happened after the WC recommendations in the region. As the author put it in *The weakest link? Neoliberalism in Latin America*:

“The continent that had been a privileged territory for neoliberalism, where it was first applied –in Chile and Bolivia- rapidly turned into the leading arena not only for resistance but for construction of alternatives to neoliberalism. Two faces of the same coin: precisely by having been the laboratory for neoliberal experiments, Latin America is now having to deal with their consequences” (Sader, 2008, p.5).

The above quote reveals an important issue. While in countries like Chile and Brazil the left sought to accommodate itself to the principles of WC (Spronk and Webber, 2014), other countries like Bolivia empowered the construction of a new political subject such as ‘the indigenous movement’ (Sader, 2008). In this sense, while the Chilean history has more to do with ‘patching’ neoliberalism to rebalance the relationship between equity and growth, Bolivia has reached the conclusion that “the limits and contradictions of the capitalist system are revealed on a greater scale than even before” (Sader, 2008, p.21). In doing so, recent Bolivian history has been more related to reversing the process of commodification that the WC brought with it than amending neoliberalism.

Although the complexities, contradictions, and history of contemporary Latin America cannot be reduced to the four moments identified in this section, they provide relevant keys for understanding the socio-political scenario in which neoliberalism emerged in Chile and how this regional context played a role in the design and reconfiguration of capitalist contradictions in the country. Fundamentally, one might observe that the idea of preserving the de-accumulation feature of the region and the binary logic of the Cold War motivated the U.S to intervene in Latin American countries to stop the development of the ISM and the spread of a societal project that opposed their beliefs. In doing so, either through the Washington Consensus policies or authoritarian solutions, the U.S plan has succeeded not only in preserving their economic interest, but also in imposing what the Americans consider is the best way to reach human prosperity, namely, neoliberalism.

4.3 The preamble to neoliberalism in Chile (1970-1973)

Between 1970 and 1973 Chile experienced a socialist revolution won under democratic conditions. The socialist government attempted to handle capitalist contradictions through the principles of state central planning and empowering the working class and marginalised sectors. In the light of the ideals of the Cuban revolution, the Import Substitution Model (ISM), and the Cold War logic, the class struggle was installed in the heart of the public sphere. This stimulated a discourse based on the necessity to end the purported imperialist exploitation of citizens, to finish with capitalist monopolies, and to start the state nationalisation of the natural resources (Taylor, 2006).

The socialist revolution would be led by Salvador Allende (1970-1973). Allende would share the convictions of Frei Montalva presidency (1964-1970) about the necessity to reform the agrarian relationships, by investing the peasants with the ownership of the land they work; the relevance of developing national industries; as well as the nationalisation of copper resources (Quiros, 1972). These areas of reforms contributed

to an expansion of a strong community-oriented state. From the perspective of Allende, these reforms should have been implemented in a more radical way so as to produce truly redistributive effects (Koch, 1999).

The reconfiguration of capitalist contradictions from the colonial de-accumulation period into socialist capitalism would stand opposite to the Alliance for Progress program. On the one hand, the Alliance for Progress aimed to stop the spread of communist ideology through financial loans and social programs, while on the other hand the plan sought to protect the U.S financial investments in Latin American countries. It is important to consider that Allende's plan also tried to keep a distance from the Soviet Union so as to raise a new formula for social prosperity beyond any imperialist ideology. Based on wanting to be 'neither Washington nor Moscow', the Chilean road to socialism would represent a hybridization model based on a nationalist discourse, an egalitarian social justice approach, and an anti-imperialist ideology. For example, Allende tried to re-orientate the relationships between capital and work through the strengthening of trade unions, the improvement of workers participation in the industry profits, and the implementation of a new policy of salaries. This sought to reduce the harmful dynamics of capitalist contradictions such as the development of surplus at the expense of the flourishing of the labour force, and extended policies to increase the purchasing power of workers, redistribute income, and establish a mandatory minimum wage. The idea was to build cross-sectional policies using the nationalisation of copper and the acceleration of the agrarian reform as tools to reach a new equilibrium where the less advantaged sector in society had the opportunity to improve their life conditions (Raczynski, 1995).

Allende acknowledged the weaknesses of the ISM, for example, that the welfare system revealed a strong segmentation of the social benefits among the workers, an unfair distribution of the resources, and a massive number of independent workers without

social security coverage (Larrain, 2012). He in his speech to the Congress 1971 set out a plan to change the funding system of insurance contribution from one based on type of productive work, to another based on direct taxes, thus appealing to the concept of social solidarity between labour and capital (Borzutzky, 2002).

Although the project of Allende will still resonate in Chileans' minds, this project could not be completely implemented. Firstly, the project was thought to be executed in six years, yet this was truncated at the third year given the coup d'état made by Augusto Pinochet. As it will be explained in the next section, the coup d'état was far more than the bombs that fell on the Moneda Palace and the political repression over 17 years. The coup d'état also involved the assassination of Allende and the complete restructuring of the policies that had been associated with the ISM period (Borzutzky, 2002).

Secondly, Allende tried to implement a set of reforms without the political support from the conservative side of society, which would bring a constant process of negotiations with the opposite parties that ended up not only reducing the speed of the reforms but also facilitating a strong political polarisation within different sectors of society. Consequently, one might argue that the role played by different agents in this period can explain why and how (despite the attitude to reform at the end of the period), the socialist way to handle capitalist contradictions could not be achieved.

To a large extent, one might identify the Popular Unity coalition (UP) (which congregated different left-wing parties, the working class movement, and the peasants' movement) (Pinedo, 2000) as the different agents who embodies the drivers for implementing the socialist project. The UP attempted to generate a new institutional order that transferred political and economic power to workers. The aim of the UP was to reach economic equality as a vehicle through which those in the marginalised sectors of society could achieve social freedoms. The other ideological interpretation was that the U.S government, the foreigner financial investors, the conservative parties which

support the oligarchic groups, and the military forces were the opposing agents of this project.

In the case of the U.S and foreign investment, they supported the Jorge Alessandri campaign in 1970 to prevent Salvador Allende from winning the presidential election. From the perspective of Richard Nixon, “the triumph of Allende would lead Chile to another Cuba, and his idea of the nationalisation of Chile’s copper industry would be a threat to U.S. economic interest” (Kaufman, 1988, p. 6). In this context, while the political polarisation of society went up, the U.S government would send Chileans to study economics at the University of Chicago as a way to prepare people who could arrange an alternative socio-economic plan opposed to socialism. In fact, the first public intervention of the ‘Chicago group’ was in the context of the Alessandri’s campaign in 1970, where they provided a set of recommendations to improve the economy based on what they learnt in Milton Friedman’s seminars. However, as one of the ‘Chicago boys’ revealed in an interview for the documentary *Chicago Boys* (2015), Alessandri, who was a right-wing politician, told him “get these crazy people out of here, I do not want to see them again” (*Chicago Boys*, 2015). Consequently, one might speculate that even for the right-wing sector at that time in Chile, the Chicago group’s ideas were extremely radical. Their ideas had to wait three years more to be taken seriously and implemented (see section 4.3).

The synchronisation between the military and the Chicago group happened when the latter had a full draft of the economic recommendations called ‘The Brick’, and the feeling of national chaos begun to rise in the military barracks at the point when that Allende tried to speed up his reforms. Although the military forces would be prepared to reestablish social order before the reforms unleashed a civil war, they waited until the Chicago group had a solid proposal to challenge Allende’s ideas, a situation that happened just six months before the military coup erupted.

Even though the communist paranoia was already installed given the international context of the Cold War, the UP coalition experienced a ‘honeymoon period’. It follows that by the beginning of 1971, the UP coalition obtained excellent results in the municipal elections increasing their electoral force by 14% (Gonzalez, 2005), stimulating Allende’s government to speed up complete nationalisation of the mining companies and agrarian reform. As Bitar reports, “704 lands and 133 industries were expropriated, and by the end of 1971 the state controlled 90% of private banking” (Bitar, 1996, pp. 336-7). However, the political party of the previous president of Chile (Frei Montalva), which originally supported the UP project, turned against Allende claiming that Allende led to a destabilisation of the institutional order, security and development (Carta de los 13, 1973). On this subject, one might interpret that Allende was navigating ‘between a rock and a hard place’ not only because he failed to secure the political endorsement of *Democracia Cristiana* party (Frei Montalva’s party) but also because people from the far left-wing were unsatisfied with the slow implementations of the UP reforms. As a consequence, while Allende’s supporters were fighting an internal political battle, all the opposition groups (U.S government, the foreigner financial investors, conservative parties, and the military) saw an opportunity to join forces to defy Allende’s policies.

The strategy to bring down Allende included economic arrangements, public opinion manipulation, and a military plan (Kornbluh, 2013). According to French-Davis (2012), the honeymoon period of Allende’s government ended when the rate of investment fell dramatically generating hyperinflation of 700%. As Klein (2008) suggests, this economic collapse was due to the U.S. intervention, which intentionally cut the fund for the Alliance for Progress program and implemented an economic blockade banning the introduction of food products into the country. In fact, the

declassified documents of the CIA reveals that Nixon ordered the CIA to ‘make the economy scream’ in Chile indicating that:

“It is firm and continuing policy that Allende be overthrown by a coup. ... It is imperative that these actions be implemented clandestinely and securely so that the USG [the U.S. government] and American hand be well hidden” (CIA documents in Kornbluh, 2013, p.26).

Given the fact that Allende’s redistributing income reform aimed to reshape the relation between capital and work, trade unions decided to support Allende’s project through the creation of *Cordones Industriales* (Industrial bonds). The *Cordones industriales* was the workers response to the economic crisis, by which different trade unions along the country decided to work double shifts with the intention of elevating the production capacity of industries and recovering economic stability. Nevertheless, thanks to the food shortages a sense of chaos was already felt on the street, and to a significant extent, newspapers such as *El Mercurio* contributed to this feeling. As Kornbluh (2013) reports, the declassified documents of the CIA also show that a covert operation well known as ‘The Mercurio project’ “ played a significant role in setting the stage for the military coup of 11 September 1973” (Kornbluh, 2013, p. 94). In particular, the U.S government gave \$ 1 million to *El Mercurio* to campaign against Allende by constantly writing “inflammatory articles and editorials not only exhorting to overthrow the government but also publishing attacks against Allende’s attempts to nationalise banks, restrict press freedom, and seizure land” (Kornbluh, 2013, pp. 91-92).

With the establishment of anti-government propaganda and an ongoing economic crisis, the military forces started to prepare to take control of the country if the social and political instability persisted. To calm the conflict, in November 1972 Allende incorporated people from the military forces into the cabinet. Nevertheless, the military

forces along with the opposition parties co-managed a coup d'etat in September 1973, bombing the Presidential Palace and killing Allende. After that violent and abrupt moment, Chile entered into an experiment in which neoliberalism was installed.

To summarise the main outcomes of the Allende period, firstly, the UP's project tried to establish new rules of resource distribution boosting a universalist policy approach to guarantee a minimum standard of living for the entire population with a special emphasis in the poorest deciles. However, for this period, it is impossible to know precisely whether the reforms had an impact on the levels of poverty or whether the UP's policies reshaped the social structure of the country because social statistics databases were installed in Chile only after 1987.

What we know is that the UP's outcomes can be split between what happened until 1971 and what occurred from 1972 to 1973. In relation to Allende's 'honeymoon period', it is possible to observe that the UP's government increased in 24% the investment in education expanding the coverage of the system at all levels (18% in elementary, 15% in high school, 83% at university level) (Allende, 1971). Moreover, as Pedraza-bailey (1982) reported "the UP not only spurred economic growth but also achieved a reduction in both unemployment and inflation" (Pedraza-bailey, 1982, p.43). The wages went up, there was a rise in trade union membership, and the gap between rich and poor was reduced reaching a Gini coefficient of 0.46 (Lambrecht, 2011). Nevertheless, given the secret plot against Allende's policy, the economy collapse, and the mass media manipulation created a sense of chaos between 1972 and 1973. This situation not only undermined the positive outcomes obtained in 1971, but also set the stage for the eruption of the military coup in 1973.

4.4 Phase one. The military coup and the installation of neoliberalism (1973-1989)

Phase one can be characterised by the adoption of radical economic, social, and political neoliberal reforms. In essence, all the attempts to handle capitalist contradictions through a socialist formula were put on standby as soon as the military junta took control of the country in September 1973. The military regime established a permanent state of emergency, which allowed the implementation of the foundations of the new society without any formal opposition (Borzutzky, 2002).

The authoritarian nature of the dictatorship provided fruitful ground for installing privatisation, deregulation of markets, security of property rights, a new framework of labour relationships, and a new political constitution. In this sense, the reforms achieved during this period would closely match the characteristics of the neoliberal ideal type of a harmful society described in Chapter Three. They would leave traces so deep in the social fabric that all the neoliberal phases that came after were about amending or deepening these reforms. As will be developed within this chapter, the reasons behind the historical phases of the experiment relate to ‘the military enclaves’ left by the dictatorship, and the ways in which the legitimacy of each phase had been tested by the harms that result from the contradictions triggered. To a significant extent, phase one has to do with what the literature has characterised as ‘savage neoliberalism’ (Atria, 2013), and in doing so, Pinochet’s era can be read as a time of pure rupture with regards to the Allende period.

The agents for installing the neoliberal project would be the military forces congregated in the figure of the military junta; Milton Friedman’s ideas embodied in the ‘Chicago group’; the right-wing parties; nascent entrepreneurs; and foreign investors. On the other side of the fence, the actors that would put pressure on the military regime would be the left wing parties (formerly gathered in the Popular Unity coalition); clandestine social movements; and the international community.

The military junta was the commission in charge of taking control of the country immediately after the Presidential Palace was bombed. The Junta would be responsible for re-establishing the social order through the use of violence against everyone who wanted to defy the new regime. The Junta had an ideological discourse based on a patriotic perspective whereby military forces should restore Chile from the chaos left behind by the Marxist ideology, which intensified the class struggle. To the Junta, the enemies of the new state should be prosecuted and punished, legitimising torture and disappearance if necessary. In doing so, the very first task of the military was to carry out a de-politicisation of society. Fundamentally, the Congress was closed, the members of the political opposition were exiled or killed, and the right of association and assembly were prohibited (Borzutzky, 2002). Importantly, the figure of Pinochet would play a fundamental role in the military junta, he would be the president of the Junta and later the president of Chile, supported by them. Pinochet would control not only the legislative and the executive power but also all the social, economic, and political processes of Chilean society.

Once the repressive apparatus of the state was in full control of the country, the capitalist tensions were ready to be settled again following the ideas of Milton Friedman and the Universidad Católica economists, who studied in the Chicago School (the so-called ‘Chicago Boys’). As noted before, the Chicago group’s ideas were considered extremely radical in 1970, however, they started to make sense for Pinochet. The policy program called ‘The Brick’ was used as a guide for implementing the new neoliberal order.

Firstly, by decree n° 522 almost all prices were liberalised in 1973 and the rest of them were liberalised by the end of 1975. This liberalisation was part of the Chicago group’s strategy to change the Import Substitution Model for another based on outward growth. As Meller (1996) reported, the plan was that the local prices lined up with the

international prices, with the intention of specialising the country in the production of goods upon which the country has the possibility to be competitive in the market. Then, through a process of re-privatisation, 257 enterprises were returned to private ownership and 3,700 landed properties were returned to their original owners undoing the expropriation performed by the agrarian reform and nationalisation of resources. In the same way, the appropriation of public assets into private hands was initiated (Meller, 1996). Public assets were sold, and in the case of public enterprises that were not sold, the principle of self-financing was established, giving those companies freedom to fix prices and start a process of subcontracting so as to maximise utility (Meller, 1996). Moreover, this process of accumulation by dispossession where the public assets are transferred into private hands was complemented with a fiscal reform that eliminated the tax on patrimony and capital gains. As Galetovic (1998) referred, the revenue was aligned and it integrated personal taxes and business so that all income should pay the same rate regardless of their source (wages, dividends, utilities).

Similarly, the labour relationships were reframed in a way that facilitated the development of surplus. As Taylor (2006) argues, the idea of the labour framework was that the new labour relationships smoothed the transition towards the new open trade economy, and in doing so, it was necessary that the trade unions lost their bargaining power. In fact, one might argue that one of the greatest legacies of the dictatorship started in 1979 through the installation of the Labour Plan. This plan would guarantee the liberty of work above the right of working, changing the dynamics between labour and capital up to the present (Duran and Galvez, 2016). As Galetovic (1998) indicates, the plan banned collective bargaining, limited strikes to 60 continuous days with an option to cancel the contract after 60 days, and removed the obligation to join unions.

Following Taylor's description of events (2006), one might summarise the economic adjustments made by the Chicago group as follows. The adjustment program brought

the systematic reduction of the inflation rate from 1973 to 1990. However, given the radical implementation of the new economic policy, the new labour plan, and the debt crisis that affected Latin America in 1982, there were different ups and downs in the economy that would have severe impacts on the population. As Figure 1 shows, the first stage of the Chicago group's reform was called 'creative destruction'. Here, the liberalisation and re-privatisations plans described earlier made the economy collapse, yet given the authoritarian conditions in which these reforms were implemented, the consequences of an increase in the unemployment rate were implemented without both civil and political opposition.

Between 1975 and 1982 what Chilean economists called 'the first miracle' occurred. This 'miracle' was seen in the ways that the economy recovered from negative growth of -12.9% to a positive growth of 5.5%. The third stage would correspond to the economic contraction as a result of the debt crisis between 1982 to 1985. Here, the unemployment rate reached a peak of 31.3% in 1983, a scenario that facilitated for the very first time since Allende's times, massive demonstrations. Nevertheless, the military regime and the Chicago group handled this scenario through a second 'economic miracle' leaving the country with a high growth rate and low inflation just before the military left the presidency. As will be noted in the following neoliberal phase, the economic growth issue would be crucial not only for constructing the narrative about the benefits of neoliberalism but also for validating its consolidation under a democratic framework.

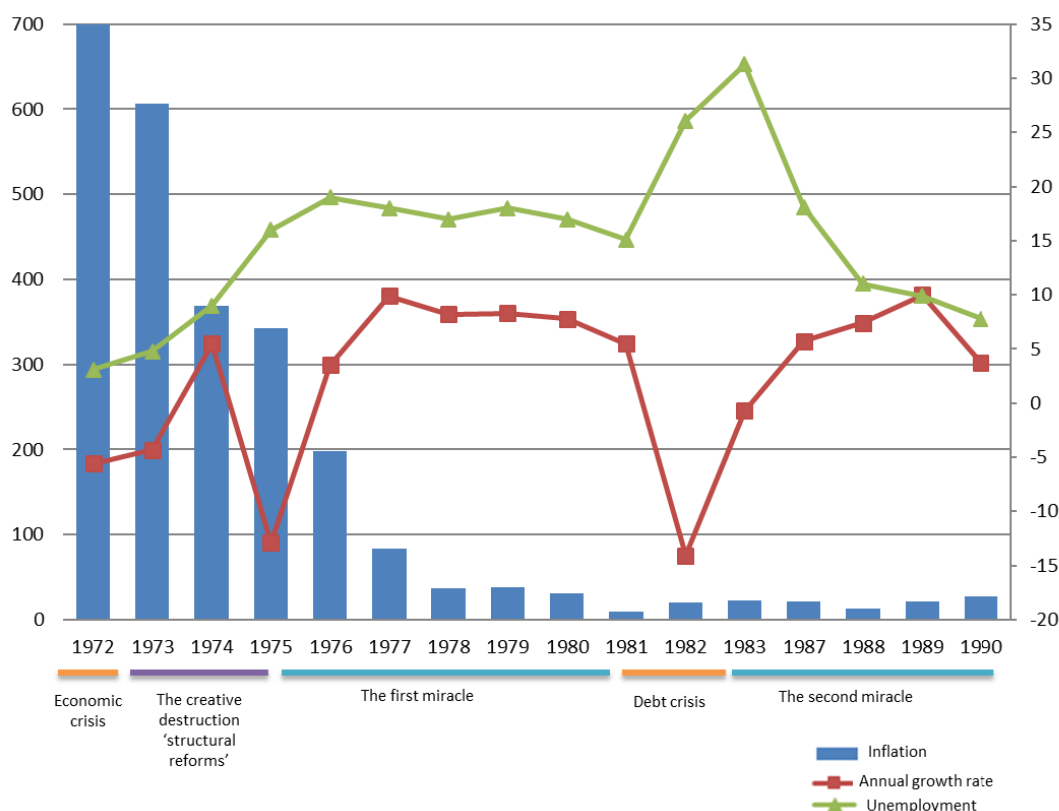


Figure 1. Economic Growth, unemployment and inflation from 1972 to 1990 (in percentages)

Source: based on Meller, 1996; Taylor, 2006.

Economic and labour reforms would give the country a ‘neoliberal ethos’ but the new approach to social issues would also play a major role in recasting social relationships in such a way that the state’s responsibility for the provision of well-being will be transformed into the responsibility of individuals. In contrast to Allende’s period, the social policies were subordinated to the market’s order where the state would play a minimal role when people did not have access to the market. For example, both the non-contributory and contributory pillars of social protection were reformed.

Based on the documentation provided by Castiglioni (2001), Borzutzky (2002), and Raczynski (1995) both pillars expressed the idea that individuals should be responsible for their own protections against the vicissitudes of life. Essentially, the Chicago boys’s program followed the principles of a dramatic reduction in social spending, and in doing so, the non-contributory pillar was targeted to the poorest of the poor creating a residual

system (Raczynski, 1995). As it was mentioned by Raczynski and Cominetti (1994), the military regime thought that the best policy to overcome poverty was economic growth. In this scenario, social spending should be as low as possible because, from the Chicago group's perspective, it has a negative relationship with economic growth (Hojman, 1996). Regarding the contributory pillar of social protection, the situation was not different. As Borzutzky (2002) argues, the pension reform would replace:

“A system based on the collectivist ideology with one based on an ideology which establishes a clear relationship between the personal effort and the reward and that gives the individual freedom of choosing and deciding” (Borzutzky, 2002, p. 213).

Both economic and social reforms would not have been possible without the right-wing parties, the entrepreneurs, and the foreign investors. In the case of the right-wing parties, they provided not only political legitimacy to the military government by holding government positions in both central and local levels but also helped the military regime to implement the structural reforms by praxis.

Moreover, as Raczynski (1995) notes, one of the principles that spans public services reforms would be the concept of transferring administrative responsibilities and resources to private hands. This situation ended up creating an ‘economic paradise’ for foreign investment and the smaller entrepreneurs. These groups became heads of companies in critical sectors of the Chilean society such as health, pension, transport, banks, and export sectors (Solimano, 2013). These agents would gain power and wealth constituting the new 1% of the top in the Chilean social structure up to the present (Solimano, 2015).

To illustrate the restructuring of Chilean social structure, Palma (2011) graphically shows us a comparison of income shares between deciles. As can be noted from Figure

2, one might interpret that the new richest 10% of society was the only group that experienced a dramatic improvement in their income while the rest of the deciles experienced negative income shares. However, within this evidence, it is important to note that despite the lack of income improvements in the rest of the deciles, as Moulian (1998) reports, the economic reforms would bring access to consumer items that in the past did not exist or they were restricted to a small local elite. In doing so, through credit cards and new types of loans, a ‘new mentality’ started to bloom within Chileans, a mentality that will be consolidated in the next decade as ‘*el consumo me consume*’ (consumption consumes me).

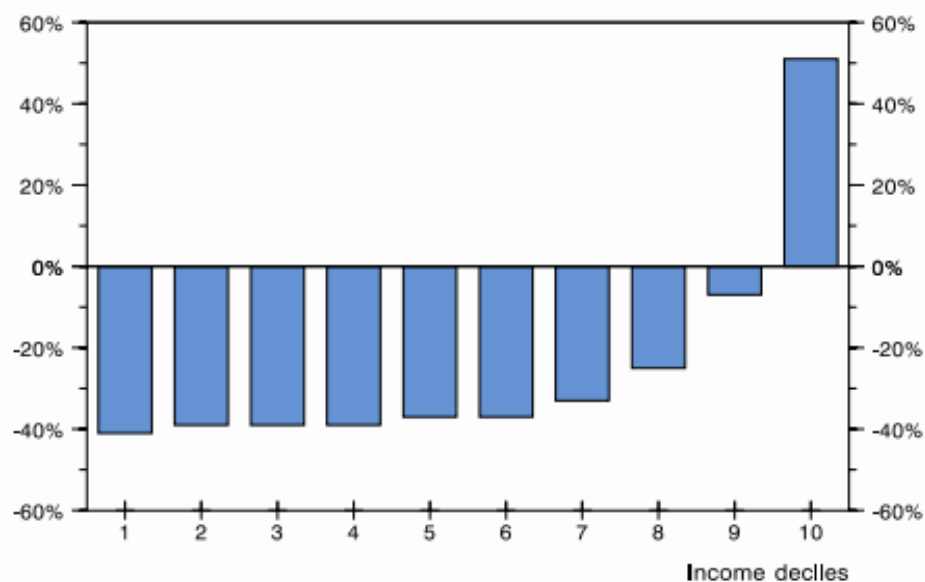


Figure 2. Changes in income shares between 1973 and 1987

Source: Palma, 2011, p. 44

As noted in Chapter Three, coercion cannot be the only basis by which a long term hegemonic project can be perpetuated. Pinochet was fully aware of this limitation when he decided to call a referendum in 1978 with the intention of providing legitimacy to his structural reforms both locally and internationally. It follows that given the widespread rumours about human rights violations, the international community’s pressure was key in the establishment of the referendum, yet the lack of political opposition control over the democratic process led that the ‘yes’ option won with 75% of support. From that

standing point, the military regime established in 1980 a new Constitution. It is critical to understand that the new Constitution would tie together many aspects of both economy and social policy from the 1990s to 2010s. The 1980 Constitution was seen by the Chicago group as a legal tool that assures that neoliberalism could not be easily removed (Heiss and Navia, 2007). The following neoliberal phases would see the Constitution act as one of the most fierce preservers of neoliberalism in its pure form.

One can argue that the 1980 Constitution established a mechanism to transform the authoritarian nature of neoliberalism into a democratic one. Here, it is possible to speculate that the combination of unemployment rates due to the debt crisis, and the high poverty levels forced the system to do this change, because those who did not experience the consequences of political repression started to realise that the system was not bringing social prosperity to their lives. In fact, if we turn to consider the opposing forces of the military regime, it is possible to observe that between 1973 to 1982, social protests were isolated episodes. The major protests in that period were against murder and disappearance of individuals. Nevertheless, from 1983 to 1989 several protests were carried out that began to congregate large groups of people calling for measures to address social issues such as the high rates of unemployment. In the case of the opposition parties, they started to convene protests, demanding ‘the right to live in peace’. The opposition parties believed that the social protest in one way or another would destabilise the regime. However, it was the 1980 Constitution which gave an opportunity to the opponents of the military regime to overthrow Pinochet insofar as the Constitution stated that in 1988 there should be a new plebiscite that would determine if Pinochet would continue ruling the country or if it should be democratic elections. Under the slogan, “Chile, joy is coming” the ‘no’ option won, leading to the presidential election in 1989.

Regarding the general outcomes of phase one, this phase concluded with a low rate of inflation, high rate of economic growth, and a decrease in the unemployment rate (see Figure 1). However, as Contreras (1999) notes, in parallel, this phase can also be associated with a rise of the Gini coefficient from 0.46 in 1973 to 0.65 in 1987, and a poverty peak of 45% between 1985 and 1987. Paraphrasing Nef (2003), it is possible to summarise this period by saying that the brighter side of the Chicago group's experiment (economic outcomes) cannot be separated from its dark side: the torture, repression, and the complete destruction of democratic institutions.

Fundamentally, what we have in this phase is a set of reforms that interrupt a socialist way to handle capitalist contradictions via political repression in order to impose a model where contradictions closely mapped an ideal type of a neoliberal harmful society. The military regime opted for the privatisation and commodification of hitherto public assets instead of the expansion of common property, and insisted that a society based on exchange-values would reduce the complexities of the cultural and political spheres bringing social prosperity in a trickle-down way. Also, phase one suppressed the barriers that capital used to have for extracting surplus (such as trade unions bargaining powers), and created new ones for nurturing cost-competitiveness (like labour market flexibility).

At a cultural level, the Chicago boys convinced Chileans through the consumption sphere that markets can best determine all allocative decisions about social life, and installed the idea that the interest and goals of individuals are best served when each is accountable to themselves. As noted in Chapter Three, this neoliberal way to handle capitalist contradictions can produce harms and injuries to people. It can be interpreted that this phase caused a host of physical harms through imposition of a model that ranged from murder and torture to a poverty situation where almost the half of the population did not have enough resources to satisfy their material needs. Harms can also

be seen when we think that the military regime suppressed the right of association, freedom of speech, and restricted the individual's sphere of autonomy to different market options only.

It is possible to speculate that neoliberalism as a type of social arrangement stimulates a free-choice perspective. The conditions for the installation of the model were far removed from this foundational principle. In this way the paradox of choosing a model of human organisation without being able to make a choice ended up forcing a political scenario where Chileans would have the possibility to choose neoliberalism as their model of social prosperity. They opted for something different, or at least they did not vote for keeping the same version of neoliberalism in the 1988 plebiscite.

4.5 Phase two. The return of democracy and '*La democracia de los acuerdos*' (1990-2000)

The 1990s can be read as a period of transition where coercion mechanisms were transformed into active consent tools that ended up validating neoliberalism. Yet this version of neoliberalism would be different from phase one. The neoliberal project would try to strengthen the market, to mutate its authoritarian nature into a democratic one, and to deliver social equity in a progressive way (Atria, 2013). The key characteristics of phase two can be associated with reversing the neoliberal agenda of reducing government spending, and to expand autonomy of Chileans by matching the supremacy of the market variables laid down under the dictatorship with a democratic framework. However, this phase kept other neoliberal contradictions forged in phase one such as the tendency of linking social prosperity in exclusive relation to economic factors, a social life based on personal interest rather than collective ones, and the privatisation of public assets as the 'only viable' way to organise Chilean society.

This phase would move from the ideal type of a neoliberal harmful society described in Chapter Three to establish the first set of ‘patches’ of the experiment. As Ominami (2010) argues, the reasons that explain this historical option are merely political, to the extent that the main concerns of the decade were to recover democracy and to establish long-term social and political stability. In this context, one can argue that what makes viable this second phase of establishing the first ‘patches’ of the experiment, are the macro-economic results and the ‘*Democracia de los acuerdos*’ (democracy of agreements).

On the one hand, as noted in phase one, the Chicago group and the military managed a second ‘economic miracle’ before they left power by reducing the unemployment rate to less than two digits, a situation that ended up installing the idea that neoliberalism can bring economic prosperity to the country. On the other hand, through agreements, the conflicting social and political agents in the 1970s and the 1980s cooperated with each other by deciding to handle capitalist contradictions in the same way as the Pinochet era but increasing social spending to correct one of the most negative outcomes of authoritarian neoliberalism, namely, poverty. The drivers for change that led to this scenario were the international community, the ‘*Concertación*’ project, and social movements while the keepers of the neoliberal project be the ‘military enclaves’ supported by interest groups, and the ‘*Alianza*’ (right-wing parties).

To begin with, the international community represented by the Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO) would encourage Latin American societies to develop their economies in an inclusive way. These international institutions would install the idea that the austerity policies recommended by the first wave of the Washington Consensus policies should be altered to increase social spending but keep the structural reforms such as the privatisation of public assets and economic liberalisation (see section 4.2 for

details and results of the Washington Consensus policies in Latin America). Within this, it is critical to highlight that the recommendations would be implemented by the ‘*Concertacion*’ project in Chile (Parties from Democracy). The *Concertacion* project emerged as a center-left political project to recover democracy, which would develop a special concern for civil and political rights (Garretón, 2010).

To a significant extent, the *Concertacion* project, haunted by the fear that the military might take control of the country again, was affected by the dilemma of embracing the neoliberal project of Pinochet whilst consolidating democracy or reducing the harmful dynamics of neoliberal contradictions. The *Concertacion* opted for the former, and in doing so, they persuaded different trade unions, local movements and students’ movements who had a major role in the UP times to hold off social protests. As Garretón (2010) reports, the *Concertacion* project thought and convinced others that “the continuity of the economic model was presented as the only possible way to ensure political democratisation” (Garretón, 2010, p. 85). However, it is important to note that other Chilean academics such as Moulian (1998) have a far less romantic interpretation of how the *Concertacion* ended up appeasing the potential protests against neoliberalism. According to the author, the *Concertacion*’s solution came from the consolidation and expansion of the different credit mechanisms installed in phase one. As Moulian (1998) diagnosed, there was a seductive rhetoric about individualisation and consumption that ended up captivating and orienting Chileans towards consumerism. In so doing, the credit system operated in such a way that the new public spaces and the return of Chileans into the social life after the dictatorship were shopping centres rather than communities.

The way in which the *Concertacion* handled the fragile balance between reducing some harmful features of ‘savage neoliberalism’ and preserving other ‘neoliberal niches’ can clearly be seen in the social protection arena. One might argue that while the non-

contributory policy would represent the changing face or the first ‘patches’ of the experiment, continuity would be represented by the contributory pillar policy. In essence, the *Concertacion* project came up with the idea that if they want to preserve a model of social prosperity based on individuality and rewards, it was necessary for the state to develop capabilities in the target population of social policy to increase their chances of insertion in the modes of production. In so doing, the *Concertacion* considered that a social policy approach based on expanding social spending would reconcile the economic growth strategy with social equity in such a way that would generate governability to democracy.

Just months after the *Concertacion* came in, government successfully negotiated with the right-wing parties to carry out a tax reform. The tax reform was the formula that the *Concertacion* found to pay the social deficit left after the Pinochet regime. As Foxley (2004) and Garcia-Hurtado (2006) indicate, the tax reform included an increase of tax on consumer goods up to 18%, created special tax credits for companies that wanted to invest in the country, and increased the first band income tax from 10% to 15%. However, the groups of interest and the *Concertacion* agreed not to remove the strongly regressive character of the tax system. In this context, the first policy was to create national services that could provide different subsidies for vulnerable groups. For example, the National Youth Institute (INJUV), the National Women's Service (SERNAM), and the Solidarity and Social Investment Fund (FOSIS) were created (Arena de la mesa, 2000; Raczynski and Serrano, 2005). Within this redesign of social institutions, as Foxely (2004) mentions, social spending grew by 214% in the decade. Different social and political agents agreed that to reach development, stability, and democratic governability it was necessary to ensure a minimum base of resources and capabilities in the vulnerable groups. Thus, the only reasonable way to achieve a better productive development was to generate certain grades of equity in social provision.

In contrast to the non-contributory pillar, the contributory pillar was set up as the anchor of continuity to the social policy of the 1980s. Fundamentally, the pension system, which works with individualised accounts traded on international markets, was used by the Chicago group as a way to boost the economic growth strategy in phase one. Thus, any structural change to the contributory pillar would have consequences in the economy propitiating socio-political instability that would threaten the nascent democracy. In this sense, the reforms waited until the later period of the 2000s to see changes inside the system. Yet minor reforms were addressed such as the n°1.901 law which established a savings account that guaranteed a pension in case of redundancy.

Although the dictatorship was over, the *Concertacion* would rule with the pressures of the entrepreneurs and investors (from now described as the interest groups) as the main counterbalance ensuring the neoliberal experiment was not significantly amended. As was noted earlier (section 4.3), the interest groups won their influence thanks to the privatisation of the public assets in the eighties. In doing so, these interest groups would have a close alliance with the right-wing parties and the military, through which they will manage to block in Congress most of the bills that threatened their interests. For example, under the '*democracia de los acuerdos*' logic a new Labour Code was made. Although this new Labour Code restored the worker rights in the areas of collective bargaining and the right to strike, which were suppressed in the military era, the new Labour Code could not significantly transform the relationship between employers and workers because the interest groups blocked this negotiation in Congress (Duran-Palma, Wilkinson and Korczynsky, 2005). Importantly, although the Cold War logic was also over, the *de facto* power of the military, right-wing parties, and interest groups would create the idea that democracy could be broken at any moment, especially because they successfully managed to installed the 'military enclaves' of democracy before they left

power. The military enclaves are the 1980 Constitution, the Organic Constitutional Laws (LOCS), the electoral system, and the designated senators.

As mentioned earlier, the 1980 Constitution was the legal tool through which the Pinochet regime attempted to legitimise the market-orientated reforms. However, when Pinochet lost the 1988 referendum, with the intention of preserving his legacy, the 1980 Constitution would be reinforced by a set of reforms called the Organic Constitutional Laws (LOCS) which need a majority of 4/7 in both deputies and senators chambers in Congress to perform any modification. For example, the Organic Constitutional Act of Teaching (LOCE) was promulgated days before Pinochet left the government, yet this law was kept without change until the 2000s because of the 4/7 majority rule. In essence, as Brunner (1993) explains, the LOCE at university level included:

“To open-up the Higher Education system, to differentiate its institutional structures, and to partially transfer the cost of state-financed institutions to the students and/or their families (cost recovery) thus forcing these institutions to diversify their funding sources” (Brunner, 1993, p.35).

Although the coverage of education at all levels increased, this expansion was made not only through scholarships for the less advantaged groups in society but also thanks to public-private financial loans for students such as the creation of the solidarity fund college credit (1994), and the creation of CORFO credits (1997) (Bertoglia, Raczynski and Valderrama, 2011; Garcia-Huidobro and Bellei, 2003). In doing so, one might argue that the expansion of the coverage of education system was possible thanks to the logic of demand through which individuals have access to this system based on their own financial capacity. The problems of this new system would appear years later, when the education market presented strong differences with regards to the quality associated with the payment of each educational institution, generating high levels of

family indebtedness and submarkets of education by social classes (Torche, 2005a). Within this issue it is important to note that the harms that result from the marketisation process of education, (such as the autonomy harm generated by the incapacity of individuals of choosing what they want to study instead of studying what they can economically afford) will challenge the first ‘patches’ of the experiment. As a result, social movements will appear in the next phase questioning the idea of profits in education, and this situation will to some extent force the second wave of ‘patches’ to amend the neoliberal agenda.

Regarding the electoral system, this was built to avoid political extremes and regulated under an Organic Constitutional Law (n°18.700), to restrict the possibility of removing the neoliberal project from its bases (Heiss and Navia, 2007). In other words, the system was made to facilitate congruence between the two strongest national alliances, which are the *Concertacion* (Center, Center-left) and the *Alianza* (Right, Center-right). This resulted in parties that did not participate in the pact being virtually excluded from the Congress, such as the Communist party.

Another military enclave was related to designated senators. The designated senators are representatives in the chamber of senate, but elected by the National Security Council. This Council designates four senators from the military forces, two from the Supreme Court, and three senators are designated by the President of Chile. Again, it is possible to observe that the proportion of senators contributed to the interest groups as it was necessary to have their support in the case that any LOCS want to be reformed.

Finally, one might argue that the figure of Pinochet himself greatly influenced the direction and restructuring ‘patches’ of the neoliberal project. After Pinochet left power in 1990 he continued in the role of commander in chief of the military forces until 1998 because one law in the 1980 Constitution established that the person in charge of the

army and the air force cannot be removed from their positions. One important role of the National Security Council was that the Council had the power to ‘convene’ privately from the President if this institution considered that the President could be a threat to national security. The Council was composed of the President of Chile, the ‘*Contralor General*’, the Presidents of both chambers in the Congress, the Principal Commanders of the military branches, and the police. Just two people were needed to overthrow the President and destabilise the newly formed democracy, for example, two Commanders of the military branches such as Pinochet and the Director of the police.

After Pinochet had left his position in the army he occupied the position of designated senator in 1998, yet the same year Pinochet was arrested in London after a Spanish judge gave the order to arrest him for the possible violation of human rights. In 2000 Pinochet returned to Chile while Ricardo Lagos assumed the presidential seat, Lagos offered Pinochet immunity from prosecution in exchange for the abandonment of his designated senator position. From that moment, Pinochet never returned to the political scene. He died in Santiago 2006 without being prosecuted for his crimes.

This second neoliberal phase concluded with the idea that corrections made to the neoliberal project under the logic of ‘*democracia de los acuerdos*’, instead of promoting equal opportunities for the flourishing of individuals, facilitated the concentration of them in few hands. Although the general outcomes of the period show steady economic growth of around 7%; an unemployment rate below two digits; and poverty reduction from 39% in 1990 to 21% in 2000, the inequality issues remained (Raczynski and Serrano, 2005). For example, the Gini coefficient did not experience great variation, it remained above 0.56. Although more jobs were created in this period, as Sunkel and Infante (2009) reported, thanks to flexibilisation of employment policy, while 28.2% of

workers had an informal job or worked under precarious conditions in the early 1990s, this reached 43% in 1998.

In essence, one can interpret that while Contradiction V (about public good vs private gain) was amended by expanding social spending so as to reduce poverty, the other four contradictions were left to spin out of control, appealing to military enclaves that remained from phase one. In this context, one of the distinctive characteristics of this phase was the incorporation of democratic institutions into the political scenario in a way that the supremacy of the market variables was ‘democratically’ secured against the harms and injuries that neoliberalism produced. However, at the end of the period, the model was tested not only by its capacity to produce freedom and democracy, but also by the relational harms that were triggered such as the persistence of economic inequality and the way in which that the payment capacity of Chileans would determine nearly all aspects of their lives. This decade would finish with a rising and deep disenchantment with political representation, and with a society that began to demand a more equitable distribution of the development gains given the way in which this second phase had consolidated a society highly segregated by social classes.

4.6 Phase three. The rise of social movements (2000-2013)

Phase three can be characterised as a time for judging the first ‘patches’ of the neoliberal experiment concluding that the ways in which capitalist contradictions were handled did not produce the redistributive effects that were expected. In this phase, the economic prosperity discourse would be diluted by the rise of social movements. These social movements would start to demand the inclusion of more ‘human variables’ within the second amended version of neoliberalism, such the creation of a more solidaristic system to provide welfare, and the establishment of better restrictions to capital for the extraction of the surplus feature. Nevertheless, this phase would insist

that individuals should be responsible for managing the vicissitudes of life and would see the expansion of access to credit mechanisms.

This phase would explore a new deal between the ‘winners and losers’ of the first ‘patches’ of the experiment by attending to some of the social movements’ demands. It is in this period where the neoliberal contradictions could expand exponentially and it would generate the clear emergence of a counter-hegemonic discourse about neoliberalism. It follows that with the intention of accessing privatised goods such as education and health, working and middle-class families reached high rates of debt that could not be sustained over time. This culminated in massive strikes on the streets that would end the second wave of ‘patches’ of the experiment.

With Pinochet away from the public sphere, the ghost of the dictatorship began to vanish. Chile had a consolidated democracy and potential destabilisation of the country via authoritarian enclaves became unlikely. Through a Constitutional reform, the possibility of having senators designated was banned in 2006, yet the Organic Law about the electoral system and the 1980 Constitution were maintained. While it is true that the Constitution was amended several times, the ideology of the Chicago boys remained as a point of continuity. The economic policy continued to focus on opening trade and pro-growth strategies giving facilities to enterprises for investment in the domestic capital market. For example, *El Fondo de Utilidades Tributarias* (FUT) established in 1984 through the law 18.293 was preserved until 2016. The FUT is a tax incentive that allows companies not to pay corporate income tax as long as they decide to use their profits for reinvesting in their same companies, yet if they choose to keep part of their profits, they must pay 20% of taxes over the percentage of profits that they decided to keep. As Agostini, Martinez and Flores (2010) argue, this tax exemption mechanism has not only allowed the preservation of a strongly regressive feature within the structure of the tax system, but has stimulated corporate tax evasion.

Although the tax system restricted the availability of public funds, this phase would keep expanding social spending by diversifying the ways in which social programs were financed. In particular, one of the lessons that Chile learned from the Asian Financial Crisis (1997-1998) was the extreme dependency and volatility that the open economic model could have, especially regarding the price of copper (the main export product of the economy). In this context, the economic policy of the 2000s would follow the structural budget surplus rule which would save 1% of GDP each year so as to use this surplus in times of economic crisis (Martner, 2011). Within this, it is important to note that since 2006 the surplus rule was reduced to 0.5% because several sectors in society started to claim that the profits of the commodities boom should also be invested in social spending beyond economic crisis periods (Agosin and Montecinos, 2011).

Regarding social agents, the interest groups would lose a fraction of their strength as a consequence of the massive pressure that social movements would put on the Education Bill and the pressure that the *Concertacion* project would put on the labour reforms. The alliance between the interest groups and the right-wing parties would continue without Pinochet, a situation that would constrain their political power but not their control over the pension system, universities, and health, among others. The interest groups would still act as the counterbalance to keep the neoliberal project unchanged while the *Concertacion* project would push employment reforms to keep correcting neoliberalism. For example, although the three governments in this phase (Lagos, Bachelet, Piñera) addressed the pro-employment strategy of the Chicago group, which consisted in the creation of more jobs, reforms were made. The aims of the laws were to establish new limits to the surplus extraction by providing workers legal tools to protect them against potential abuses that they may suffer in their workplace. In this context, labour courts, unemployment insurance, and regulations for agricultural workers were introduced (Kremerman, Narbona and Tonelli, 2011). Also, in an attempt to regulate payments and

social contributions for subcontracting workers, the subcontracting law was promulgated and the minimum wage was increment progressively from 156 GBP (per month) in 2006 to 243 GBP (per month) in 2012 (Doniez, 2012; Kremerman, Narbona and Tonelli, 2011).

Despite the new set of amendments to the neoliberal experiment, the 2000s can be defined by the massive awakening of civil society, where thousands of people protested in the streets in 2006, 2011, 2012 and 2013. The context of the 2000s decade can be characterised by a disenchantment with politics, low rates of citizen participation in the electoral process, and the exclusion of the electoral system which over-represents the *Concertación* and the *Alianza* but excludes the small coalitions. Although it is true that small social mobilisations occurred throughout the entire period, the most significant area of protest was in education, which at the end of 2013 would gather three main demands: access, quality, and equality in the vast majority of privatised social goods.

To a large extent, one might argue that the massive social mobilisation started in 2006 when high school students demanded the abolition of the Organic Constitutional Act of Teaching (LOCE). As mentioned before, the LOCE was the law through which the market variable was introduced in the educational system, generating, as a consequence, the idea that education is a good of consumption rather than a social right (Ruiz, 2013). As a result of the protests, Bachelet introduced changes to the LOCE, created new subsidies for students, and created the Presidential Advisory Council for Education whose target was to propose reforms for quality education. Nonetheless, the heart of the problem, which was profits in education, remained untouchable. For that reason, the protest continued in 2011, 2012 and 2013, but now with new agents of dissent such as university students, workers and their families (Ruiz and Sáez, 2012).

The protests on the street in 2011 gathered more than 450,000 people in each demonstration. As a result, the Piñera' administration introduced new reforms to the education system such as the Law n° 19.848 that rearranged the debts from the solidarity fund (college) as well as the Law n° 20.027 and Law n°20.634 that created and then expanded the benefits to state-guaranteed credit (CAE). The idea was to introduce amendments in the education system whilst retaining a market in the sector. As a response, the social movement protested for a profit-free education system from October 2012 to October 2013. Step by step the social movement transformed its demands not only for better and equal education but also protested against the pension system, the taxation system, and for the replacement of the 1980 Constitution through a Constituent Assembly (CA).

It is important to note that, the representatives of the social movements of 2011, 2012 and 2013 decided to run for a place in Congress with the intention of achieving these reforms in institutionalised positions of power. Surprisingly, all of the representatives from social movements won with a huge percentage of votes, becoming the only agents who would have a certain degree of citizens support in the last phase of the neoliberalisation process in this analysis.

All these elements forged within the Chilean social fabric led to the *Concertacion* project, which strived for a balance between the results of economic growth and an equality framework. However, some experts claim that the reforms made by the *Concertacion* were not enough to satisfy the demands for equality (Garretón, 1999; Ruiz, 2013). As Solimano argues, one possible explanation for this phenomenon can be read as follows:

“The merits and good intentions of the social reforms of the 2000s were in the end constrained by the economic power of interest groups oriented to defend

their profitable niches... The profit-motive that dominates without real counterweight the provision of education, health and pensions were never questioned by the reforms of the 2000s” (Solimano, 2011, p. 48).

In 2010 Chileans decided to vote for a representative of the right-wing. Sebastian Piñera won the election in 2010 under the slogan ‘the new way of government’. Piñera would rule the country with the supporters of Pinochet’s regime, sharing the same ideology as the Chicago group. Nevertheless, his particular legacy would be to achieve some reforms against its sector such as tightening the regulation of enterprises, suppression of most military benefits, and state expansion of social spending. Those reforms would establish Piñera in continuity with Bachelet’s ideas. However, perhaps more important, Piñera would give a new spirit to the right-wing parties, away from the dictatorship and closer to the political centre.

Finally, the international community would also play a role in the third phase of neoliberalism under the slogan of equality as a new deal. It follows that the left turn of the political orientation of the Latin American region (such as Evo Morales in Bolivia and the Kirchners in Argentina), plus the demands made by the various social movements of the period, would bring the idea of transitioning from a model based on the provision of basic social services to another based instead on social rights.

In economic terms, Chile had performed well during the decade. The country grew at 6% on average, with the inflation rate at less than double digits. The poverty rates fell from 21% in 2000 to 14.4% in 2011, while the extreme poverty decreased from 5.6% in 2000 to 2.8% in 2011 thanks to the continuous expansion of social spending. For example, under the Lagos administration, the ‘Chile Solidario’ program was created. This program consisted of a social intervention for the poorest families which included services from drinking water subsidies to direct financial support. Within this program,

there was a specific component called '*Puente*' (bridge) the aim of which was to use housing, education, and health plans to help families to 'cross the bridge' from the poverty to non-poverty. Then, under Bachelet administration, three new components of this program were incorporated. The first component was the '*Chile Crece Contigo*' program, which offered social protection to children in various aspects targeted at early life such as childcare and education. The second component was '*Abriendo Caminos program*', which was targeted to help children and teenagers from the families to Chile Solidario program. While the third component was the '*Calle*' program, which sought to give support to people who live on the streets and suffer the consequences of the absolute poverty (Mesa-Lago, 2008; Robles, 2011). Under the Piñera administration the expansion of the non-contributory pillar was not different. The '*Ingreso ético familiar*' program was incorporated. This program was based on three aspects: the direct monetary transfer to families; a pillar of duties based on conditional cash transfers (education, health, housing); and an achievement column which provides extra financial support if the family can achieve some specific goals.

Despite these trends, in the inequality field, there were no dramatic changes in the incomes distribution structure. The Gini coefficient remained above 0.50, starting at 0.58 in 2000 and finishing at 0.54 in 2013. Also, as Solimano (2011) writes, there were no explicit goals of low-income inequality or limits to concentration of property from 2000 to 2009. In fact, if we examine the data for the decade regarding the autonomous incomes among households by deciles, it can be seen that the 10th deciles concentrate 38.9 times more income than households in the 1st decile (CASEN database, 2011). Unfortunately, these numbers do not improve when we consider that the OECD labour report concluded that "the jobs being created in Chile are often characterised by low productivity, low pay and poor working conditions" (OECD, 2009, p.16). Nor the ILO report in 2013 that suggested that 8 out of 10 households in the first quintile spend 60%

their income on debts. In essence, one can interpret that those who felt in the previous phase that they did not benefit from the economic prosperity of the country, did not change their opinion with the new wave of amendments of neoliberalism. The labour regulation improvements, the educational reform, and the expansion of public budget were neither sufficient nor satisfactory to reduce autonomy and relational harms supported by phase two.

However, it is possible to argue that the legitimacy of the new patches was tested from a different angle. The rise of social movements installed the idea that a model based on individuals' efforts is not sufficient to prevent harms and injuries successfully. In this sense, the new 'patches' of the experiment were challenged by their incapability to generate a more solidaristic way to address social issues. Nevertheless, more solidarity within society does not mean for social movements the increase of economic resources to state programs. It implies that this model of social prosperity can be able to reverse the logic of commodification of social goods into a model based on social rights guaranteed by the Chilean state.

4.7 Phase four. Removing neoliberalism from society and the crisis of the socio-political system (2014-2016)

This neoliberal phase was recently initiated. Consequently, it is impossible to define a priori the driving forces of this phase nor to know in advance if this phase will keep amending neoliberalism so as to reduce harmful dynamics, or if the neo-liberal project will be transformed from its base. What is clear so far is that there was a political intention to remove neoliberalism from Chilean society. However, after the first year of the Bachelet's reforms, several political scandals exposed the close links between business and politics in the policy decision-making. In doing so, not only were all the reforms paralysed but the reforms lost their legitimacy and the capacity to challenge neoliberalism in the eyes of the public. In this context, it is uncertain whether the

persistence of inequality, social segregation and individualistic behaviours, which are the dynamics through which the model was tested in phase three, can be transformed. But also it is unknown if the crisis of the socio-political system was intentionally produced by the keepers of the neoliberal project or if this crisis can be read as a natural consequence of the precedent phases. Taking into account these uncertainties the historical events that we know so far goes as follows.

After the unsuccessful efforts to reconcile the role played by the market variables and the reduction of inequality, the *Concertacion* coalition lost the presidential elections in 2010. However, with the eruption of social movements in the public arena, the *Concertacion* decided to re-invent themselves, forming a political coalition called ‘*Nueva Mayoria*’ (New majority) that included the Communist Party, as well as incorporating the majority of the social movements’ demands. The ‘*Nueva Mayoria*’ won the presidential elections in 2014 by promising a set of structural reforms that would remove neoliberalism from Chilean society. In fact, for the very first time since the return of the democracy, the ‘*Nueva Mayoria*’ had the majority of the seats in both chambers of Congress (deputies and senators) to implement the structural reforms without any significant counterbalance. The plan of Bachelet 2014-2018 (Bachelet, 2013) was:

- To implement a tax reform based on a principle of tax equity which would considerably increase the taxes on capital and its financial investments.
- To establish universal free education that ends the private profits at all level of the educational system.
- To end the asymmetrical relations between capital and labour by replacing the 1979 Labour Plan logic.
- To elaborate a new Constitution that can replace the 1980 Constitution.

In theory, if Bachelet's plan had been implemented, one might argue that neoliberalism would have transformed into something else, to the extent that the overall aim of this plan undid the structural changes made by the Chicago group in the 1980s. However, this plan did not take place, and so questions remain as to the ideal socio-political conditions in which neoliberalism can be completely removed or extent to which the Chilean neoliberalism has to be reformed so its harmful dynamics reach minimal levels. Even though the response to these questions remains uncertain, one might argue that the socio-political conditions by which Bachelet's reforms were not carried out relate to what happened to the economic groups in this fourth phase. It follows that the economic groups would have experienced a profound crisis of legitimacy even in the eye of the right-wing parties. As it was noted in the other phases, the economic groups made their fortune under the different waves of privatisation of the public assets of the country, yet their legitimacy was given by the belief that these groups increased their fortunes by the auto-regulation of the market forces. Nevertheless, as Matamala (2016) reported, it was discovered that many of the few people holdings the assets that control all types of services in society, including social goods, were colluding with government. In other words, neoliberalism in Chile installed and consolidated capitalism without competition forming a model based on oligopolistic concentration and unilateral price fixing, which violate the most fundamental assumption of the Chicago school, namely: free market competition. In so doing, as Matamala (2016) suggests, this situation would transform 'the ideal of the self-made man into Mr. Scrooge from a Christmas Carol', breaking the myths that surround the entrepreneurial capacity of economic groups.

Although there is a high level of interest amongst the press and mass media surrounding the economy (Rojas *et al.*, 2011), one can see that the role played by the Chilean mass media was critical to uncovering the collusion cases such as 'the drugstore collusion', 'the chicken collusion', and 'the toilet paper collusion'. To some extent, the mass media

also took down Bachelet's reforms and her attempt to remove neoliberalism by exposing the biggest corruption scandal since the return of democracy that involves the vast majority of politicians in Congress.

It was discovered that the economic groups (at least from Lagos' administration) were giving illegal financial support to people across the political spectrum to influence them in Congress, including during the presidential campaign of Bachelet. While in other cases was proved that the economic groups offered to politicians of the *Concertacion* and the *Alianza* money as a way to preserve their interest in different social bills such as the pension reform and extraction of natural resources as lithium. The lithium case is an extraordinary example for illustrating the connections between politics, policy, and business in Chile. It follows that in 1979 Ponce Lerou a son-in-law of Pinochet, was designated as the CEO of SMQ, a public lithium company. However, as Matamala (2016) reports, in 1987 this company was privatised and Ponce Lerou became the new owner of this company. In 2015, it was discovered that SQM (a private entity since the early 1990s) had given illegal economic support to both left and right wing parties so as to promote its interests in Congress by intervening directly in the elaboration of laws. As a consequence of these corruption cases, Bachelet progressively lost the support of the social movements. The social movements decided to go back to the streets and initiated massive demonstrations against the government in the same fashion as they did in 2006 and 2011.

The economic and social outcomes of this phase remain open, yet what is clear so far is that although the neoliberal project is still operating in the country, the project is currently facing one of its biggest crisis of legitimacy, a situation that may lead to two possible scenarios. One scenario is that this socio-political crisis facilitates a new process of amending neoliberalism, whilst the other possibility is that the crisis can be expanded to a point where the harmful consequences of neoliberalism became

unsustainable from a human flourishing point of view, forcing the system to transform into something else.

On the one hand, neoliberalism has proved to be excellent at handling different scenarios of crises in its favour, although one might adopt a pessimistic view on this issue. However, assuming a principle of uniformity means to underestimate the strength of social actors and their imaginative ways for building a harm-free society, and in this sense, as Gramsci said, the only option is to remain optimistic because of agency.

4.8 Summary

This chapter has aimed to set the historical context in which both contradictions and harms will be interpreted in the finding chapters. The different phases of the neoliberalisation process tell the history of the general motivations of social agents to handle, re-design, amend and challenge contradictions; and how, based on their ideological convictions, they searched for a model of prosperity. The chapter has described the historical process through which the ‘ideal type’ of a neoliberal society was closely implemented in Chile, and how the harms that the contradictions of this ideal type trigger have led the formation of different waves of ‘patches’ of the neoliberal experiment.

Allende’s period built a socialist way to resolve the contradictions of capitalism, yet this formula was abruptly stopped through a military coup that ended up facilitating the implementation of the neoliberal experiment in a ‘pure’ form. The initial harms and injuries of the experiment were not only the rise in poverty and unemployment rates but also the death, disappearance, and torture of thousands of people as a price for its installation. The authoritarian phase brought different ‘economic miracles’ that has allowed the country to maintain the macroeconomic variables at healthy levels, such as high economic growth and low inflation rate. Moreover, although phase one imposed

the Chicago Group's reforms by military force, the neoliberal project through establishment of the new constitution that led to the 1988 plebiscite was capable of self-inducing a switch so as to gain consent.

One of the major lessons of phase two was that the purity of the neoliberal experiment is impossible to sustain under democratic conditions given its negative links with human flourishing such as poverty and inequality. This phase told the history of how attempts were made to resolve neoliberal contradictions by keeping the supremacy of market variables but expanding social spending so as to create a model of prosperity based on inclusive economic growth. The country in this phase constantly faced the dilemma between removing the neoliberal project as quickly as possible, but with the threat that the military took over the country again, thus keeping the neoliberal paradigm but with adjustments. As was mentioned, the latter formula succeeded and the neoliberal project managed to keep operating in the following phases thanks to legal tools such as 1980 Constitution, the Organic Constitutional Laws (LOCS), and the electoral system. Additionally, with the intention of gaining support among Chileans, the project systematically expanded the market access through credit mechanisms and managed to keep unemployment under two digits. Nevertheless, the modest results in reducing inequality led to phase three, where there was a rise of social movements that challenged the neoliberal hegemony. As a result, a new wave of corrections to the neoliberal formula was made, yet other features such as the pillars of privatisations of public goods remained untouchable. At a time when social movements strongly questioned the project's hegemony and successfully imposed their agenda of de-privatisation of social rights in phase four, a scenario of socio-political crisis emerged that ended up blocking the attempts to remove neoliberalism from its foundation.

Consequently, from the understanding of the different phases emerges a highly complex portrait of neoliberalism that navigates between praise, critique, benefits, harms, and

contradictions. The findings chapters will assess empirically whether the experiment has helped Chileans to fulfil their material and relational needs, and will examine how harms and benefits are resolved in the minds of ordinary Chileans. However, before we can start to uncover the findings of the study in the light of the elements provided by this chapter and the previous ones, the next chapter presents the methodology used in this research.

CHAPTER FIVE: METHODOLOGY

5.1 Introduction

This chapter gives an account of the social harm methodology used in this study for scrutinising the neoliberal experiment in Chile. The chapter begins by describing the specific challenges and complexities in designing a social harm methodology and explains why a multimethod design based on a case study was needed to answer the demands posed by the research questions. Section 5.3 explains the data collection process. This section discusses the instruments, sampling strategy, field work, and access issues that were used for collecting the data. Section 5.4 describes how - following a dialectical logic- the quantitative and qualitative findings of the research were triangulated. It details the specific procedures for analysing both quantitative and qualitative data, and establishes the ways in which the five contradictions and physical/mental, autonomy and relational harms were operationalised. The chapter concludes with a discussion of ethical considerations (section 5.5).

5.2 Research design

The demise of social science under neoliberalism has eroded the development of an alternative explanation of harm production in Chilean society. As noted before, this process has led to understanding harms not only in isolation from one to each other but also has reshaped common sense in a way that harms are either naturalised or disconnected from the dynamics of the social fabric that produce them. In this context, a social harm methodology for evaluating the consequences of neoliberalism in Chile demanded a research design that was capable of capturing not only social harms and injuries, but also the experience of these harms because they are socially constructed within society.

Harms were conceptualised as visible or manifested in societies when they interrupt the satisfaction of physical/mental, autonomy, and relational needs, and in doing so, needs

and harms can be seen as two-sides (constructive and adverse), of the same process. Also, it was emphasised that, on one side, two capitalist features have their own internal dynamics, and on the other side, they have a connection space that linked together. It was argued that within this ‘connection space’ is possible to find the mechanisms that allow harms to be formed. In Chapter Three it was claimed that the extension and intensity of harm could vary depending on the particularities of each historical feature that form a harm at a point in time. It was concluded that the history of how a harm becomes manifested is critical for understanding not only the formation of harm itself but also for comprehending its extension and legitimacy within society. Therefore, the methodological task was to design a social harm methodology that captures harms in a historical and dynamic way within Chilean society, and to understand how Chileans have interpreted, re-interpreted, validated, naturalised, and challenged the production of these harms and injuries under the neoliberal paradigm.

The research design selected for facing the above challenges was a multimethod design. This design captured different layers of Chilean social reality in a way that tied together the socially constructed dimensions of harms and injuries at macro and micro structural levels. As Branner (1992) indicates, the multimethod design can provide a “solution to overcome the duality structure between macro-structural ways of understanding society and micro-structural approaches which emphasise creative and interactive explanations and processes” (Branner, 1992, p.16). The multimethod design restates the role of social structures in the production and reproduction of harm without losing sight of individuals’ accounts of harms. This ‘tactic of triangulation’ (Brewer and Hunter, 2006) gave an opportunity to evaluate the Chilean experiment under the social harm lens from different methodological viewpoints.

On the one hand, the multimethod approach was helpful for looking at the trends of the neoliberal experiment over time, and testing the claims of achievements expressed many

times as a mantra for the experiment from the mid- 1970s to the mid-2000s (Kaiser, 2015; Foxley, 2004). It was expected that if neoliberalism can fill the material and relational needs of Chileans, then the social gradients between groups would become smaller. Conversely, if neoliberalism is an intrinsically harmful model for human prosperity, the social gradients between groups would become bigger, which is the hypothesis of the social movements (Mayol, 2012; Ruiz and Boccardo, 2014). The use of quantitative methodology also presented an opportunity to examine the ways in which the five foundational contradictions of capitalism are expressed in the neoliberal Chile, and to explore the extent to which Chilean society has been closer or further away from the normative model established at the end of Chapter Three.

On the other hand, as Brewer and Hunter (2006) suggest, the selection of a second method allowed for the analysis of “the structure, settings and constituent social processes of a phenomenon far more fully than when only a single method is used” (Brewer and Hunter, 2006, p.9), which holds true for this research. The use of qualitative methodology enriched the scrutiny of the neoliberal experiment by providing data on the narratives, assumptions, and beliefs that lie behind the statistical trends. In this sense, the qualitative method told the underlying story behind how the five contradictions were handled; and explored the ‘lived experience’ of neoliberalism and the contexts where the legitimacy of the model unravels.

The multimethod design worked with the idea that Chile is a relevant case study for exploring Pemberton’s harmful society hypothesis (Pemberton, 2016). As noted in Chapter One, Chile earned its ‘case study status’ as soon as the military conducted the first ‘natural experiment’ of Milton Friedman’s theory (Taylor, 2006). However, as discussed in Chapter Four, what happened after the return of democracy is more associated with ‘patching this natural experiment’, given the ways in which the

legitimacy of each neoliberal phase has been tested by the harms that result from the contradictions it has triggered.

According to Thomas (2013), what makes a case study ‘a case’ is that “it has to illuminate some theoretical points; it has to be a case of something, in some way it (the case) then explicates the something” (Thomas, 2013, p.150). From this standpoint, one can understand that the Chilean case illuminates several theoretical aspects of neoliberal capitalism and its links with social harms, as the Chilean experience was unique in terms of how closely the ideological prescription of the Chicago School mapped onto its economy and policy. Nonetheless, the Chilean case can also act as an example of how neoliberalism can be reinvented over and over again, insofar as the Chilean model has been capable of reducing some harmful dynamics that compromise human flourishing while other harms have been created. In this context, the strength of Chile as a case study is given by the ‘purity’ of the experiment, and how this experiment has been amended with the intention of searching for a more ‘humane version of neoliberalism’ over time (Atria, 2013).

Within the uniqueness of the case, also lies its weakness. Interpreting Yin (1989), what a case study cannot do so easily is to generalise its findings even if the case refers to a society as a whole. This idea is particularly true for expanding the claims of the social harm lens in Chile to the extent that needs, contradictions, and harms are not only expressed in particular cultural and historical modes but also they must be handled and resolved by political means. Thus, what this research does is to scrutinise the neoliberal experiment with the intention of gaining “in-depth understanding” (Mabry, 2008, p.214) of the consequences of neoliberalism in the country. As noted in Chapter Two, this depth of understanding of the experiment through the social harm lens can help to frame the political debates in an alternative way in Chile, because the social harm lens has a descriptive capacity to read ‘what is missing’ to achieve human flourishing but also

offers a normative scenario to move forward. Turning once again to the research questions that were posed for interrogating the experiment under the social harm parameters:

Overarching research question:

What does a social harms analysis contribute to an understanding of the implications and interpretations of neoliberalism in Chile, 1973-2015?

Sub research questions:

1. What roles have the process of neoliberalisation in Chile from 1973 to 2015 played in the production and reproduction of social harms?

How can we understand the distinctive phases of the neoliberalisation process in Chile and how do these different configurations relate to the production of social harms during this time?

Which conceptualisation of social harm most accurately maps the harm produced as a result of neoliberalism?

2. How are benefits and social injuries of neoliberalism interpreted by Chileans?

How have these harms been explained and to what extent do they legitimise the current neoliberal form in contemporary Chile?

In essence, this research aimed to explore whether the neoliberalisation process has helped Chileans to fulfil their material and relational needs, and whether Chileans legitimise the benefits and social injuries of this process. However, the way in which this research design was established to answer these questions is not exempt from problems and imperfections.

Firstly, the social harm perspective aims to capture the totality of harms and injuries produced within the social fabric by ‘connecting the dots’ between harms that are commonly seen in isolation from one another such as labour injuries, social trust, debt problems, among many others. Therefore, one of the complexities of the multimethod design was to bring together different sets of literature and empirical studies, that usually do not speak to each other, into the structural analysis of harm.

Secondly, the theoretical development described in Chapters Two and Three were concerned with refining a method for distinguishing between harms and non-harms based on a dialectical understanding of needs, as well as to expand the argument that the contradictions of capitalism can act as the generative context of the 'social' within the 'harms'. Fundamentally, if the social harm approach seeks to study how processes and dynamics are forged in the very centre of social fabric to interrupt the flourishing of individuals within capitalist societies, the social harm lens should be focused on capturing internal relations and tensions. This is because they are precisely the specific causes through which harms become manifested. The social harm emphasis implies a significant empirical challenge insofar as we are neither looking for 'themes' nor snapshot 'events' within the Chilean social fabric. It was an attempt to capture processes, the internal relationships between themes, and patterns over time. As will be explained in the data analysis section, this empirical effort involved at a qualitative level a dialectical analysis of the data, and at a quantitative level, the creation of regression models that linked together different cross-sectional surveys through time.

The critical point is that there is neither an established qualitative tool for exploring and analysing harms and injuries in a dialectical way, nor a longitudinal social harm survey that can capture the totality of harms within Chilean society. Therefore, while the qualitative instrument of this study cannot be compared with other examples in the literature in order to cross-check the validity of the instrument, the quantitative side of the research worked with imperfect secondary data that was collected for different purposes (see section 5.3). Related to this latter point, it is important to note that unlike the UK, Chile has neither a robust statistical system nor significant historical records. The majority of Chilean databases only cover from the early 1990s to the present, and work with a cross-sectional design of which questionnaires were changed over time. Thus, there were several situations where both gaps of information and the

comparability between years could not be addressed, leading to the exclusion of databases from the analysis. In this sense, an attempt was made to reconstruct the neoliberal experience of the country using statistics, however, it was not possible to establish statistical relationships between social harm indicators or contradictions given the lack of comparability between years and databases.

As Bryman (2012) argues, although the use of secondary data has several advantages such as providing an opportunity for analysing data over time, part of its limitation can be seen in the complexity of data, lack of control over data quality, and absence of key variables. While it is true that handling different sources of databases from different years was a challenge, one might argue that the absence of key variables for the social harm analysis can be perceived as the greatest limitation of the quantitative side of the research because the databases were designed for other purposes.

Challenges as critical as those confronted in relation to the quantitative work were also faced in relation to the qualitative side of the study. In particular, designing a social harm methodology also involved unpacking the ideological baggage that surrounds harms. The ideological demystification of the experiment required me to take into consideration my positionality as a researcher.

As Denzin (1986) indicates “research begins and ends with the biography and self of the researcher” (p.12), which holds true for my research. As Velasco (2013) helps us to understand: “Chilean neoliberalism demands that individuals take a position regarding their relations with the model... Society is built around two categories: winners and losers in relation to the current social, political and economic order” (p.125). Taking into consideration this societal context, I cannot get rid of who I am, which is the daughter of a miner and nurse who has benefited from this model to satisfy needs, such as being able to afford private healthcare and education without going into debt. In other words, somehow, I belong to the ‘partial winners’ of the model (see Chapter Nine,

section 9.2 for clarifications of this concept). However, as Merton (1972) suggests: “one need not be Caesar in order to understand Caesar” (p.31), which means that I do not need to be a ‘total insider’ to connect and engage with those who experience the hardship and injuries of the Chilean model. As Gramsci would say, it is inevitable that the sociological imagination and methods that I used for conducting this research are shaped by the ideological parameters of my society and by my position of privilege regarding the model (partial winner). Nonetheless, this position does not impede me to stand for and give voice to those who daily struggle within the neoliberal model in Chile.

I believe that to conduct research is always a political task where the ultimate point of this task is to transform reality. However, as Harvey (2010) suggests quoting Bertolt Brecht:

It takes a lot of things to change the world:

Anger and tenacity. Science and indignation. The quick initiative, the long reflection, the cold patience and the infinitive perseverance. The understanding of the particular case and the understanding of the ensemble: only the lesson of reality can teach us to transform reality (Harvey, 2010, p.343).

My reality is to deal with the fact that I grew up in neoliberal Chile, and so I have been subjected to all the ideological baggage of the experiment. I belong to the blurry and fragmented social segment called ‘the middle class’. Chilean middle class can be defined as a heterogeneous political and identitarian segment that navigates between neoliberal benefits and precariousness (Canida, 2013; Lizama, 2013; Velasco, 2013). As Barozet and Fierro (2011) characterise, “Large segments of the middle class identify themselves with the discourse of meritocracy and efforts. However, this class also make a strong criticism towards individualism and consumerism, despite the fact that a large part of them are heavily indebted” (p.27). This ambiguous class position regarding

beliefs, social aspirations and political standpoints not only mirror my intention to evaluate the Chilean experiment from an alternative perspective (social harm approach) but also reflect on my own ambiguities and contradictions.

I grew up in a politically divided country and family. Either you can support and defend Pinochet and his legacy (as my grandmother has), or you can condemn the dictatorship and give wide support to the *Concertacion* project (as my father has). This political division was installed not only in all my Sunday lunches while I was a child, but also in my neighbourhood, at school, and years later in my university and workplace. As Griffith (1998, p.374) explains, the researcher and her/his knowledge are always located somewhere within particular sets of social relations. Without a doubt, my 'location' has always been in the middle of this political division.

As a Chilean growing up in the 1990s, you were strongly encouraged to choose a side, and that position would define your social circle and your networks. I have always found that this idea of having no other option than to choose a political side is problematic. I believe that the way in which I framed this research through social harms, tensions and contradictions reflect the political tension of my context as well as my internal political struggle.

Therefore, when I decided to study sociology what was socially expected of me was that I fully commune with the ideas of *La Concertacion* and 'Marxist ideology'. However, this is something that I could not do. As Hordge-Freeman (2015) quoting Rouse-Arentt (2003) expresses "sharing certain identities is not enough to presume an insider status" (p.125), which in my case means that sharing a professional background was not enough to stick to 'my given insider status'. Instead, I decided to be part of the creation of a new national political party called 'Chile Primero' whose intention was to build the bridge between social democratic values and progressive liberal ideology in 2007. Unfortunately, we were heavily defeated in the general election of 2013, and the party

was dissolved afterwards. Perhaps neither the country nor we as the political party actors were ready to build an alternative political project for Chile, and consequently we could not overcome 'the divide'. Our party was split into two political groups. Some people decided to re-join the *Concertacion* coalition while others (including myself) decided to participate in the first right-wing government after the dictatorship as a policymaker. For some people inside of the Presidential Palace, I was 'too red' to work there, while for some of my undergraduate sociology students I was 'too right-wing' to teach them sociological theory. In both cases, I was considered an 'outsider'. According to Merton (1972, p.15), the insider doctrine represents the idea that the outsider (in this case me) has a structurally imposed incapacity to comprehend the moral values, practices and beliefs of the 'insider group'. I have been navigating this political tension all my life, and I am not sure if I will be able to resolve it. However, I believe that this research can give us (i.e. the country and myself) an alternative perspective to debate the consequences of the neoliberal experiment in a way that we will finally be able to 'overcome the divide'. Following the ideas of Merton (1972), there is nothing fixed about the boundaries separating insiders from outsiders or the limits between '*Concertacionistas*' insiders and '*Alianza por el cambio*' insiders (right-wing coalition). "As situations involving different values arise, different statuses are activated and the lines of separation shift" (Merton, 1972, p.28).

To a large extent, although '*Concertacionistas*' and '*Alianza por el cambio*' tend to consider that I am in an outsider position, I consider that my position is in between both political groups. I believe that this positionality helped me to uncover and map out the spectrum of positions concerning harms, neoliberal contradictions and statistical results. However, inevitably, my position only allowed me to reveal harms and contradictions partially given my 'outsider political status'. In fact, in some cases, I could not truly connect with some participants during the interview process because I felt that they

were judging me as being either ‘too red’ or ‘too right-wing’ a person. My understanding of their judgements came from the fact that I declared my ‘professional identity’ at the beginning of each interview. Within the Chilean social imaginary commonly the word ‘sociologist’ matches the profile of being a ‘Marxist’, a ‘Communist’ or ‘*Allendista*’ while being a policymaker between the years 2010-2014 stands for being a ‘right-wing’ person or a supporter of Pinochet. This socially constructed barrier naturally affected the richness of the data especially in relation to the interview groups of social movements and general population.

My political view is that only within the ‘synthesis of extremes’ can new truths that transcend the old appear, and from that starting point, we can start building a harm-free society. Chilean researchers may disagree with me about how we can actually build the harm free society path because the resolution of capitalist contradictions is always through political means. However, I believe that the descriptive side of the social harm approach jointly with the quantitative and qualitative data provided in this research offers a valuable platform for initiating this discussion.

5.3 Data collection

The multimethod design for scrutinising the neoliberal experiment in Chile used both deductive and inductive angles to build the relationship between social harm theory and its empirical measurement. The deductive logic of the research sought to collect evidence with the purpose of testing and expanding the social harm theory applied to the Chilean case; while the inductive logic aimed to give clues about how the contradictions of the model are interpreted and resolved in the mind of Chileans. The methodological formula that this research used to tie its deductive and inductive logics was through a dialectical conception in order to ‘blend the methods’ (Branner, 2005). This mixed method strategy implied that two systems of competing truth -one based on

numbers and the other based on interpretations- generated “new truths that transcend the old” (Betzner, 2008, p. 54). In other words, it was worked with the idea that both the deductive and inductive logic were inquiring into the same phenomenon, yet each method offered different insights into the Chilean case. In doing so, what the dialectical logic of triangulation brings to the research is a ‘process of creative tension’ between both techniques (Tashakkori and Teddlie, 2003a).

The different components of the overall story of the experiment were followed in a sequential way in order to scrutinise the Chilean case. Taking into consideration the nature of social harm’s interaction with structural harms in society, the type of expected harms can be traced in as many social aspects as there exist in the society. In this context, it was thought that by placing the collection of qualitative data first instead, the responses of participants would inform the quantitative analysis to assist interrogating the ‘right’ social harm questions in the secondary databases.

The ‘right’ social harm questions in this context means to use similar parameters that the participants used for evaluating both benefits and harms of the experiment through statistics over time. In this sense, the purposes of the semi-structured interviews was to understand how Chileans make sense, legitimise and challenge the neoliberalisation process and its social harm links from a ‘lived experience’, and to map out the areas where the quantitative analysis of the research should focus its attention. When the qualitative findings informed the quantitative analysis, it was possible to test if the social gradients between groups grew or become smaller regarding the claimed benefits and harms of the model; to examine which socio-demographic groups were more exposed to experience physical, autonomy and relational harms over time; and to examine to what extent the Chilean society has been closer or far away from the normative model established in Chapter Three. However, as Branner (1992) argues, “the practice of research is a messy and untidy business which rarely conforms to the models

set down in methodology textbooks” (Branner, 1992, p.3). Consequently, as soon as the quantitative analysis was finished, it initiated a process of moving back and forth between quantitative and qualitative findings to triangulate in a dialectical way the ‘new truths’ that results from the convergent, divergent, and unique findings of each method (Betzner, 2008).

Regarding time frame and location of the study, it was considered that a long period of time was needed so as to capture the processes and relations that allow the formation and manifestations of harms in the neoliberal Chile. The time frame was settled as beginning at the installation of the neoliberal project (1973) to a time when an attempt was made to remove neoliberalism from society (2015) (see Chapter Four). The qualitative evidence was collected using a retrospective perspective from 2015 to the past, whilst in the case of the quantitative evidence, the idea was to reconstruct the story of the case through statistics from seven databases. Although the retrospective perspective can generate some inaccuracies in the way in which the interviewees’ recalled historical events (Mills, Durepos and Wiebe, 2010), this view helped to reconstruct the timeline of the neoliberal experiment and variables that changed over time.

Geographically speaking, the qualitative part of the research was conducted in the Metropolitan Area of Santiago (AMGS), which corresponds to 34 districts in the capital of Chile. The AMGS location was selected because these districts congregate a wide social diversity in terms of people’s socio-cultural profiles. Therefore, the AMGS constitute a natural sample for sociological and marketing studies by which the temperature of public opinion is measured on some national issues as generalisable to the country as a whole.

However, this methodological decision is not exempt of limitations. Chile extends for 4270 kilometres from north to south, which represent the distance between London and Burkina Faso in Africa. Thus, it is not only likely that the findings of the research might underestimate the evaluation of harms and benefits of the neoliberal project in the rest of the regions of the country, but also the evaluation of social harms may differ in intensity between regions. Nevertheless, given the cost associated with regional samplings, this option was not viable for this research project. In the case of the quantitative data used in the research, the social harm indicators were seen on a national scale to measure the incidence and perception of social harms over time, which to some extent helped to mitigate the restrictions of collecting the qualitative data in the AMGS only.

The tool selected for collecting the primary data was semi-structured interviews. As Gillham (2005) argues, this instrument offers a balance between flexibility and structure to gather information, which was precisely what it was needed for organising the scrutiny of the Chilean experiment under the social harm lens. This tool was a good match with the aim of evaluating positive and negative aspects of neoliberalism in the sense that it gave space for the natural emergence of ‘different systems of truth from the data’ (Berniker and Nabb, 2006). Guided by the theoretical elements of the social harm lens, this technique created a structure that focused the attention of participants on social harm issues through the use of a topic guide and prompts.

The challenge of the semi-structured interviews was to collect an evaluation of the Chilean experiment but in a way that the participants could explain the causes that are associated with the perceived benefits and harms of the model, the impacts of these issues on their daily life, and the context where the legitimacy of the experiment unravels. In this sense, a system was developed to inquire of participants about the model of society that participants ‘were living in’ without any prescription of the model

in advance. It was decided to establish three broad dimensions for the topic guide and its prompts. The topic guide is presented in full in Appendix 1, but Table 2 aims to summarise the main areas covered by this instrument. It is important to note that the topic guide was based on a second version improved following a pilot stage. This pilot was conducted in January 2015 in Santiago and included 9 participants from different backgrounds. All the information collected through those interviews was used to improve the final topic guide and to explore different types of qualitative analysis only. Appendix 2 shows the main characteristic of the pilot process.

Table 2. Topic guide: Broad dimensions and its operationalisation

	<i>Dimension 1</i>	<i>Dimension 2</i>	<i>Dimension 3</i>
Areas	Perception of the model of development through the years	Evaluation of the economic and social consequences at societal level	Impacts of the economic and social consequences in individuals' daily life
Objective	Collect different evaluations of the neoliberalisation process Search for legitimization/no legitimization drivers of the neoliberal project	Collect different contents of the harm production/reduction of the process of neoliberalisation	Collect the lived experiences of harm
Operationalization in the topic guide	Ask for: Recognition of elements that are contributing to and damaging to the fulfilment of material and relational needs Identification of positive and negative elements Identification of causes Evaluation of cost-benefits of having the neoliberal project	Ask for: Social policy evaluation (Health, Education, Labour) Poverty Meritocracy Freedom to choose in education and work Social conflicts Identification of positive and negative elements Identification of causes Drivers for legitimization/no legitimization	Ask for: Situations where participants have experienced physical, autonomy, and relational harm

In the case of the quantitative information, all the databases were drawn from available and public secondary data sources collected by the Chilean Government, the Central

Bank of Chile, Centro de Estudios Públicos (CEP), and international organisations such as NUN-Chile, ECLAC, and OECD. Table 3 describes the main characteristics of each database including their purpose, representativeness, sampling strategy, sample size, and mode of data collection. As Table 3 shows, more than 28 databases considering seven different sources of information were used in this study, yet it is possible to simplify the understanding of these seven data sources if we think about them in two broad categories of information.

The first category of information was presented within surveys that were used to measure the incidence of harm and contradictions within the Chilean society, such as the access to use and exchange values, represented by access to tap water and sewerage services, and people living under 3 USD per day. Here, the type of variables used for building social harm indicators was related to socio-economic information collected by household surveys such as CASEN that gathers information about health, housing, labour, and inequality issues, and EFH financial household that explores the level of debt and income among the Chilean population.

In the case of the second category of information, this can be related to the type of data that is collected through CEP survey and PNUD survey, which are mainly concerned with measuring perceptions and opinions about different aspects of the public sphere in Chile. These types of surveys were used to uncover harms and contradictions that are more associated with the perceptions of harms than anything else such as the tendency of evaluating people under an instrumental rationality over oriented rationality represented by the feeling of being discriminated against social circumstances (see section 5.4 for details about the operationalisation of both contradictions and harms).

Table 3. Characteristics of the databases

Name	Purpose	Type	Sampling strategy	Unit	Representativeness	Mode of data collection	Sample
CASEN	CASEN is a national household survey made by the Chilean government which has two main purposes. First, to represent different aspects of Chilean households such as demographic characteristics, educational issues, health, housing, labour, and income; and second to estimate the distribution criteria for Chilean public expenditure.	Cross-sectional	Probabilistic, stratified by conglomerates Multistage	Households Individuals	National	Face to face	1990:105,189 1992: 143,459 1994: 178,057 1996: 134,262 1998: 188,360 2000: 252,748 2003: 257,077 2006: 268,873 2009: 246,924 2011: 200,302 2013: 218,491
EFH	EFH is a financial household survey made by the Central Bank of Chile which generates financial information about Chilean households over time. This survey explores issues such as level of debt, income and financial assets.	Longitudinal	Panel (Rotating sample design)	Households	National (only urban areas)	Face to face	2007: 118,668 2011: 125,829 2014: 139,562
CEP survey	CEP is a multipurpose survey which evaluates different aspects of Chilean life in the public sphere such as environment, health, education, inequality, evaluation of politicians, and economy.	Cross-sectional	Probabilistic, stratified by conglomerates	Individuals ≥ 18	National	Face to face	1991 (dec): 1,246 1992 (dec): 1,800 1998 (jun): 1,503 2003 (jun): 1,503 2006 (dec): 1,505 2007 (dec): 1,505 2008 (dec): 1,505 2010 (oct):1,522 2011 (dec): 1,559 2012 (oct): 1,506 2015 (aug): 1,420
PNUD survey	PNUD survey is the statistical base from which the United Nations Program in Chile	Cross-sectional	Probabilistic, stratified by	Individuals ≥ 18	National	Face to face	2012: 2,532

	has developed the Human Development Report since 1996. The 2012 PNUD survey focused on subjective wellbeing.		conglomerates				
	Purpose						
CEPALSTAT	CEPALSTAT is a public database made by Economic Commission for Latin America and the Caribbean that gathers demographic, economic, and social statistics of 42 countries in the region at aggregate level.						
OECDSTAT	OECDSTAT is a public database that gathers data and metadata for OECD countries and selected non-member economies on a wide variety of areas such as education, health, demography, labor, and industry. Chile has been part of OECD since 2010.						
INE data	INE is the National Institute of Statistics of Chile, which has public and historical databases of labour statistics, social statistics, and census data among others.						

In terms of the way that primary information was collected through semi-structured interviews, there are several aspects that need to be discussed. It follows that through the information provided by Chapter Four, it was possible to identify three types of participants to document the 'lived experience' of neoliberalism. The interviews provided an opportunity to collect data from a range of social groups, reflecting lay perspectives on the benefits and harms of neoliberalism. Interviews were also conducted with those in specific vantage points, such as policy makers and those involved with social movements. The idea was to collect a broad variety of viewpoints of what has happened in Chile regarding the neoliberalisation process. Within this, it is important to note that one topic guide was used to interview the three selected groups only. Albeit, so as to capture the particularities of each group, at the beginning of each topic guide different questions were included (see Appendix 1, the topic guide and the different prompts for each group are presented in question 1).

The first group of participants was the general public that represented the opinions of different social classes. The neoliberal project seems to produce the feeling that some people win while others lose within the social fabric. This group provided important insights to look at this issue closely. In this context, participants from the general public were identified and recruited through gatekeepers in community organisations. These organisations were identified as representative of specific demographic groups (gender and age) and particularly social class. The participants of this group were selected through a qualitative snowball sampling based on 10 gatekeepers who provided access for interviewing 22 participants.

The criterion for the gatekeepers' recruitment of the general population group was through volunteer organisations in the Metropolitan Area of Santiago (AMGS) districts. Initially, it was considered recruiting the potential gatekeeper using the first 'Register of Public Interest Organizations' (OIP). This register was created under the law 20.500 in

2011, which constituted the first national database to register all the community organisations of the country by district and purpose. However, the OIP database is not created yet. Therefore, the public access to volunteering organisations database was used, which is not a national register and only provided information on volunteering organisations around the country on 1277 organisations (the last update of the database was in December 2012).

As the literature reports (Borsdorf and Hidalgo, 2004; Rodriguez, 2001), the AMGS constitute a territory highly segregated by social class. Using different indicators such as unsatisfied basic needs, the price of housing, income, and access to public goods, the authors implied that, it is likely to find an X social class in each district. Bearing this in mind, the socioeconomic segmentation group by family incomes was taken with the purpose of creating a standard procedure that, not only recruited gatekeepers, but also contributed to reducing the potential *bias* in the selection of the participants. In this context, the studies in marketing association criteria (AIM, 2012) were used to allocate in which district it was probable to find an X socioeconomic group (see Appendix 3). Notwithstanding that, in an X district, it is highly likely to find more than one social class (each district has its own social stratification), even so, for practical reasons the different districts were allocated only one exclusive socioeconomic group. From the volunteering organisation database, only 417 organisations correspond to the AMGS whose presence was in 34 districts. Through the criteria of having contact details such as address, phone, the name of the organisation, and details contact of a representative of the organisation, 366 potential gatekeepers were selected. The 366 cases were organised by districts, which at the same time correspond to 8 socioeconomic groups. With the purpose of choosing the 10 gatekeepers, a stratified random sample with proportional allocation was made, which assumes that the sample size inside of each

stratum is proportional to the size inside of the population considering 366 cases only (Levy and Lemeshow, 1999).

Table 4. Gatekeepers' sampling: numbers of gatekeepers by strata

Socioeconomic group	Number of organisations	Proportion	Number Gatekeepers by strata
Upper class	27	7	1
Upper middle class	43	12	1
Middle middle class	90	25	2
Lower middle class	26	7	1
Upper working class	31	8	1
Middle working class	53	14	1
Lower working class	67	18	2
Under class	29	9	1
TOTAL	366	100	10

Then, systematic random sampling by each stratum was conducted (Levy and Lemeshow, 1999). The target population was divided by the sample size, giving an interval of 37 starting with the first gatekeepers that represent a volunteering organisation. The procedure to approach the gatekeepers is described in Appendix 4. However, it is important to highlight that in the cases where access through gatekeepers was unsuccessful, such as in cases where the contact details in the database were incorrect or because the representative did not want to act as a gatekeeper, a second systematic random sampling was performed, until 10 gatekeepers were found.

Finally, a purposive sampling strategy using the typical case (non-probabilistic) based on 10 gatekeepers was made. The criteria given by the researcher to the gatekeepers for the selection of the potential participants tried to cover the entire range of socioeconomic groups as well as the variables of age and gender. The process of contacting participants took two months. This sampling strategy led to the conducting of 22 interviews. However, it cannot be ignored the fact that, using gatekeepers from a voluntary organisation database as a sampling strategy ended up generating a situation where it was not possible to interview people who belong to the richest 0.1% of the population. Consequently, although their viewpoints could enrich the findings of the

research, to some extent, the interviews did not successfully cover the full spectrum of class positions within Chilean society.

The second group of participants was the policy makers group; they represented a range of political orientations, different areas within the state, and participants who work or used to work at different hierarchical levels of the central state. This group was selected because they have had a major role in operationalising the abstract concepts of neoliberalism into different policy areas via reforms or consolidations. Given the nature of their jobs, this group has had privileged access to knowledge of the institutional trajectories and effects of the neoliberal project. In Appendix 5 the protocols to approach the gatekeepers as well as to approach the participants are described. Here, it was possible to contact 8 gatekeepers who gave access to 15 policy makers. The snowball non-probabilistic sampling, obtained participants who worked or used to work in following areas: labour and pensions, security, environment, government communication, social policy, human rights, laws, social participation, politics, health, local governments, housing, education, Congress, and state modernisation. The selection of gatekeepers was based on the network that the researcher made while she was working as a policy maker in the central government.

The last group included in the interview process were representatives of social movements. Participants from relevant social movements with high public visibility were included because, as noted in Chapter Four, the social movements have influenced the ways in which neoliberal contradictions have been handled within Chilean society during the last decade. The selection of the participants followed the same procedure as the two previous group (see Appendix 6), yet this strategy did not work at all because nobody replied the researcher's emails. Consequently, it was decided to change the recruitment strategy while the fieldwork was conducted. The researcher participated in 9 national demonstrations to get access to potential participants. As a result, 22 interviews

were conducted with representatives from local and national social movements. The nine national demonstrations are listed in Appendix 7.

Appendix 8 summarises the general characteristics of the 59 interviews across the three groups of participants described above, namely: general population, policy makers, and social movements.

Regarding field work, the interviews were conducted in Spanish during the time period of 01/03/2015 to 01/05/2015 in Santiago, Chile. The interviews were made in an unusual socio-political context, and consequently, it is likely that the socio-political context influenced the responses of the participants. During the field work the corruption and political scandals emerged, as discussed in Chapter Four (section 4.7). Certainly, the responses given by the three groups in one way or another were strongly mediated by those factors. To a large extent, to the benefit of the study, these scandals led to an immediate active and observable response by social movements' participants. These events allowed the researcher to opportunistically reach representatives of social movements.

It is important to mention that two colleagues from sociology conducted 12 out of 59 interviews. While it is true that this situation may affect the qualitative information insofar there was inter-interviewer variability (Shenton, 2004), this decision was taken as the only viable choice to collect a broad range of viewpoints within the Chilean social fabric. Acknowledging the positionality of the researcher, which is a middle-class woman who used to work as a policy maker for a right-wing government, it was unlikely that some representatives of social movements would express their true opinions without feeling uncomfortable. Thus, 6 interviews were conducted by a colleague who works in social movements studies in Chile. Similarly, the other 6 interviews were conducted by a second colleague who helped to interview people from

the general population group who belongs to the extremes of the Chilean social structure. In the 59 cases a participant information sheet, a recruitment sheet, and a consent form were provided (see Appendix 9). Following Gillham's (2005) recommendations on interviewing, the three interviewers had meetings to avoid differences in the way questions were asked in relation to the topic guide. Moreover, it was agreed that each of interviewers would follow the fieldwork protocols (see Appendices 4 to 6), and subsequently, each of the interviewers would share the notes of their fieldwork diaries.

5.4 Data analysis

Although two different methods were used for scrutinising the neoliberal experiment, and even though the qualitative methodology was first used for orienting the quantitative analysis, once the data analysis of each method was made, a process of triangulation between the findings of each method was initiated. This triangulation followed a dialectical rationality that imposed a mental structure for making sense of both the quantitative and qualitative findings. This approach followed Hegel's idea of 'universal reciprocal dependence' (Hegel, 2005), which in the words of James (1980) and Ollman (2003) can be summarised as a 'method' for understanding social reality.

Epistemologically speaking, the method involves a time of 'affirmation of the social reality', a moment of 'the negation of the former reality' and, an integrative moment that constitute the double negation of both (synthesis) (Ollman, 2003). The use of this rationality meant that, in practical terms, it worked under the assumption that each group of findings (quantitative and qualitative, respectively) possess their own principle of identity and difference, and so, each set of findings represent separated 'models of truth' for scrutinising the Chilean experiment. However, the interrogation of the same case implies that in one way or another the findings of each method were internally connected because they can offer different points of view on the same issue. In doing

so, in the synthesis of the two methods, a ‘new truth’ that transcends the old one was found (Betzner, 2008). This synthesis provided us with a more holistic picture of the consequences of the neoliberal experiment in Chile, which means that, at the aggregate level, the dialectic way of thinking gave us the rationality to put the pieces of the Chilean experiment puzzle back together.

Importantly, a similar dialectical rationality was used when the qualitative analysis of the data was conducted. As noted before, one of the challenges of scrutinising the Chilean case under the parameters of the social harm lens was to search for relationships or processes that connected features in the neoliberal experiment to describe and explain the manifestation of harms in a dynamic way. In this sense, it was decided to conduct a dialectical qualitative analysis adapting the protocol suggested by Berniker and Nabb (2006) because this type of analysis best fitted our intentions for examining the relationships and contradictions forged within the Chilean social fabric.

As Seligman (2013) argues, the dialectic approach for analysing data is a useful technique for “identifying and making explicit models that stretch out the fabric map and expose both patterns and interpretations” (Seligman, 2013, p.7). At an epistemological level, the starting point of the analysis shared Hegel and Marx’s assumptions about the relational nature of the social world. Here, it is argued that individuals build their ‘sense of truth’ based on first and second-hand experiences that mirror contradictory relationships that already exist in human nature. In essence, as Berniker and Nabb (2006) suggest, that qualitative dialectic analysis works with the idea that the ways in which individuals make sense of the social world operate on the basis of multiple competing models of truth where all of the models in question are real at the same time. However, as the authors also warn us, “we cannot assume the availability of competing models, they must emerge from the data” (Berniker and Nabb, 2006, p.645).

What makes this type of analysis different from other types of qualitative analysis is that the focus of the inquiry is on the relationships and contradictions that emerge from the models of truth. Nevertheless, the dialectical analysis uses elements of both thematic and narrative analysis to build the models of assumptions and counter assumptions. Similarly to thematic analysis, the dialectical technique identifies, analyse, and reports the systems of truth as “themes to organise and describe the collected information in rich detail” (Braun and Clarke, 2006, p.79). However, closer to the narrative analysis, the dialectical approach also uses “the process of continuous accounting that relates to both biographical experience and society” (Williams, 1984, p.178) in a way that the biographical experiences of harms are as important as the environments in which the common sense of society is built.

The best way to understand how the qualitative analysis was made is using an example that can help us to uncover the way in which the Berniker and Nabb’ protocol was used (2006, pp. 649-657). Although the authors who developed the Dialectical Inquiry (DI) did so for studying organisational technology transfer within a business orientation framework, it was considered that this protocol could be used for illuminating a technique that is well characterised in the mixed methods literature and philosophy textbooks but rarely put into practice at this level of research (Betzner, 2008; Greene and Caracelli, 2003; Rescher, 2007).

To show the development and application of this method, here I shall give an example. If we pick question number two from the topic guide presented in Appendix 1, it is possible to observe that it asked about how the participants perceive the progress of the country from 1980 to the present in economic and social terms. From the data obtained, the first step involved in the analysis was to do several readings for immersion, familiarity, and note-taking. This step also considered extracting opposite and similar themes that can only be allocated in one category. For example, one theme was

associated with the idea of ‘material progress’ while another theme was linked ‘immaterial progress’. Nevertheless, to some participants, both themes worked with a reverse logic, which means that instead of talking about progress for evaluating the overall results of the experiment they preferred to use adjectives related to ‘material retrogression’ and ‘immaterial retrogression’. From this standing point, it was examined the assumptions and counter assumptions of each set of themes focused on its identified causes and history. For instance, those who perceived that the country had achieved material progress, identified that open economic strategy had played an important role from the 1980s to the present. While for those who perceived that the country had experienced a material retrogression, they mostly identified that the causes and history that explain this can be tracked back to the privatisation of social rights that ended up concentrating wealth in few hands since the dictatorship era.

The next step was to define the models of truth that emerge from the data. In this example, it was possible to identify two models with two opposite systems of truth inside of each model, yet it is critical to note that in other cases it was worked with one or three models, which at the same time included two or more opposite systems of truth.

For the progress models of truth, they were defined as follows:

Model 1: The progress model

Truths: Material progress – Immaterial progress

Material progress: it happens when the economic structures of society successfully consolidate long-term economic order and stability for enterprise investments as well as the country being capable of achieving a sustainable economic growth. There is also material progress when different social institution can ensure access to social goods (health and education) and services (electricity and water). Moreover, it can be considered that there is material progress when there is more access to consume essential and non-essential goods

Immaterial progress: it happens when people can reach certain levels of happiness, when people feel personal fulfilment, and they can fully develop their capacities. There is also immaterial progress when people have a feeling of justice where everyone has the chance to participate in different levels of the available resources in Chilean society.

Model 2: The retrogression model

Truths: Material retrogression – Immaterial retrogression

Material retrogression: it occurs when the economy is based on commodity export model which extract natural resources at a high environmental price. Material retrogression also occurs when market advertisement generates the consumption of items that people do not really need. In addition, material retrogression exists when the guiding principles of the Chilean society are based on market and economic concentration.

Immaterial retrogression: it happens when high level of individualism exist, and when there is precariousness of social rights such as housing, health, and education. Immaterial retrogression also occurs when people define their social identity based on the items that they consume.

Within each model, some participants focused more on the material dimension of the notion of progress/retrogression, while others worked with the belief that progress can be evaluated in connection with subjective elements. Up to this point, as Berniker and Nabb (2006) indicate, “if each model grasps an essential truth, and each is in conflict with the others, then each model is necessarily incomplete” (Berniker and Nabb, 2006, p. 655). Thus, the next step of the analysis was to search for relations between different systems of truth and to establish contradictions using the assumptions, counter assumptions and relations of each model. Fundamentally, we were looking for the connections that the participants made in relation to the idea of progress that lies behind their assumptions and counters assumptions. The hints for building these relationships and contradictions between models were given by expressions such as:

“There is a **paradox** in the way that we perceived progress...”, “there is economic progress, **but** this type of progress does not mean that this progress is morally right or valuable...”, “ it has been beneficial for business, **but for people**, the issue is quite the opposite...” and “it is **contradictory** that...”.

In this context, the relations and contradictions for the progress theme can be read as follows:

Model 1: The progress model

Truths: Material progress – Immaterial progress

Relation: Without material progress it is impossible to achieve immaterial progress, although material progress (mainly economic) can be achieved without having immaterial progress.

Contradiction: Material and immaterial progress have not evolved together. Progress was accomplished through the privatisation of public goods, an issue that has helped everyone in society but with particular emphasis on few people and groups.

Model 2: The retrogression model

Truths: Material retrogression – Immaterial retrogression

Relation: dependant relation of involution between material and immaterial retrogression thanks to the role played by the process of privatisation of public goods.

Contradiction: the illusion of progress was generated by the return of democracy while in reality the privatisation process of public goods consolidated and legitimised –through the slogan of democracy- dynamics that systematically impeded that could assurance of their basic livelihoods for the majority of the population. Additionally, it was expressed that these dynamics exacerbated egoistic behaviours that inhibited the flourishing of social goals.

Following Berniker and Nabb's protocol (2006), the refinement of models is as important as the process of defining them. In fact, the models presented above as an example of how the qualitative data was analysed, are the result of an iterative process in which the models of truths of each interviewed group (general population, social movements, and policy maker group) were finally collapsed into two. As soon as the models of truths, relationships and contradictions were clearly identified, established and refined; the data was reorganised and re-coded with two objectives in mind.

The first objective was to think of the ways in which the models of truth, relations and contradictions that emerged from the data mirrored the five contradictions and ontological harms established in the theoretical chapters. This re-coding process involved transferring the models that emerged from the participants' minds into the

theory of dialectical contradictions of capitalism (refining also the theory), and then, back to the model of truths of the participants. As a result of this process, Chapters Six and Seven show a set of quotes that seek to represent as closely as possible the models of truth, relations, and contradictions expressed by the participants within the overall framework of dialectical contradictions and harms that were set for scrutinising the Chilean experiment.

The second objective that the researcher had in mind for doing a separate process of re-coding away from the contradictions' model, was to understand how the personal harm experienced by the participants reflects on the different visions for evaluating and legitimising the experiment. This process of re-coding involved bringing the narratives of the three interviewed groups together in order to regroup them into overall discursive strands linked to their shared experiences of harms. As a result of this process, Chapter Eight uncovers a set of quotes that aims to represent three major discourse positions that emerge from the data, namely: the 'price worth paying', 'disillusionment', and 'harm' discourses.

Regarding the quantitative data analysis, it is critical to remember that the purpose of the analysis was to measure the incidence and perceptions of harms over time and to explore which socio-demographic groups were more exposed to physical, mental, autonomy, and relational harms. In this sense, before the process of triangulation between methods was initiated, the quantitative analysis allowed examination of how the five contradictions of capitalism are expressed in neoliberal Chile over time.

Due to the disparities of variables available in the secondary databases, while some contradictions and harms worked with descriptive statistics only. In other cases regression models with categorical dependent variables were built. Logistic regression, multinomial regression, and ordinal regression were used to explore whether the social

gradients between groups grew or become smaller under the neoliberal experiment; and to investigate which socio-demographic groups were more exposed to the experience of harms over time. As Field (2005) points out, binary, multinomial and ordinal regression models are statistical techniques that predict the likelihood of a given categorical variable based on the independent variables in the model. In other words, these types of analyses examine and test the relationship between a dependent (harms indicators) and independent variables.

It is important to note that depending on the type of categorical variable used for the analysis, different statistical techniques to build the regressions models were performed. For example, when harms and contradictions that worked with categories that oscillate between 0 and 1 values were explored, binary regressions were built. When harms and contradictions worked with categorical dependent variables with no hierarchy then multinomial regressions were built, while ordinal regressions were used when the order of the categorical variables was known. In these three cases, as Long and Freese (2006) indicate, these types of statistical analyses “allow a researcher to explore how each explanatory variable affects the probability of the event occurring” (Long and Freese, 2006, p.131).

Regarding the operationalisation of harms and contradictions, it is important to remember once again that in Chapter Three it was argued that the five contradictions can be understood as the generative context of the ‘social’ within the formation of harms. Consequently, it followed the theoretical structure given by the contradictions was used to operationalise social harms and to tie in the qualitative information provided by the participants. The following subsections describe the operationalisation of both contradictions and harms.

5.4.1 Contradiction I: the production of use and exchange values

Contradiction I was empirically approached by examining the capacity of the neoliberal experiment to reduce or increase the production of physical harms among Chileans in the exchange and use value dimensions over time. Whilst the first area of operationalisation of this contradiction corresponded to the production of exchange-values, the second area of operationalisation related to the production of use-values.

As we defined in Chapter Two, physical harms occur when individuals cannot ensure the production and reproduction of their livelihoods, so physical harm in relation to exchange-values can be examined regarding the ability of the model to increase the possession of exchange-values. As noted in Chapter Three, exchange-values can always be expressed in the form of money. Thus, one way to approach this contradiction was to examine whether those who historically have had less access to exchange-values, have progressively satisfied their material needs by accessing more exchange-values over time. In essence, this contradiction sought to test the neoliberal assumption of the trickle-down effect, which argues that the economic benefits of the model arrive first at the top and are disseminated until they reach the bottom of the social structure in a progressive way.

In terms of descriptive statistics, this assumption was examined through an indicator that aimed to represent the most basic standard to guarantee the satisfaction of material needs, which according to the World Bank international parameter can be represented by the percentage of the population living under 3 USD per day. In this sense, the indicator for scrutinising the ability of the experiment to reduce physical harm linked to exchange-values was set as follows:

% of population living under 3 USD per day

*This indicator was calculated based on the total percentage of population whose income per capita was below 3.10 per day in 2011 USD at PPP (Purchasing power parity)

Using inferential statistics, this indicator should test if the trickle-down effect is true for the Chilean case. If so, the probability of living under 3 USD per day should decrease, especially for those who have systematically been left behind economic prosperity. The literature that underpinned the exploration of this harm can be allocated within regional and Chilean literature about absolute poverty, which argues that although absolute poverty has been reduced in Latin America and Chile over the years, there are ‘five great social gaps’ that still need to be closed (ECLAC, 2010). As will be explained in the finding chapters, these social gradients can be seen in the variables of rural/urban residence, gender, age, income, and years of schooling. However, to avoid examining harms as isolated events in these social gradients, a long period of evaluation was needed. In doing so, the statistical efforts were focused on building binary regression models by bringing together cross-sectional household surveys for the years 1990, 1996, 2000, 2006, and 2013.

A close examination of Contradiction I would be incomplete without exploring its ‘use-value’ dimension. Thus, the second area of operationalisation of this contradiction was to find a good that can uniformly represent an use-value dimension. As indicated in Chapter Three, the ‘tricky’ aspect of the use-value dimension is that this dimension can have as many meanings as societies and people exist. Consequently, the methodological challenge was to find a good that not only possessed a relatively uniform value to all Chileans, but also good that aimed to satisfy a material need as fundamental as the expressed for the exchange-value operationalisation. Within the available databases, the closest variable that suited the former purpose was the indicator of access to tap water and sewerage services, which at the same time presented a strong link with what the participants were indicating as a positive characteristic of the urbanisation process in the country. The access to water and sewerage services was recognised by the Latin

American region as a human right in the World Water Istanbul Forum of 2009 (WWF) and ratified in Marseille 2012 through the following goal:

“By 2012 all countries in the Americas are aware of the implications and the principles of the Declaration of Water and Sanitation as Human Rights, and by 2015, an additional 25% of the countries in the Region have a formal road map for implementation of those rights” (WWF, 2012, p.12).

Access to drinking water and sewerage services can represent a use-value dimension to the extent that without access, individuals neither can ensure a non-hazardous physical environment for preserving their health nor satisfy their biological needs. Consequently, it was possible to establish a physical harm indicator in its use-value dimension as:

% of households that have precarious access to tap water and sewerage services

*Precarious access to tap water and sewerage services was defined as households which may have access to water but not a sewer and vice versa. The indicator also includes households that do not have access to both water and sewer.

In terms of inferential statistics, this indicator should show that if the neoliberal experiment has satisfied material needs of Chileans in its use-value dimension, a reduction of households with precarious access to drinking water and sewerage services over time should be expected. However, it is important to note that we were restricted by the availability of this variable in the databases insofar as this variable was only available for the years 2009, 2011, and 2013. Despite this, it was possible to capture a pattern over these years, however, this pattern was far more restricted than the physical harm indicator set for measuring physical harm in its exchange-value dimension.

Regarding the independent variables included in the binary regression models, it is relevant to highlight that, in the same way as the exchange-value regressions models, the independent variables were selected based on the specific literature about disparities

in the access to drinking water and sewerage developed by ECLAC for the regional context.

Considering that the operationalisation of physical harms in relation to use and exchange values can only offer an isolated evaluation of each aspect of this contradiction, the qualitative data helped to connect these two aspects. In particular, the dialectical qualitative analysis enriched the understanding of this contradiction by identifying the causes and evolution of the relationships between exchange and use values within Chilean society. The participants also discussed both benefits and harms of the use and exchange value dynamics and established the main contradictions associated with these dynamics.

5.4.2 Contradiction II: exploitation and surplus

Contradiction II was operationalised by scrutinising the ability of the model to increase or reduce autonomy harms in the labour space dynamics, and by examining the ability of the experiment to reduce or increase relational harms produced by economic inequality over time. In this context, the set of literature that underpinned the understanding of autonomy and relational harms in this contradiction was regional and Chilean literature about labour and inequality, respectively.

Regarding labour dynamics, as defined in Chapter Two, the participation of individuals within the productive structure is critical for developing their ‘physical and mental energy’. Thus, one way to approach this contradiction empirically was by testing the ability of the model to create jobs, because when individuals experience labour exclusion or unemployment, they are impeded in using ‘their slumbering power’. Although having a job can constitute one of the platforms in which the self-actualisation of individuals can be met, the exercise of autonomy is incomplete when the quality aspects of jobs are not considered in the equation. In particular, as noted in Chapter

Three, when individuals do not experience labour exclusion, but they suffer different types of exploitation they also tend to lose control over their livelihoods undermining their autonomy. Thus, the ability of the neoliberal experiment for reducing autonomy harms was scrutinised at two interconnected levels. Firstly, by the capacity of the model to reduce the unemployment rate over time, which for many Chileans economists can be read as the greatest achievements of the experiment (Kaiser, 2015; Moreno and Hernandez, 2004). Secondly, the experiment was also evaluated by its capacity to reduce the percentage of people who work in precarious jobs over time. In terms of descriptive statistics, the first autonomy harm indicator was set as follows:

Urban unemployment rate

* The indicator was defined as urban unemployed population aged 15 \geq , this includes all unemployed people who have tried to find a job without success and those who are looking for their first job among the urban economically active population aged 15 \geq .

Regarding inferential statistics, this indicator should test that if the model has helped to increase the level of autonomy of Chileans especially in those who the literature indicates have been socioeconomically marginalised, such as women and young people, then, the probabilities of experience unemployment in these socio-demographic groups should be reduced over time. Supported by ILO regional literature and the labour studies conducted by *Fundacion Sol* in Chile, binary regression models were built for the years 1990, 1996, 1998, 2006, and 2013.

In the case of the selected variables that helped to operationalise the ability of the model to reduce labour exploitation over the years, the autonomy harm indicator worked only with descriptive statistics given the restrictions imposed by the database where the variable was extracted (CEPALSTAT, see section 5.3). Taking into account the former restriction, the indicator was disaggregated as follows:

% of employed urban population in precarious jobs by area of employment

* The urban population employed in precarious jobs was defined in relation to the total percentage of the urban employed population. Considering ILO labour standards, a precarious job is defined when there are one or more situations that are below the ILO standards regarding wages, working hours, and social security. The informal sector was understood as any person who is employer or employee working in a company size up to 5, those who work in domestic jobs area or self-unskilled jobs.

Leaving aside the way in which the exploitation aspect of this contradiction was operationalised and focusing on the second element involved Contradiction II, which is the extraction of surplus, it is important to highlight that we approached the surplus dynamics by scrutinising the capacity of the model to reduce economic inequality. In other words, it was explored to what extent the extraction of the surplus feature from the productive work has equally distributed among Chileans.

Chapter Two identified that economic inequality could lead to the formation of relational harms, to the extent that individuals can end up totally or partially excluded from society. In this sense, economic inequality could easily produce social segregation and social conflicts between groups because individuals could be incapable of visualising how their own realisation in the social needs dimension is possible thanks to their relations with others. In fact, Chapter Four worked with the hypothesis that some of the ‘patches’ of the neoliberal experiment were made with the intention of politically handling the economic inequality. Here, as a way to summarise some of the driving forces that pushed the system to change over time, the Gini coefficient for each neoliberal phase was provided. Nevertheless, as Marsh and Elliott (2008) indicate, although the Gini coefficient can tell us about “what is happening across all the distribution... it does not, however, meet the principle of decomposition” (Marsh and Elliott, 2008, pp. 86-88). In other words, the Gini coefficient is not good at describing what is happening the tails of the distribution. Consequently, with the intention of visualising in a better way how the surplus feature has been accumulated between

groups, it was calculated the 10/10 and 99.9/0.1 indexes for the years 1990, 1992, 1994, 1996, 1998, 2000, 2003, 2006, 2009, 2011, and 2013. These indexes operationalise relational harms' indicators as follows:

<p style="text-align: center;">10/10 Index</p> <p>*The indicator was defined as the difference between the poorest 10% and the richest 10% households based on the average per capita autonomous income of households.</p> <p style="text-align: center;">99.9/0.1 index</p> <p>*The indicator was defined as the difference between the poorest 99.9% and the richest 0.1% households based on the average per capita autonomous income of households.</p>

In essence, both indexes aim to represent the income difference between groups. It was expected that if the neoliberal experiment is good at reducing relational harms, then, what should happen is that the income gap between the poorest 10% and the richest 10% or the gap between the 99.9% and the 0.1% richest of the population should be reduced progressively. Conversely, if the patches of the model were insufficient for holding back economic inequality, these income gaps should either increase or remain over time.

Importantly, in the same way as the operationalisation of Contradiction I, the operationalisation of this contradiction and its autonomy and relational harms provided a partial examination of the experiment. Thus, the qualitative analysis helped to uncover not only the contradictions between the jobs creation policy and the quality of jobs but also the role played by the system of labour relationships in the understanding of the intensity of harms within this contradiction. In the case of economic inequality trends, the situation was not different. The perspective of participants offered an opportunity to document the 'lived experience' of economic inequality, but perhaps more important, the qualitative data provided valuable insights into what economic inequality can produce for Chileans regarding the satisfaction of their social needs.

5.4.3 Contradiction III: the process of commodity production/consumption and the realisation of individuals

The model is scrutinised in this contradiction by thinking about whether the expansion of credit has helped to satisfy Chileans' material needs and whether this credit expansion has led to a commodity fetishisation process, which can trigger autonomy harms.

I worked with the neoliberal assumption that indicates that the vicissitudes of life should be resolved at an individual level, and in doing so, personal debt can be read as an expression of the neoliberal economic policy. Supported by literature about cultural studies and indebtedness, I approached this contradiction based on the idea that the circle of indebtedness can facilitate the consumption of essential and non-essential goods. Therefore, the circle of indebtedness could reduce physical harms to the extent that people can have access to resources to satisfy their material needs. However, the circle of indebtedness also opens up a road for the purchase of goods that are not always essential, and in doing so, from the consumption of non-essential goods, we can establish connections with what Chapter Three characterised as the commodity fetishisation process. As noted before, this process implies that individuals start to think that the items that they consume are what provide them with self-actualisation.

The operationalisation of this contradiction was made through the identification of different households situations regarding debts. In particular, it characterised the proportion of households without debt, healthy debt, and problem debt, as well as the type of debt and the motivations of households to acquire debt. Using inferential statistics, multinomial regressions were built with the intention of establishing the odds of a household to get a certain type of debt. However, it is critical to note that the quantitative focus was on problem debt. Using the definition of problem debt provided by

the Central Bank of Chile, it was considered that a household cannot make autonomous decisions when the level of debts reaches half of its monthly total income.

On the one hand, this type of debt can show to what extent the model is facilitating the emergence of autonomy harms, in the sense that Chileans may be incapable of making autonomous decisions by the responsibilities imposed by problematic debt. On the other hand, if the debt problem is more associated with paying for non-essential goods such as credit cards, then, the hypothesis of the commodity fetishisation process is more likely to be true. In this context, the autonomy harm indicator for exploring Contradiction III was set as follows:

Households with a financial burden ratio ≥ 50.01

* The financial burden ratio is a percentage which expresses the monthly amount of money that a household uses to pay its debts in relation to the total monthly household income. This ratio estimates the percentage of household with indebtedness. A ratio $\geq 50.01\%$ was considered as problem debt.

Unfortunately, again the quantitative analysis was restricted by the availability of databases, thus, the regression models were built only for the years 2007, 2011 and 2014. In this sense, the qualitative analysis strengthened the scrutiny of this contradiction by explaining the evolution of the indebtedness phenomenon in the country, and the connections and paradoxes between debt, individual responsibility to assume different social insecurities, and the wage reality.

5.4.4 Contradiction IV: Instrumental rationality and value oriented rationality

The dynamics between instrumental and value oriented rationality were operationalised through the use of databases that work with perceived reasons for harms such as PNUD and CEP surveys (see section 5.3). On the one hand, it examined the ability of the model to increase or reduce the feeling of being discriminated against in social circumstances, which reflects on relational harms associated with misrecognition in its

instrumental rationality dimension. On the other hand, the experiment was scrutinised by its ability to increase or reduce social trust either at interpersonal or institutional levels, (which also mirrors relational harms), but in relation to social cohesion that can be linked to value-oriented rationality. Although it was not possible to examine the specific elements involved in the configuration of both rationalities directly, it was possible to approach these issues through proxy variables. In this context, first, it was hypothesised that if there was more prioritisation of instrumental rationality over value oriented rationality, then, it should be expected that there are a great proportion of people that have experienced social discrimination by social circumstances. This relational harm indicator was established as follows:

% of people that have experienced social discrimination

* The indicator was defined as people who have experienced social discrimination as a consequence of their economic circumstances, educational background or their neighbourhood.

It should be noted that this indicator was built merging the variables of being discriminated against in economic circumstances, educational background and neighbourhood. The selection of these three variables to build the social harm indicator was not random. According to both social segregation literature in Chile (Sabatini and Brain, 2008; Santos and Elacqua, 2016) and the participants, these three categories are highly stratified by links to money, and consequently, they represent the utilitarian logic that lies behind instrumental rationality. In this sense, it was expected that those who at the bottom of the social structure would have a higher probability of experiencing social discrimination. However, given the limitations imposed by the databases, the analysis of this relational harm was only made for the year 2012, and so the qualitative information was critical to understand the trends of the ordinal regression as more than a snapshot event.

Second, as noted in Chapter Three, social trust is one of the social mechanisms through which individuals can fulfill their relational needs. Here, I worked with the idea that social trust can be associated with the development of value-oriented rationality because this type of rationality motivates social actions based on use-value links. Consequently, the model was scrutinised by thinking through the hypothesis that if the experiment is good at increasing value oriented rationality actions, then, what should happen is that the level of social trust should also increase. In this context, supported by the social trust literature (Freitag and Traunmuller, 2009; Misztal, 1996; Mironova, 2015), it was possible to identify two levels at which the phenomenon of trust can be studied in relation to the production of relational harms, namely, interpersonal distrust and institutional distrust. The social harm indicator of interpersonal distrust was defined as follows:

% of people that declared that cannot trust in others

*The indicator was defined as people who declared that they cannot place trust in others, which relies on the idea of interpersonal distrust.

Logistic regression models aimed to determine not only which socio-demographic profiles tended to trust more in others, but also how the probabilities of distrust in others have changed over time. Given the restrictions of the secondary databases, the regressions models were only established for the years 1998, 2006, 2010, 2012, and 2015.

In the case of the social harm indicator related to institutional distrust, this indicator was defined as:

% of people who do not trust at all in the socio-political system

*Trust in the socio-political institutions relies on the idea of trust in the institutions of societies. The category of not trust at all in the system was applied when people declared that cannot trust at all in 5 institutions simultaneously (congress, government, trade unions, business, and the justice system). Conversely, trust and some trust category were considered when people declared that they either fully trust in the 5 institutions or when they trust from 1 up to 4 institutions.

In order to build the indicator of institutional distrust, recoding was required to standardise the variable amongst the databases of the years 1992, 2003, 2008, 2011, and 2015, which allowed working with descriptive statistics only. However, even if it had been possible to conduct regressions analysis, the analysis would not explain the specific causes that underlay the statistical patterns. In doing so, the qualitative information provided important historical explanatory elements that can be attributed to the institutional trust phenomenon charted from the dictatorship to the present.

By the specific characteristics of this contradiction, the qualitative data offered an insight into the dynamics between instrumental and value-oriented rationality beyond what is possible using solely quantitative methods. The information provided by the participants helped to uncover how the process of individualisation interplayed with the tensions between instrumental and value-oriented rationality, and how the common sense mechanisms have shaped and re-shaped the social aspirations of Chileans within different phases of the experiment. To a significant extent, when the participants gave an account of the process of individualisation, they provided a framework for making sense of social trust statistics either as interpersonal distrust or institutional distrust. Similarly, when the participants discussed how social aspirations have been built within the social fabric, in particular, what does it mean to 'fail or succeed in life', they provided key mechanisms for understanding misrecognition issues.

5.4.5 Contradiction V: Accumulation by dispossession

Contradiction V was empirically approached by examining the capacity of the experiment to reduce or increase psychological and autonomy harms as a result of the way in which the model has decided to handle the provision and distribution of welfare.

In Chapter Four, it was described that despite the ‘patches’ of the experiment, the privatisation of social goods was not only kept as a way to expand coverage and to create more an efficient system for the allocation of resources but also the model insisted that individuals should be responsible for facing different social risks. To reflect this, a good was selected that has followed a similar trajectory of privatisation in comparison to other social goods. This selection was made to test if the way in which the provision of welfare has been handled makes possible the reduction of the production of harms. Additionally, the model scrutinised the results of what an individualised approach to handling and resolving the vicissitudes of life can generate for people. In this sense, the experiment was interrogated by asking to what extent an individualised approach to welfare provision can reduce or increase financial insecurity perceptions.

In the case of the reduction of psychological harms, it was established that if the public-private alliance for managing the housing policy succeeded over time, then, the level of housing overcrowding should progressively decrease. As Lentini and Palero (1997) argue, “two related factors to the physical disposition of housing are altered in situations of overcrowding: privacy and free circulation. Both elements contribute to an emotionally healthy mental life” (Lentini and Palero, 1997, p.25). Gove, Hugues and Galle (1979) found similar empirical evidence in their investigation about the possible pathological consequences of overcrowding in the home. In particular, the authors concluded that “crowding results in psychological withdrawal, a lack of effective planning behaviour, and a general feeling of being washed out...the experience of crowding is strongly related to poor mental health” (Gove, Hugues and Galle, 1978, p.78). Thus, overcrowding can be read as a psychological harm to the extent, as noted in Chapter Three: when individuals are incapable of sustaining their mental capacity at healthy levels, the individuals’ ‘bodies’ cannot be used as a ‘means’ to obtain their

livelihoods. The way in which overcrowding was operationalised can be understood as follows:

% of households where more than 3 people share a bedroom

* The indicator was calculated according to the overcrowding index created by the Housing Ministry in Chile, which consider that when there is between 3 to 4.9 people per room in a house there is medium overcrowding while with 5 or more people is severe overcrowding.

Once again restricted by the availability of this social harm variable in the databases, the multinomial regression models were only calculated for the years 2009, 2011, and 2013.

Regarding the ways in which the model has handled social insecurities, it was operated with the premise that if the individualised approach to welfare provision can reduce autonomy harms by handling social insecurities, then, the fear of losing jobs, of not being able to pay for health treatment, and of not being able to pay for educational expenses should be low. Regarding descriptive statistics, the perception of these insecurities in society resulted in three categories: very worried, worried, and not worried. In terms of inferential statistics, although the multinomial regressions were built only for the year 2015, it was expected that if the model was good at handling social insecurities, then the probabilities of experiencing insecurities between different social gradients would be low. The autonomy harms indicators that reflected on financial insecurity perception were set as follows:

% of people with fear of losing jobs

% of people with fear of not being able to pay for health treatment

% of people with fear of not being able to pay for educational expenses

* The indicators were calculated based on people who declared being worried about losing their jobs, not being able to pay for health treatment and educational expenses

It is important to note that in this contradiction the qualitative information was critical for understanding the dispossession logic that lies behind the provision and distribution

of social goods. In this sense, the participants offered valuable insight into the ways in which the tensions between public good and private gain have worked in practice and what the positive and negative outcomes of this tension can be.

5.4.6 Legitimacy of the model

Regarding legitimacy issues, the focus of the social harm inquiry was to explore the different narratives that surround the construction of the common sense of the experiment. In Chapter Three it was speculated that the content that shapes the legitimacy of the model is spread throughout Contradictions III and IV in society. The legitimacy aspects of the model cannot be read as a contradiction. In separating these out, the legitimacy aspects was treated differently from how the contradictions and harms were operationalised. It was considered that the mechanisms of consent and coercion for securing the hegemony of the experiment against harms and injuries can be best approached through qualitative techniques only. The qualitative dialectical analysis was useful not only for understanding how beliefs and assumptions of the participants were linked to the institutional arrangements of Chilean society, but also for identifying three broad discursive narratives that underpinned the legitimacy issues of the model.

The first discursive strand was operationalised as the ‘price worth paying’ group. This group represents and collects the narratives of the participants that consider that although the model has failed in achieving some of its promises, Chileans are doing and living better than before, especially when the results of the model are scrutinised at the personal level.

The second discursive strand was operationalised as the ‘disillusionment’ group. This group gathers the opinions of the participants that used to believe in the promises of the model (such as upward social mobility and freedom), but became disappointed as time

went pass and these ideals were not realised. This group also represents the narratives of participants who were sceptical from the origins of the experiment about if the proposed mechanisms to achieve the promises of the model were adequate, such as gaining access to the consumption sphere based on credit mechanisms rather than wages.

The last discourse strand was operationalised as the ‘harm’ group. This group gathers the participants who directly connected a whole array of harms and injuries with the dynamics and ‘patches’ of the experiment, but also the participants that have experienced harms first-hand and identified that the model is primarily responsible for their struggles.

The findings of the legitimacy issues underpinned by the three discourse strands will be presented in Chapter Eight, whilst Chapters Six and Seven will uncover the findings in relation to the five contradictions. Table 5 seeks to summarise the ways in which contradictions, harms and legitimacy aspects were operationalised in this section.

Table 5. Operationalisation of contradictions, harms and legitimacy aspects

Contradiction I	Physical harm in its exchange-value dimension <ul style="list-style-type: none"> • % of population living under 3 USD per day Physical harm in its use-value dimension <ul style="list-style-type: none"> • % of households that have precarious access to tap water and sewerage services
Contradiction II	Autonomy harms in relation to exploitation <ul style="list-style-type: none"> • Urban unemployment rate • % of employed urban population in precarious jobs by area of employment Relational harms in relation to surplus feature <ul style="list-style-type: none"> • 10/10 index • 99.9/0.1 index
Contradiction III	Autonomy harm in relation to commodity fetishisation <ul style="list-style-type: none"> • Households with a financial burden ratio ≥ 50.01
Contradiction IV	Relational harm in relation to instrumental rationality <ul style="list-style-type: none"> • % of people that have experience social discrimination

	Relational harm in relation to value-oriented rationality <ul style="list-style-type: none"> • % of people that declared that cannot trust in others • % of people who do not trust at all in the socio-political system
Contradiction V	Psychological harms in relation to accumulation by dispossession <ul style="list-style-type: none"> • % of households where more than 3 people share a dormitory Autonomy harms in relation to accumulation by dispossession <ul style="list-style-type: none"> • % of people with fear of losing jobs • % of people with fear of not be able to pay health treatment • % of people with fear of not be able to pay educational expenses
Legitimacy of the model	Discursive strands <ul style="list-style-type: none"> • Price worth paying • Disillusionment • Harm

5.5 Ethics

The study received clearance from the Ethics Committee at the University of Birmingham (ERN_14_1341). Regarding the use of the secondary databases, all databases were deidentified, so no private identifying information was available for the respondents, and all of the databases were drawn from publicly available information.

In the case of the primary data collected in this study, the participants gave their consent to participate in the study in two different stages of the interview process. The first stage happened as soon as each participant received the information sheet of the research, which provided answers to questions such as: What is the research about? What will happen if I take part and what is involved? And What are the risks involved? Each participant also received, read, and signed the informed consent form (Appendix 9).

The second stage where the participants gave their consent to participate (but this time orally), happened before the interview commenced and after they had the opportunity to ask questions about the project. The most frequent question was in relation to the anonymity of the interviews, an issue that especially worried the policy maker group given the political nature of their jobs. It was explained that no direct quote with a

participant's name would appear as all quotes would be anonymous and they would be allocated generic roles. The quotes provided in the finding chapters and the general description of the 59 interviews presented in Appendix 8 have preserved the anonymity of the participants. In practical terms, the process of anonymising the data happened before the data analysis process started. Here, each participant was provided a unique ID number that represented the type of interviewed group who they belonged and their socio-demographic information.

Following the University of Birmingham Code of Ethics, all the information that resulted from the interviews such as audio files, transcripts, informed consents, and fieldwork notes were stored on an encrypted portable drive, and they will continue to be archived for ten years. It is relevant to highlight that the participants were reminded prior to interview commencement (as prompted by the interview guide see Appendix 1) that they were under no obligation to continue to participate in the research interview if they did not want to and that they could withdraw at any point (up to one week after the interview). No participants decided to withdraw. Thus, there was no need to destroy any files from the portable drive.

In the case of the considerations made for protecting both the participants and the researcher from any risk or situation that may be upsetting for the participants, the following precautions were taken. All the questions were asked in a way to avoid situations that were particularly sensitive for the participants, such as personal stories about experiences of physical torture and the use of political violence to defeat the dictatorship. Although it was inevitable that some participants decided to talk about these issues as examples of harms and injuries linked to the neoliberal experiment, the researcher tried to move on to different questions as soon as was possible, whilst allowing people to tell their stories. To minimise any lone working risks to the researcher, the majority of the interviews occurred in public spaces but that were quiet

enough so as to ensure confidentiality for participants. No harm took place to either the participants nor the interviewer during this research.

5.6 Summary

This chapter examined the design and delivery of this project. Firstly, it explained the challenges of designing a social harm methodology and how a multimethod design based on a case study was the most appropriate approach given the challenges. Following this, it illuminated how the quantitative and qualitative logics of the research were tied together, and it gave details about how the data collection was made at both quantitative and qualitative levels. It described not only the ways in which the qualitative and quantitative data were analysed, but also explained the particular analysis required by each method. The operationalisation aspects of contradictions, harms, and legitimacy issues were presented. The chapter concluded discussing the ethics procedures followed during the research.

The next three chapters present the findings of the research. Chapter Six and Seven scrutinise whether the neoliberalisation process has helped Chileans to fulfil their material and relational needs, whilst Chapter Eight examines the legitimacy aspects of the model.

CHAPTER SIX: SCRUTINISING THE EXPERIMENT THROUGH THE SOCIAL HARM LENS: CONTRADICTIONS I AND II

6.1 Introduction

This chapter is the first findings chapter that seeks to scrutinise whether the neoliberal experiment in Chile has helped individuals to satisfy their physical, autonomy, and relational needs. This chapter will use the framework provided by Contradictions I and II to organise the evaluation of the different neoliberal dynamics that have allowed the intensification or reduction of social harms within Chilean society. Both contradictions will reflect on how they may result in the interruption of human flourishing; how the specific features involved in their dynamics have been framed by the underlying assumptions of the Chilean experiment; and explain how the quantitative and qualitative data are used to interrogate the model using the social harm lens. At the end of each contradiction, this chapter will also provide an evaluation of how close or far away the experiment has been from the normative model established in Chapter Three, which set the general parameters for identifying a less harmful society by Contradictions. Contradictions I and II will examine the formation of one or two types of harms only. Each contradiction will draw on different relevant theoretical literature. It is important to note that this way of organising the findings of the study will be replicated in the next chapter, yet Chapter Seven will work with the remaining Contradictions (from III to V). The separation of the Contradictions and their related social harms into two chapters aims to facilitate readers comprehension of the findings of this study.

Although Chapters Six and Seven will analyse each of the contradictions in isolation from one another, as both chapters progress, the ways in which one contradiction spins into another will become evident. However, it is critical to note beforehand that the ways in which the contradictions relate will not follow a linear trajectory. On the

contrary, they will move back and forth following the same path that the participants established for making connections between them.

This chapter is organised into two sections. Section 6.2 examines the dynamics of use and exchange values in relation to the formation of physical harms (Contradiction I). This section evaluates the capacity of the Chilean experiment for reducing a specific set of physical harms (in both use and exchange value dimensions), against the underlying assumptions of the experiment (economic growth, the trickle-down effect and individuals' flourishing). Section 6.3 scrutinises the dynamics of exploitation and the generation of surplus linked to the production/reduction of autonomy and relational harms (Contradiction II). This section works with autonomy harms that can be hosted in the labour space, and dynamics and relational harms that can be formed as a result of economic inequality.

6.2 The dynamics of use and exchange values (Contradiction I): evaluating the production/reduction of physical harms

Contradiction I interrupts human flourishing when there is a tendency of exchange-values to undermine use-values. As argued in Chapter Three, the use-value dimension is where all kinds of human needs are satisfied in their ontological categories (physical/mental, autonomy, and relational needs). However, it was argued in the same chapter that neoliberalism works with an opposite assumption. Economic growth and the trickle-down effect can act as a formula for human prosperity. In other words economic growth, in theory, improves people's lives. In social harm terms this assumption means that through greater development, access, and accumulation of exchange-values, individuals can also fulfill their needs from a use-value dimension.

The dynamics generated by Contradiction I can either intensify or reduce the manifestation of harms in its three ontological categories. This section, however, will

explore whether the neoliberal experiment has been able to reduce physical harms at the level of human subsistence only. It is important to remember that one of the essential conditions for human flourishing is to be able to produce and reproduce the material life itself, so the reduction of physical harm is critical for the survival of individuals. In this context, this section will closely examine whether those who historically have had less access to exchange and use values, have progressively satisfied their material needs by accessing more exchange and use values over time. This section will start by characterising the main features of both exchange and use value dimensions, and what the participants perceive as the main problem of these dynamics. Then, using statistical data, it will scrutinise the capacity of the model for reducing physical harms in its exchange and use value dimensions, and what the participants identify as the implicit contradictions that lie behind the statistical regression models. The section will conclude with a reflection on how close or far away the neoliberal experiment has been from the normative model established in Chapter Three, which indicates for Contradiction I that there is a less harmful society when there is a more equitable development between exchange and use values.

6.2.1 Evaluating the capacity of the model for reducing physical harms in its exchange- value dimension

As noted in Chapter Four, as soon as the military came to power in 1973, Chilean society was restructured. In exchange-value terms, this restructurating implied an economic growth strategy which has worked with four pillars: outward growth based on the exportation of commodities, liberalisation of prices, privatisation of public assets, and banking development (Meller and Landerretche, 2005; Agosin and Montecinos, 2011). The respondents tended to understand the evolution of the exchange-value feature as increased availability of goods, a new economy introduced by Pinochet, lower levels of poverty, and access to credit for everyday purchases. For the participants, the

causes attributed to the development of exchange-values in the country are simple. As an example of this understanding, an unskilled worker commented that:

“The management of the economy can explain many things. As happens everywhere, on the one hand, we have improved as a country. No one dies of hunger. People can get what they need. On the other hand, there are social gaps”(Id 16, GP, Unskilled worker, Male).

From the opinions of the participant, it was possible to observe how the economic strategy not only succeeded in its attempts to gather and accumulate exchange-values but also how these exchange-values were transformed into material improvements that contributed to the well-being of individuals. Even though the interviewees gave a positive evaluation regarding the macroeconomic results of the country, and although it is true that the open trade strategy succeeded in accumulating more exchange-values, it is also true that the economic performance was not entirely free from criticism. Using the metaphor of a house of cards, a senior managerial worker expressed this concern by saying:

“There was a development of the exports, a development of the financial economy. There is economic growth, but the way that we achieved that growth... it has been very fragile. It is like a house of cards, a castle that can fall at any time...Our economic growth is very unsound” (Id, 39, SM, Senior managerial worker, Male).

From the house of cards metaphor, one can interpret that the economic growth strategy has progressed in the right direction, although it has followed the wrong paths. In particular, the national income's dependency on commodities exportation could pose a threat to the gained benefits, even if these benefits posed concerns about their equitable distribution. For many participants, this issue not only mirrors the uneven development of the sectors of the economy as the senior managerial worker suggests, but also reflects on how an uneven development of economy is understood by people. The reports made by ECLAC (2010) and OECD (2015c) seem to confirm both beliefs. For example, ECLAC warns that an uneven development of economic growth “has had a punitive effect on the most vulnerable groups and has distributed costs and benefits in a highly

uneven way” (ECLAC, 2010, p.52). The OECD has recommended that so as to reduce the volatility of economic growth “Chile should expand its economy beyond the extraction of natural resources” (OECD, 2015c, p.5).

Nevertheless, for many participants (who in Chapter Eight will represent the narratives of the ‘price worth paying’ discourse and the ‘disillusionment’ discourse), the negative aspects of the ways in which the country has accumulated more exchange-values were less important compared to what Figure 3 shows, which are improvements in Chileans’ daily life such as having enough money for daily expenses. As Figure 3 shows, those living on under 3 USD per day are failing to meet the minimum conditions set by the World Bank for successful human subsistence. While 61 percent of the population lived under 3 USD per day in 1990, and thus were unable to meet minimum conditions to reproduce human subsistence, these numbers dropped over the years reaching 1.6 percent in 2013.

From Figure 3, it is possible to speculate how a rise of national wealth may reduce individuals’ chances of living below the subsistence level. In other words, Figure 3 might demonstrate how the process of neoliberalisation in relation to the open economic strategy increased the chance of individuals improving their livelihoods. Although the free market policies that boosted Chilean economic growth did not produce on their own what Figure 3 tends to show.

The information provided by participants proved to be critical in explaining the different improvements in individuals’ fulfilments of material needs. The participants’ explanation is not far from what Larranaga (1994) and Contreras (2003) found in their empirical study on poverty and economic growth between 1987 and 1992, and 1990-96 in Chile, respectively. Whilst Larranaga (1994) estimated that economic growth explained 80% of poverty reduction, Contreras (2003) concluded that “over 85 % the

reduction in poverty can be attributed to economic growth” (Contreras, 2003, p. 182) and “in spite of the high level of inequality the poor and rich individuals are better off” (Contreras, 2003, p.198). Based on these numbers, it is unsurprising that the economic strategy cast some doubts on the robustness of exchange-value production during economic crisis. This doubt is compounded by the data in Figure 3, which shows that although there is a general trend of declining, the percentage of Chileans living under 3 USD per day rose after the Asian economic crisis (1997-99) and the economic collapse in 2001 of Argentina.

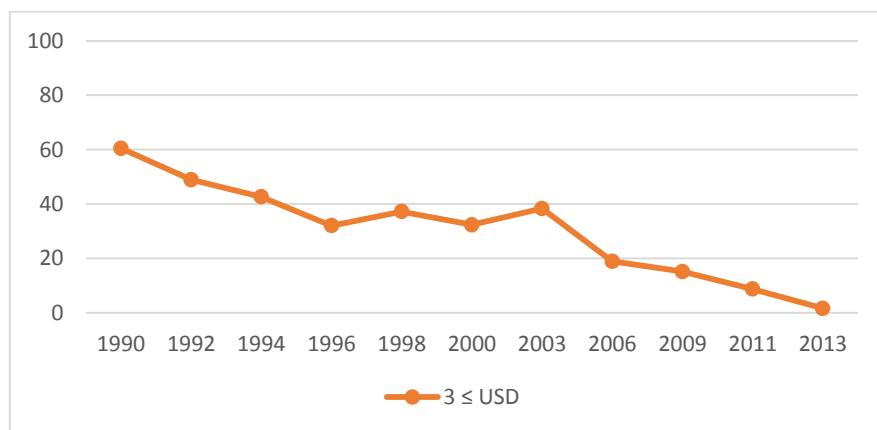


Figure 3. Population living under 3 USD per day by different years (%)

*Data source: CASEN

What happened with the use-value links is a less positive story in comparison with the exchange-value development. As soon as the participants started talking about the ability of the model to distribute economic benefits among Chileans and questioning whether these economic benefits can lead to ‘true happiness’, the neoliberal picture became more complicated. On the one hand, the vast majority of the participants recognised that even though their chances to satisfy basic needs are better than the past (such as the needs for food, shelter and health), they tended to claim that these needs in their use-value dimension are permanently compromised by what money can buy. However, on the other hand, there were also participants that argued that the availability of exchange-values and ability to pay for access to essential goods such as education

and health were ‘the only real option’ for accomplishing the use-value dimension of needs. These two different discursive strands can be represented by an unskilled and a professional workers as follows:

“There is a paradox in the way that we perceived progress, a big paradox between what we achieved in material stuff and if all of that stuff makes everyone happy. There is much more money than in the past, I can see that people can access more jobs, there are more highways, social programmes, less poverty, etc. Nowadays, people can go to museums and read books, you have the television, everything online... but, are we happy?... We can live more comfortably than in previous years, but this type of development took our soul, the distribution of everything is unequal. Everyone can get more because needs are the same for everyone. However, money is not the same for everyone, and this is the big problem” (Id 20, GP, Unskilled worker, Female).

“Someone who had lots of money from Coca-cola told me: ‘I would rather have spent more years in acquiring the growth we’ve had in Chile and having earned less’. I told him that it was easy to say when you see it from a position of complete comfort because in that situation you cannot imagine what it is to have less. If you ask me, I see how my parents were in the early 90s and how they are today, and without a doubt my evaluation is positive. So if you’re going to tell me that my family will spend 40 more years in being better, I say bullshit” (Id 24, PM, Professional worker, Female).

Although these two narratives evaluate differently the role played by economic inequality within the exchange and use value dynamics; both discursive strands agree that it is impossible to move forward in society without economic growth. However, they also claimed that economic growth can be accomplished without a policy of social inclusion, which is essentially how regional and Chilean literature has framed the poverty alleviation discussion (ECLAC, 2010; Contreras, 1999; Cabas, Vallejos and Garrido, 2015; Gasparini and Cruces, 2013).

Before we can move to the discussion of economic growth and human subsistence harms, it is important to keep in mind the links between the development of the economy and its impacts on ‘the soul of Chileans’, indicated by the unskilled participant in the above quote. Although this connection will be developed through Contradiction IV in Chapter Seven, it should be emphasised beforehand that, the evaluation of the economic aspects of the model was not separated from its ideological components. In

particular, there was a greater proportion of participants that referred to the ways in which the economy has shaped ‘the soul of Chileans’ and vice versa.

If we think about the Chilean population living under 3 USD per day as an expression of physical harms that can be read as human subsistence harm, and if we attend to the participants’ idea that there was material progress although the improvements were not necessarily shared among all segments of society. Then, it is possible to use the clues provided by absolute poverty literature to identify which groups are more likely to experience this condition and to test to whether the premise of the trickle-down effect is true for the Chilean experiment. As noted in Chapter Five, it should be expected that if the experiment can reduce human subsistence harms in its exchange-value dimension, the probability of living under 3 USD per day should decrease, especially for those who have been left behind by economic prosperity over time.

Generally speaking, as Garsparini and Cruces (2013) indicate, poverty is still an unresolved issue in the Latin American region. For example, ECLAC (2010) recognises that after promoting the Washington Consensus policies, there are ‘five great social gaps’ that still need to be closed (gender, age, territorial disparities, education, and income). Nevertheless, ECLAC also emphasises that these gaps should be understood in a context of general socio-economic improvements, which is mainly how the participants evaluate the positive and negative aspects of the availability of more exchange-values in the country.

Even though inside of the region neither poverty alleviation nor the five social gaps follow the same trajectory, it would be a mistake to ignore that, as a result of the Washington Consensus policies, there is a shared socio-economic matrix between countries (Composto, 2012). In the Chilean case, as Agosini and Brown (2011) show, it is especially true that “Chile’s dramatic increase in income over the last 20 years has been matched by an equally dramatic reduction in poverty” (Agosini and Brown, 2011,

p.604). However, according to the OECD (2015a), it is equally true that Chile follows the same Latin American pattern, namely: there are social groups that are still lagging behind.

The Chilean and regional literature indicate that the socio-demographic groups that are more at risk of experiencing poverty are: women (Gammage, Albuquerque and Duran, 2014), young people (ECLAC, 2014b), individuals with fewer years of schooling (Cabas, Vallejos and Garrido, 2015), and those who live in rural areas (CELADE-ECLAC, 2012). As noted in Chapter Four, at the beginning of the 1990s national services such as SERNAM and the INJUV were created as a way to provide support to women and young people for ensuring a minimum base of resources and capabilities. As a result, according to Gammage, Albuquerque and Duran (2014), a significant number of studies have been undertaken that explore the links between gender, age and poverty, concluding, for example, that despite policy efforts there is “a growing concern about the feminization of poverty in Chile” (Gammage, Albuquerque and Duran, 2014, p.3). These gender and age gaps are also confirmed when we pay attention to what has happened in the regional scenario regarding poverty. For instance, the *Social Panorama* made by ECLAC (2014b) reports that women compared to men are in a disadvantaged position in nearly all spheres of society, including domestic labour, formal labour, reproductive rights, and the decision-making sphere. In the case of the age variable, a similar trend has been reported. ECLAC has also indicated that there is a core of social hardship in relation to child poverty that child protection policies could not overcome over time, even though programs such as ‘*Chile Crece Contigo*’ and ‘*Abriendo Caminos*’ have been implemented in countries like Chile (see Chapter Four section 4.5 for details on these programs).

Regarding years of education and differences between urban and rural areas, the literature has also confirmed strong connections between these two variables and the

probability of experiencing poverty. For example, a recent study made by Cabas, Vallejos and Garrido (2015) about the reconfiguration of poverty comparing urban and rural areas concluded that households with individuals who have more years of schooling they have fewer chances to fall into poverty either in rural or urban areas in Chile. Moreover, ECLAC (2010) and CELADE-ECLAC (2012) have persistently highlighted that place of residence does influence understanding of hardship and territorial disparities within the region. In this regard, Kay (2005) explains that “agricultural development in Latin America, with its emphasis on capital-intensive farming and the squeeze on the peasant economy, means that rural poverty remains a persistent and intractable problem” (Kay, 2005, p.318).

Table 6 presents the results of the regression models for exploring human subsistence harms in their exchange-value dimension. It shows that instead of reducing the probability of living under 3 USD per day in those who are more at risk of experiencing poverty, the Chilean experiment has tended to increase this probability over time. In social harm terms, this finding means that the experiment did not succeed in reducing human subsistence harms regarding vulnerable groups in its exchange-value dimension and shows that the trickle-down effect is not valid for the Chilean case.

Table 6. Logistic regression models for people living under 3 USD per day (different years)

	Model 1 1990	Model 2 1996	Model 3 2000	Model 4 2006	Model 5 2013
Constant	3.455*** (.004)	1.838*** (.004)	2.278*** (.004)	.684*** (.004)	-2.039*** (.011)
Sex (female=1)	.006*** (.001)	.112*** (.002)	.061*** (.001)	.156*** (.002)	.235*** (.005)
Age	-.034*** (.000)	-.033*** (.000)	-.038*** (.000)	-.023*** (.000)	-.033*** (.000)
Years of schooling	-.212*** (.000)	-.196*** (.000)	-.200*** (.000)	-.166*** (.000)	-.131*** (.001)
Area (rural=1)	.214*** (.002)	.764*** (.002)	.605*** (.002)	.629*** (.002)	.848*** (.006)
Model X ²	1499072.503	1453558.078	1532867.444	842694.827	98306.631
Overall percentage	68.2	74.1	73.8	83.1	88.7
N	73017	93751	180789	205238	171604

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

* See Appendix 10 for descriptive statistics and correlation matrix of the models.

*Data source: CASEN (1990, 1996, 2000, 2006 and 2013).

Table 6 shows that there is a negative relationship between the odds of living under 3 USD per day and the predictors of age and years of schooling, which means that, as both variables increase, the likelihood of living under 3 USD per day decreases. Also, the categories of being female and living in rural areas present positive relationships, confirming gender and geographical disparities in access to exchange-values for satisfying material needs. As an unskilled female worker recognised:

“I understand that economic progress was good but at the expense of us, the excluded people” (Id 11, GP, Unskilled worker, Female).

The meagre performance of the model in reducing human subsistence harms affects not only women but also those who live in rural areas. In fact, one of the most striking results of Table 6 is the dramatic increase in the probability over time of living under 3 USD for those who live in rural areas compared with those who live in urban centres. However, for a routine non-manual worker who participates in an indigenous organisation, one can suggest that this finding comes not as a surprise. As the participant comments:

“Those who wins with the exports are very few people. Peasants and Mapuches [the indigenous population], they are equally poor as before or they are even worse than before” (Id, 52, SM, Routine non-manual worker, Male).

According to Kay (2005), the causes that can explain rural poverty are structural “being related to the unequal land distribution and the uneven power system” (Kay, 2005, p.325). If one follows Kay’s line of argumentation, the significant increase in the odds of living in a rural area can expose the untold history of outward growth based on the exportation of commodities. In particular, one can interpret that the commodity model facilitated the incorporation of large-scale extraction of agricultural goods. However, at the same time, it undermined middle and small enterprises and their workers. As Caro (2012) argues, as a result of the free trade policies, the labour market structure in rural areas has dramatically changed over the years facilitating the creation of temporary and

precarious jobs in the export sector. In doing so, similar to what Ramirez (2001) concludes, it seems that the significant increase in odds for those who are living under 3 USD per day can be explained by the changes in agricultural labour market dynamics. Essentially, these changes have resulted in the incorporation of women into the labour force, yet there has been a tendency to concentrate a wage policy below the minimum salary. Consequently, one might interpret that, although economic prosperity improves access to material goods by providing access to income, this has tended to ‘trickle down’ less in those who are female, young, uneducated and living in rural areas. From a qualitative perspective, it is possible to summarise these findings through the words of a professional worker when the participant expressed that:

“Those who gain here are few groups. Sadly, the logic of the trickle-down effect has not reached the majority of the population” (Id 18, GP, Professional worker, Male).

The participants and the regression models confirm that, although the model has improved the chances of satisfying material needs at the level of subsistence, it is also true that the model has not reduced human subsistence harms in its exchange-value dimension in vulnerable groups. In this regard, it is important to remember that, as noted in Chapter Four, one of the major promises after the first wave of the ‘patches’ of the experiment was to reduce physical harms in the target population of social policy. Nevertheless, as the data shows, the probability of experiencing poverty for vulnerable groups is even higher than before.

6.2.2 Evaluating the capacity of the model for reducing physical harms in its use- value dimension

In the case of the second dimension of Contradiction I, the task was to examine the ability of the Chilean experiment to reduce physical harms in their use-value dimension. As noted in Chapter Five, access to drinking water and sewerage services (WSS) was

selected as the focus of the social harm inquiry because it has strong links with the use-value dimension of a good but also because ‘inadequate WSS tends to be part of the cycle of poverty’ (Baer, 2014). Inadequate access to WSS implies that individuals can neither ensure a non-hazardous physical environment nor satisfy their biological needs. For example, Baer (2014) reports that water-related diseases kill between 14,000 and 30,000 people per day, which in the author’s words “generate more deaths than all forms of violence combined including war” (Baer, 2014, p. 143). Although adequate WSS as a human right involves access to, safety and affordability of WSS (WWF, 2012; Molino- Senata and Sala-Garrido, 2015), the Chilean experiment was examined using the most basic component only: access to WSS in its use-value dimension.

The Chilean literature helped to understand the development of WSS and to interpret the concerns expressed by the participants in relation to the paradox of gaining access to WSS but undermining other components such as the impossibility of choosing between different WSS suppliers. According to Baer (2014) and Bauer (2004), Chile is not only an example of full privatisation for WSS but also a successful story of universal coverage of WSS in urban areas. As Bauer (2004) reports, although the Water Code of 1981 established the privatisation of access to water resources, it is under Frei’s government (1998) that the water services (utilities and infrastructure) were fully privatised. The *Concertacion* government decided to privatise WSS using two formulae; either through long-term contracts with private entities to operate and maintain water supplies or through the privatisation of the water companies’ ownership (Molinos-Senata and Sala-Garrido, 2015). To Frade and Sohail (2003), the reasons that explain the *Concertacion*’s decision are simple; to increase the service quality of the WSS and to avoid inefficient utilities’.

As noted in Chapter Four, this phase of the experiment corresponds to a time where the neoliberal project would try to strengthen the market and to deliver social equity in a

progressive way. However, an evaluation of the privatisation process made by Molinos-Senata and Sala-Garrido (2015) concludes that the productivity of the water industry worsened, and the cost for WSS customers increased for the period 1997-2013. Nevertheless, it is also true as Baer (2014) suggests, that “Chile is fulfilling the human right to water in terms of access and quality, and although the cost of WSS is high, subsidies are in place to assist the lowest income households with their bills” (Baer, 2014, p.163).

These two related issues were understood by the participants as follows. On the one hand, gaining access to WSS can be read as a sign of progress and modernisation, which helps everyone to better their life chances. In fact, from a quantitative perspective, it is possible to confirm that around 6% of Chileans had precarious access to WSS from 2009 to 2013. On the other hand, from the bottom to the top of the Chilean social structure, the participants also shared some concerns in relation the use-value dimension of social goods when these are privatised. In the words of a routine-non-manual worker, these ideas can be expressed as follows:

“What generates harm to people is the impossibility of choosing between options. This country is not a free market economy. In order to have a free market, you must have choices, but we don’t have choices. You need to choose your water supplier between “Aguas Andinas” or “Aguas Andinas” [WSS company]” (Id 6, GP, Routine-non-manual worker, Female).

The participants’ ideas were not far from what the WSS literature indicates as the main problem of the sector. As Fisher and Serra (2004) argue, the problems with the privatisation of WSS started when a few enterprises monopolised these services increasing prices unilaterally. Thus, it is not illogical to expect that when commodities or social goods are transformed only in exchange-values without an explicit value expression, and when fundamental resources for the reproduction of the material life are built on oligopolistic concentration, the question of the fair distribution of the different resources within society immediately emerges.

Driven by the WSS literature but also considering what the participants indicated as the ‘social cost’ in which the modernisation of the country has built its achievements, the expectations of the social harm analysis in terms of hypotheses were similar to the way in which we tested the Chilean experiment in the exchange-value dimension. Acknowledging that poverty can be related to inadequate access to WSS, the independent variables used in the regression models were gender, age, years of schooling, rural/urban residence, and income. In essence, if the neoliberal experiment has satisfied the material needs of Chileans in its use-value dimension, a reduction of households with precarious access to WSS by the social gradients should be expected.

Table 7 presents the results of the regression models for exploring physical harms in its use-value dimension. Table 7 shows that inequalities between the social gradients are less pronounced in comparison with the regression models presented in Table 6. Therefore, to some extent, it is possible to confirm that the Chilean experiment has been able to reduce physical harms in its use-value dimension in a slightly better way than in its exchange-value dimension with regard to vulnerable groups. However, this finding is only true if the rural component is excluded from the analysis. As Table 7 expresses, the odds for a rural household of experiencing precarious access to WSS are even higher than the odds of a rural household living under 3 USD per day. Based on this evidence, one can argue that these two indicators may be connected in a way that the odds of experiencing poverty may affect the chances of experiencing precarious access to WSS. One might also surmise that the low rural population density has tended to act as a discouraging factor to business for expanding WSS to rural areas (Fisher and Serra, 2004). As Espinoza (2012) argues, although the Water Law (Law 19549) transferred the ownership of WSS from the public to the private sector, the law is ambiguous about how the private sector should operate in rural areas. This lack of clarity has led to a situation where non-profit organisations (*Comites de agua potable* and *Cooperaciones*

de agua) take responsibility for ensuring provision and infrastructure of WSS supplies by outsourcing technical and administrative functions to the private sector as a way to meet the standards set by the Water Law. However, as the report made by these non-profit organisations at a national level claim, the lack of supervision and regulations over the private sector duties has undermined both adequate access to and the quality of WSS (Asociacion de Agua Potable Rural, 2012). In this regard, it is important to note that the issue of lack of state supervision over outsourced goods will appear as a critical element for exploring the tension between public goods and private gain (Contradiction V, Chapter Seven). Nonetheless, for the moment, let's focus on what Table 6 and 7 can tell us about the ways in which Contradiction I is manifested in Chilean society.

Table 7. Logistic regression models for households that have precarious access to tap water and sewerage services (different years)

	Model 1 2009	Model 2 2011	Model 3 2013
Constant	-.293*** (.008)	-.854*** (.008)	-.892*** (.009)
Sex (female=1)	-.115*** (.003)	-.105*** (.002)	-.117*** (.003)
Age	-.022*** (.000)	-.014*** (.000)	-.016*** (.000)
Years of schooling	-.115*** (.000)	-.097*** (.000)	-.122*** (.000)
Area (rural=1)	2.919*** (.003)	2.591*** (.002)	2.980*** (.003)
Income	-.098*** (.000)	-.077*** (.001)	-.116*** (.001)
Model X ²	1879739.420	1654468.362	1555580.353
Overall percentage	94.1	92.5	95.1
N	193763	156341	171514

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

* See Appendix 11 for descriptive statistics and correlation matrix of the models.

*Data source: CASEN (2009, 2011 and 2013).

While Table 6 shows how material progress did not trickle down to all vulnerable groups in its exchange-value dimension, Table 7 shows a similar but less strong pattern when we exclude the rural component from the analysis. Therefore, one might conclude that there has been material progress. However, these advances were made while undermining other elements, for example, harming the labour conditions of workers in

rural areas or impeding that those who live in rural settlements have proper access to WSS given the business orientation of those services.

From the data presented here, it is possible to conclude that the experiment has produced a reduction of physical harm in both use and exchange value dimensions, yet in the case of vulnerable groups, this tendency seems to move in the opposite direction. The experiment seems to contribute to the fulfilment of material needs, but despite the neoliberal ‘patches’, the model still poses tensions concerning the question of the fair distribution of these benefits among Chileans. As will be explored in Chapter Eight, for some participants, this social harm pattern seems to be a ‘price worth paying’ for the progress and development of the country. For other participants, the harms generated by this contradiction will be understood as the broken promise of the trickle-down effect while ‘the harmed group’ will uncover the first-hand experiences of these type of harms and injuries.

6.2.3 Evaluating the dynamics of use and exchange value from the normative perspective of social harm

At the end of Chapter Three, it was indicated that a less harmful society could be found when both exchange and use value are less disconnected from each other. The findings of Contradiction I not only bring to the fore a permanent tension between exchange and use value dynamics but also provide an idea of how disconnected these two features are within Chilean society. Although the participants evaluated the positive and negative outcomes of the exchange and use value dynamics differently, all of them agree that the economic development of the model has not been associated with the development of more ‘human variables’ such as happiness and mental well-being. In the words of a female CEO of a retail company, one can sum up the opinion of many as follows:

“We are either a bipolar country or we suffer from some kind of disease. One thing is the economic life of this country. Healthy and in good shape. But a

different thing is what happened with people. There is a lot of drugstores. People are stressed out about everything, unhappy. It is really hard to progress in life” (Id 2, GP, Upper service worker, Female).

While it is true that the model has produced the reduction of physical harm in those who are not part of the ‘vulnerable population group’, it seems that even for ‘this included group’, the relevance that the model put over the exchange-value is problematic for their personal realisation. For example, six out of eight participants who belonged to the top of the social structure reported that they had experienced clinical forms of depression, panic attacks, anxiety, or severe stress. All harms that were understood as a result of the pressure that the model/society/family put on their shoulders to be ‘productive’, ‘successful’ or ‘clever’. In the words of a member of the socialist party who has worked as an administrative professional for the *Concertacion* government for more than 20 years, the political reasons for the disconnection between use and exchange values are clear:

“It was believed that the construction of socialism was going to eliminate the contradictions generated by the capitalist system, the injustice that this generated and was going to cause people to be happy... many of the people capable of deciding in the first democratic governments ended up convincing themselves that the capitalist system was the only realistic option, and what was needed to be done was to reduce its negative outputs at a slow pace” (Id 26, PM, Administrative professional worker, Male).

From this stand point, one can interpret that despite the efforts of reconciling the market variables with human variables as one of the main objectives for amending the neoliberal experiment after the return of democracy, these two components are still disconnected. The Chilean experiment scrutinised by the results of Contradiction I presents injurious dynamics for all, but especially for those who have been socioeconomically marginalised.

It will be observed that the injuries identified in this contradiction are connected with other contradictions and harms. For example, the tendency of exchange-values to undermine the use-values will be linked to the discussion of the privatisation of social

goods (Contradiction V), and how Chilean society underpins the narrative of what it means to succeed and fail in society (Contradiction IV). However, the connections between Contradiction I and IV-V will be explored in the next findings chapter. For the moment, let's move to Contradiction II, which will also present links with Contradiction I.

6.3 The dynamics of exploitation and generation of surplus (Contradiction II): evaluating the production/reduction of autonomy and relational harms

As noted in Chapter Three, neoliberalism frames the discussion of self-realisation in connection with the idea of individuals' self-sacrifice. In doing so, Contradiction II can injure individuals when capital's desire of gaining surplus uses the rhetoric of self-sacrifice to exploit the capacity of individuals to flourish. In other words, in this contradiction, harms and injuries can be hosted in the middle of the 'tension space' between the intentions of capital to increase surplus and the requirement of workers to sell their work in order to satisfy their needs.

Although the dynamics of this contradiction can form harms in all three of its ontological categories (as with Contradiction I), this section will examine the ability of the Chilean experiment to reduce autonomy and relational harms only. It is important to remember that autonomy harms can occur when individuals are excluded from the productive structure of labour, impeding the development of their 'physical and mental energy'. Autonomy harms can also arise when individuals lose control over their livelihoods and when they feel somehow 'trapped by their circumstances of living'. In the case of relational harms, these types of harm are framed when social segregation, violence or lack of solidarity between groups emerges within the dynamics of the social fabric. In this sense, relational harms can be seen every time that individuals are incapable of visualising how their realisation is possible thanks to their relationships with others.

As noted in Chapter Five, Contradiction II was operationalised by scrutinising the capacity of the model to reduce autonomy harms in the labour space dynamics, and by examining the ability of the experiment to reduce relational harms produced by economic inequality. Based on the arguments provided in Chapters Three and Four, we know that the neoliberal experiment during Pinochet's era was predicated on the idea that the interests of Chileans workers were best served when labour arrangements are individualised, collective bargaining suppressed, and when there are fewer barriers to capital for developing business. In other words, the model worked with the idea that individuals can flourish more effectively when there is more freedom of work and when there is more availability of jobs. By the same token, economic inequality was not a problem because it was believed the spontaneous market order would generate a trickle-down effect. However, it is also true that, as the neoliberal phases progressed in the country, there were several attempts to improve the Labour Plan of 1979 and to reduce economic inequality. As noted in Chapter Four, the New Labour Code; the establishment of Labour Courts; the unemployment insurance in phases two and three; but also the systematic expansion of social spending between phase two and four were made with the intention of diluting some of the assumptions and injuries generated in phase one. In this context, the focus of this section will be to evaluate the capacity of the neoliberal 'patches' to reduce harms and injuries related to both labour and inequality dynamics.

Firstly, this section will start by characterising what the participants understand as the main features of the labour relations system. Secondly, using logistic regressions, the model will be evaluated to see if it has helped to increase the level of autonomy of Chileans by reducing the probability of experiencing unemployment. As noted in Chapter Five, testing the ability of the model to create jobs can be linked to the

reduction of autonomy harms, because when individuals experience labour exclusion, they are impeded from using their ‘slumbering powers’ for satisfying their needs.

Thirdly, a close examination of the ability of the model to reduce autonomy harms in the labour space would be incomplete without exploring the quality of jobs. So, qualitative and quantitative data will be used to scrutinise whether the neoliberal ‘patches’ have been able to generate what ILO standards have set as the parameters for having ‘decent work’. Then, this section will examine relational harms produced by economic inequality. In this part of the analysis, the capacity of the neoliberal amendments to reduce inequality will be discussed along with what the participants identify as the consequences of inequality for accomplishing relational needs. The section will conclude with a reflection on how close or far away the neoliberal experiment has been from the normative model established in Chapter Three, which indicates (for Contradiction II) that there is a less harmful society when individuals are more capable of achieving self-realisation rather than self-sacrifice.

6.3.1 Evaluating the capacity of the model to reduce autonomy harms in the labour space dynamics

Exploring the opinions of the participants about the system of labour relations is critical for understanding how the features of exploitation and surplus play out in Contradiction II. The system of labour relations not only underpins the conditions in which capital and work produce and reproduce their livelihood, but also sets the rules of the game for redistributing wealth generated by the modes of production. In this context, it has been reported by Fundacion Sol (2015) that the Chilean labour relationships are still based on the premises of 1979 Labour Plan, which in essence prioritise the right of freedom of work above the right of work.

According to Taylor (2006), the fact that the *Concertacion* governments ended up embracing the Pinochet' Labour Plan can be explained through the assumptions that were made about syndicalism and economic growth. From a monetary perspective, syndicalism can be seen as a distortion that undermines the laws of supply, and in doing so, trade union practices can damage economic growth. However, as noted in Contradiction I, the *Concertacion* governments sought to boost economic growth, and so, they were convinced that less capital regulation to develop industries increases employment. More employment promotes economic growth, and through high economic growth, the labour market would generate higher salaries. Although a policy maker who worked on the labour reform in the 2000s (subcontracting law) seems to partially share the former belief, this participant considered that political variables could also explain why few changes were made to the system of labour relations over the years:

“I think that there is a lack of protection. Now things are getting better because we have the majority of seats in Congress. However, while I was working on the labour reform, we had a draw between coalitions [Concertacion and Alianza]...Strengthening trade unions is an important issue, but we have progressed on this issue very slowly. The system of labour relations is always a difficult discussion because the labour aspects are not separate from a discussion about the economic model” (Id 34, PM, Senior managerial worker, Male).

As the participant expresses, the labour discussion is an ideological battlefield. In fact, from the information provided by the participants, it would appear that there are, at least, two opposite discourse positions for understanding the conditions in which the system of labour relationships undermines the autonomy of workers: the pro-workers discourse and the pro-businesses discourse.

The pro-workers discourse claimed that the system of labour relationships have tended to stimulate the asymmetrical conditions between employers and employees to negotiate labour benefits. For the holders of this discourse, the lack of spaces to negotiate workers' conditions of autonomy has produced two major areas of harms: freezing of

wages and labour exploitation. According to them, the limited improvements in wages have meant that the majority of Chileans workers decided to go into debt (see Contradiction III, Chapter Seven for details on this issue), while situations of labour exploitation were mainly seen as a result of labour flexibility and subcontracting regulations.

Regarding labour exploitation, the holders of the pro-workers discourse expressed that as a result of labour regulations a vast proportion of Chileans work long hours. Many of them tend to work in more than one place, and few of them have either a permanent job or social benefits such as health insurance and holidays. However, despite the workers' efforts, many of them can barely afford a minimum standard of living. As the trade union leader in the following quote says, it would appear that this discourse position tends to attribute most of the injurious labour dynamics to the alliance between entrepreneurs and state, an issue that will emerge again when Contradiction V is unpacked in Chapter Seven:

“The success of the labour policy is that there has been a permanent precariousness of labour conditions and wages. The government always works for the business person... Every time that the government wants to do reform, they go to the SOFOFA [National industrial enterprises organisation] to ask, and then, they ask our opinion” (Id 56, SM, Unskilled worker, Male).

Paradoxically, according to the pro-business discourse, the relationships between entrepreneurs and the state were also identified as the primary triggers of the production of autonomy harms in the labour space, yet these harms seem to operate with a reverse logic. This discourse position highlighted that the labour legislations tend to overprotect workers and underprotect the development of small and medium business, a situation that tends to trigger an economic slowdown, curb the purchasing power of individuals, undermine the freedom of work, and stimulate unemployment. Some of these ideas can be best represented if we look at how a senior managerial worker framed the formation of autonomy harms in the labour space as follows:

“I believe that our system reproduces the idea of work as something that must be provided, like something mandatory. I cannot negotiate to work double shifts or to work freely during the weekend with my workers ... You can work seven years for a company, and for several reasons, neither your boss nor you are happy doing their roles. As an employer, you are forced to pay a lot of money to fire a worker... You cannot force your employer to work with you; it is insane” (Id 23, PM, Senior managerial worker, Male).

Although one might be tempted to think that the pro-business discourse only operated in the mind of upper-class participants, in reality, this way to understand autonomy harms was also found within middle-class and working-class sectors. In particular, the participants who argued that the availability of exchange-values to pay for the access to satisfy their needs were ‘the only real option’ for accomplishing the use-value dimension of needs in Contradiction I, also tended to frame their evaluations about the system of labour relations in the following way:

“It is great to say no one lives with less than 400 [pounds]. Thus, no one can hire someone paying them less than 400 [pounds]. However, this means that small business instead of providing ten workplaces could have only five work positions, we cannot be fooled by campaigning slogans” (Id 35, PM, Skilled worker, Male).

The argumentation provided by the skilled worker raises an important issue. The quote poses a dilemma between the quantity and quality of jobs to satisfy the needs for autonomy. In doing so, the evaluation of the neoliberal experiment gets even more complicated when the participants discuss what aspects of this dilemma are more important to them. On the one hand, some of the participants expressed that although the wage reality is precarious, they concluded that the prioritisation of job creation policy over wages was the only real and viable way to satisfy the material and autonomy needs of the population. On the other hand, the rest of the participants tended to challenge the job creation policy by expressing that even though having a job is important for satisfying basic needs, it is even more critical to improve the quality of those jobs. In social harm terms, one can argue that both job creation policy and quality

of jobs are essential for satisfying autonomy needs. While the job creation policy can facilitate the development of ‘workers’ slumbering powers’, and by so doing can reduce injuries generated by labour exclusion, as the quality of jobs can give workers control over their livelihoods. Consequently, a close evaluation of the ‘patches’ of the experiment in the labour area must take into consideration both elements.

Related to the area of labour exclusion, as noted before, for many Chilean economists the low unemployment rate can be seen as one of the greatest achievements of the experiment (Kaiser, 2015; Galetovic, 1998). However, according to Sehnbruch (2012), this achievement should be treated with caution. According to the author, the job creation policy is built upon an excessive focus on improving the macroeconomic conditions of the country, a situation that created “a GDP policy instead of an employment policy” (Sehnbruch, 2012, p. 296).

Guided by Sehnbruch’s argumentation, it is unsurprising that the employment findings appear to resonate with the evidence about economic growth and poverty presented in Contradiction I. In the overall picture, the statistics tended to show that the unemployment rate remained under two digits (see Figure 4), which in social harm terms implies that fewer Chileans experienced the injuries of labour exclusion over the years. However, as the literature reports, low unemployment can be read as a direct consequence of the high rate of economic growth, and in doing so, every time that an economic crisis hit the region, there is a deceleration of economic growth that impacts upon employment in a negative manner (Sehnbruch, 2012; Campero, 2004; Cowan et al., 2003). Therefore, even though Chapters Six and Seven treat the five contradictions as isolated from one another so as to visualise in a better way the production/reduction of harms, a discussion about economic growth, availability of exchange-values, and concerns about trickle-down effect cannot be separated from the labour discussion.

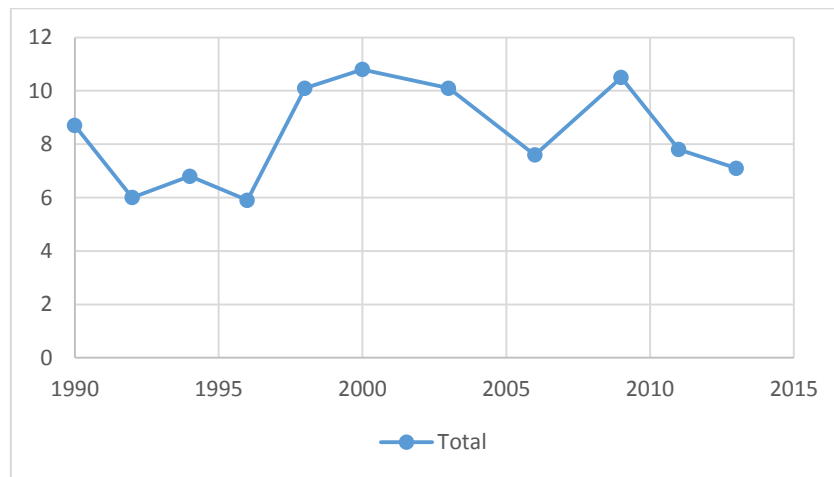


Figure 4. Urban unemployment rate by different years

*Data source: CASEN

Driven by the regional and Chilean literature about employment, and given the connections between economic growth and employment, it was hypothesised that the social gradients established for scrutinising the model in Contradiction I may follow a similar tendency in this contradiction. In this sense, it was tested whether those who historically have had a greater likelihood of experiencing unemployment, have progressively reduced this autonomy harm by improving access to jobs. In other words, if the hypothesis that the experiment is good at creating jobs is true, it should be expected that the probability of experiencing unemployment in those who the literature reports are more likely to suffer this harm should decrease over time.

On this issue the literature is clear, the socio-demographic groups that are historically more at risk of experiencing unemployment are young people, women, individuals with fewer years of schooling, and those who live in urban areas (Tockman, 2003; Cowan *et al.*, 2003; Brega, Duran and Saez, 2015; Cademartori, Caceres and Vazquez, 2009; Ramirez, 2001). For example, Cowan *et al.* (2003) and Tockman (2003) indicate that there is a high incidence of unemployment in those who are aged between 15-24. The authors' conclude that young people can be more exposed to risk of experiencing unemployment because their accumulated human capital (education and expertise) is lower than the rest of the population. For those who have fewer years of schooling, the

situation is the same. As Cowan *et al.* (2003) demonstrate, unemployment increases especially in those workers who have 12 years of schooling. In the case of the gender variable, the unemployment studies conducted by *Fundacion Sol* argue that women are more at risk of experiencing unemployment than men as a consequence of their historical exclusion from productive work, but also as a result of the high percentage of women that execute unpaid domestic work (Brega, Duran and Saez, 2015).

Therefore, it is possible to draw connections between what the poverty alleviation literature reports as the social groups that are still lagging behind in terms of economic prosperity, and what the employment literature describes as the vulnerable populations that need to be the target of labour policies. Nevertheless, in contrast to poverty literature, as Ramirez (2001) and Caro (2012) note, the problem in rural areas is not necessarily associated with the lack of jobs; the migration from rural to urban areas, to some extent, happens because individuals search for better quality of employment. Through the words of a female participant who decided to migrate from a semi-rural area to the capital of the country, it is possible to uncover not only the expectation associated with this economic migration but also the extent of harm that an unemployment situation can generate in individuals:

“When I was unemployed, I arrived in Santiago to an apartment with two rooms. It was very small, and cost 200 [pounds]. Beside it, they were constructing a building, and it was very hot ... and I was without work. At one point I thought about killing myself, jumping off the seventeenth floor, it was a daily stress, and on top of that people my family, friends, and my partner would ask me if I had found work every day” (Id 10, GP, Skilled non-routine worker, Female).

Table 8 presents the results of the regression models for exploring if the ‘patches’ of the experiment that aimed to improve the labour inclusion of those who historically have been marginalised, caused risk of unemployment to decrease over time.

Table 8. Logistic regression models for unemployment (different years)

	Model 1 1990	Model 2 1996	Model 3 1998	Model 4 2006	Model 6 2013
Constant	.140*** (.002)	.138*** (.001)	.139*** (.001)	.299*** (.022)	.486*** (.002)
Sex (female=1)	1.840*** (.002)	1.813*** (.002)	1.872*** (.002)	1.447*** (.001)	1.226*** (.001)
Age group (45+ ref.)					
15-24	.737*** (.002)	1.059*** (.002)	1.089*** (.002)	1.453*** (.002)	1.430*** (.002)
25-34	-.805*** (.002)	-.719*** (.002)	-.549*** (.002)	-.456*** (.002)	-.534*** (.002)
35-44	-1.033*** (.002)	-.904*** (.002)	-.774*** (.002)	-.765*** (.002)	-.905*** (.002)
Years of schooling	-.089*** (.000)	-.101*** (.000)	-.099*** (.002)	-.132*** (.000)	-.129*** (.000)
Area (rural=1)	-.152*** (.002)	-.038*** (.002)	-.129*** (.014)	.047*** (.002)	.013*** (.002)
Model X ²	2428063.09 6	2828038.345	2797890.435	3168506.927	3237946.84 2
Overall percentage	70.2	70.8	71.1	71.0	70.9
N	73017	94097	134036	205268	171606

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

* See Appendix 12 for descriptive statistics and correlation matrix of the models.

*Data source: CASEN (1990, 1996, 1998, 2006 and 2013).

Table 8 shows that although the gender gap is high, the job creation policy of the experiment has reduced the probability of experiencing unemployment by gender, years of schooling, and by urban/rural areas over the years. In social harm terms, this finding means that the model appears to have succeeded in providing opportunities to Chileans for developing their physical and mental potential in the productive structure of labour, and therefore, they have been able to expand their autonomy sphere. Nevertheless, in the case of those who are between 15-24 years old, the likelihood of experiencing unemployment in comparison with the reference category (45+ years old) dramatically increased between 1990 and 2013. Consequently, in this regard, one might interpret that, far from generating more opportunities in the young population, the job creation policy appears to close them. A 22-year-old participant describing how the economic and social consequences of the model have impacted upon his life can express what a systematic increase in the likelihood of experiencing labour exclusion is capable of generating not only in young people but also in their environments:

“The consequences have been huge since I was born in a shanty town... The achievements of the shanty town could never be academic achievements they had to be typical achievements from marginal neighbourhoods, that is to say, go to knife a kid in the face, or to destroy the neighbourhood by night, this ... this was the only thing they left us, they left us meth, the possibility to rob, they left us the possibility to pass the day in hunger, they left us with the possibility that our house could be flooded, that we would kill each other as the only entertainment, these are the only achievements we could gain” (Id 22, GP, Student, Male).

As the participant who lives in an underclass neighbourhood seems to imply, being excluded from the productive structure of labour can strongly damage individuals' life chances in such a way that leave them with few options to satisfy their essential needs. In this sense, anti-social behaviours such as 'to rob' or 'kill each other' seem to be a normalised strategy to cope with the different hostilities of their environments.

Despite the evidence of Table 8, and even though the participants positively evaluated the availability of more jobs, the feeling of precarity at work was consistently raised as an issue. In this context, an evaluation of the experiment in its ability to reduce autonomy harms would be incomplete without examining the autonomy aspects associated with the quality of jobs. As Weller and Roethlisberger (2011) explain, the concept of precariousness at work can be viewed as resulting from the wage reality, but we can also expect that low quality of jobs can be understood as a consequence of labour practices that are below the Labour legislation of a country.

Firstly, one might understand the complaint of the participants regarding wages because, according to Duran and Paez (2015), 51 percent of workers earned less than £260, 82 percent earned less than £500, and only the 12 percent of workers earned more than £700 per month in 2013. However, as noted earlier, the wage reality for few participants can be considered less important than the availability of jobs to the extent that the coverage, the labour flexibilisation, mixed with individuals' talents and efforts allow workers to search for constant improvements of their livelihoods.

Secondly, to understand the viewpoints of participants regarding the quality of jobs, it is also important to distinguish between formal and informal sectors of employment in Chile. The formality of employment depends on if there is a legal contract that formalises the relationship between employers and employees (Perticara and Celhay, 2010). Therefore, a precarious job may happen in both formal or informal employment areas. In this sense, according to the ECLAC-ILO standards, a precarious job in Chile can be defined when: 1) The workers work more than 48 hours per week. 2) When employers pay less than the minimum wage to their workers, or 3) When there are one or more social security situations that are below the standards regulated under the Chilean Labour law (CEPAL-OIT, 2013).

Using these evaluating parameters, Figure 5 shows that the labour improvements of the experiment have reduced the percentage of Chileans who work in precarious jobs over the years. Nonetheless, from a qualitative point of view, the participants identified that having a precarious job can be read as one of the most distinctive features of the labour reality. Thus, although the percentage decreased by 12 percent from 39% in 1990 to 27% in 2011, this proportion continues to signify a major harm in the participants' mind.

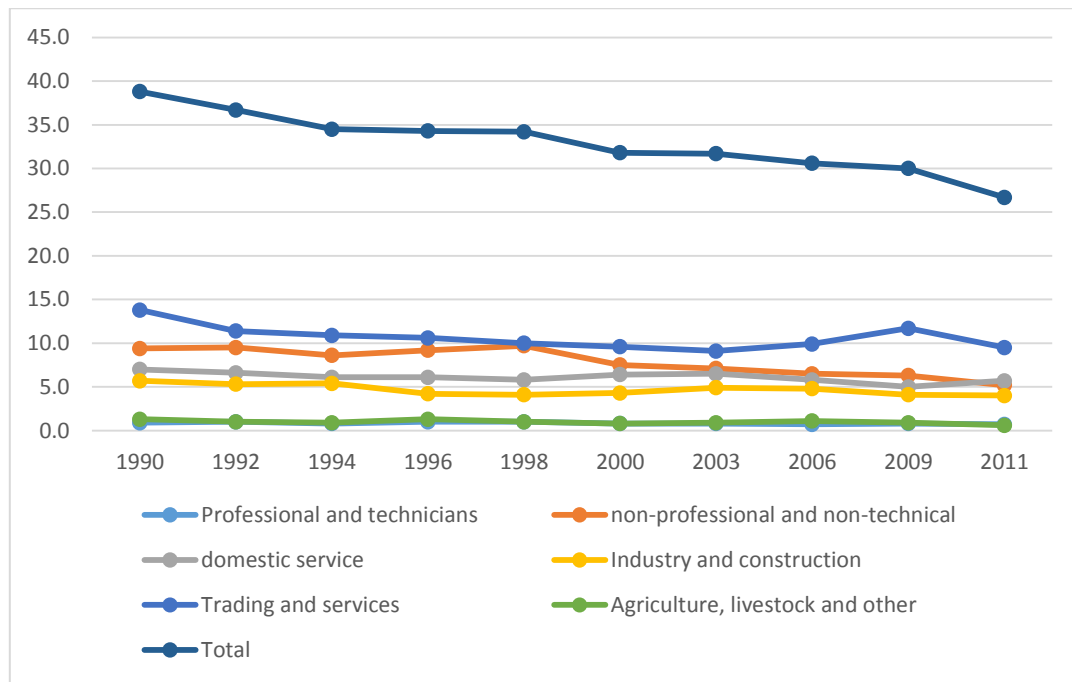


Figure 5. Employed urban population in precarious jobs by area of employment in different years (%)

*Data source: CEPALSTAT.

Perhaps, the relevance that the participants attributed to the quality of jobs despite the fact that the percentage of having precarious jobs has been reduced over time can be interpreted in relation to the severity of harms. Although around 2/3 of the participants framed their labour experiences as situations of exploitation, it was decided to unpack one story that lies behind the blue line in Figure 5. The testimony reveals a situation of exploitation that took place in a big and famous retail holding while a female participant was working under a permanent contract. This quote seeks to illuminate what the extraction of surplus value at the expense of labour force may look like in reality when within the formal sector of employment, the dissociation between labour laws and their compliance are taken to the extreme.

“I worked for a company where there were people who lived in a metal box... They didn’t earn too badly...they were from the area of sales and some were the best sellers. But they arrived to Chile and they didn’t have work visas. The owner of this business would say to them you came here to work here but live there, I offer you a house, where you can stay and everything... the people stayed for this.

Inside the container lived more than 10 people ... It is a disgusting mess because it doesn't have ventilation there was no bathroom ... I mean, it is a large metal box. This was a guy who earned money. But he lived alone there and sent all of his money to his family...

Interviewer: But were they freely there?

Participant: In this case, they are free. They were not locked in nor enslaved...But they were trapped by the money. The owner of the business had a power of convincing them which was incredible...This man came, and he would say to you. I pay you a little but its enough for you. I pay you little, but it works for you" (Id 10, GP, Skilled non-routine worker, Female).

In many respects, this narrative indicates that free market policies not only seem to reduce harms through jobs creation policy but also generate very injurious dynamics that end up undermining the autonomy of some workers. The problem with this is that the description of labour situations given by the participants provides us with the plausible suspicion that the narrative expressed above is something more typical of the labour area than just an isolated and extreme event. As the above testimony appears to indicate, the labour force has no option but to sell their work even if it can be harmful to them. They are therefore more likely to be exposed to different types of material and symbolical subordination interrupting their possibilities to flourish.

As a way to summarise the first area of findings of Contradiction II, one can argue that there is a dichotomous reasoning in diagnosis both of social harm reduction and production regarding the labour dynamics. For many, the free market strategy has continued to allow businesses to profit at the expense of the precariousness of the workforce, while others think that this neoliberal strategy has facilitated a win-win situation for both capital and work especially in relation to the availability of more jobs.

6.3.2 Evaluating the ability of the experiment to reduce relational harms produced by economic inequality

In the case of the second angle from which Contradiction II was approached, the aim was to examine the dynamics of the extraction of surplus by scrutinising the capacity of the neoliberal amendments to reduce economic inequality between groups over time and

by uncovering the perceived consequences that inequality has over the satisfaction of relational needs. As noted in Chapter Four, the neoliberal experiment in its pure form was diluted due to the harms and injuries that were triggered over time forming the different neoliberal phases. In this context, it was argued that most of the policy changes between phases three and four were made with the intention of addressing the increasing pressure that social movements posed as one of the biggest problems of the model, namely: inequality. Therefore, the first task here is to evaluate whether the waves of social reforms (education reform, labour reform, continuous expansion of the non-contributory pillar of social protection, etc.) between phase three and four succeeded in redistributing in a better way the surplus feature between groups. In this sense, an increase of relational harms should be expected if the income gap between groups also increases over the years.

Using two indices that measure inequality at a disaggregate level, Table 9 shows the difference in income between the poorest 10% and the richest 10% and the difference between 99.9% and the richest 0.1% of Chilean households through the years.

Table 9. 10/10 and 99.9/0.1 indexes by different years.

Year	10/10 INDEX	99.9/0.1 INDEX
1990	48	44
1992	40	42
1994	46	44
1996	45	43
1998	48	45
2000	34	46
2003	34	45
2006	31	32
2009	46	35
2011	40	28
2013	35	26

*Data source: CASEN (1990, 1992, 1994, 1996, 1998, 2000, 2003, 2006, 2009, 2011 and 2013).

From Table 9 it is possible to extract three key findings. Firstly, economic inequality, and therefore the manifestation of relational harms, increases in periods of economic

crisis. This finding appears to resonate with how economic crisis impacts upon vulnerable groups through the increasing unemployment rate and slowing down economic growth (both issues discussed earlier in this chapter). This evidence is particularly true when we consider the 10/10 index for the years 1998 and 2009 and the 99.9/0.1 index in 1998. Table 9 shows that the richest 10% and the richest 0.1% earned 45 times more than the 10 % poorest and the 99.9% of households in the Asian economic crisis (1997-99).

Secondly, from Table 9, it is also possible to interpret that the inequality problem is concentrated in how 0.1% of households dominate the distribution of income, because although the percentage of the population that represent each index differs, the differences in income between the 10/10 and 99.9/0.1 indices are relatively similar. The third conclusion is that even though the two previous findings can increase the manifestation of relational harms, Table 9 is also showing that the ‘patches’ of the experiment have reduced economic inequality over time. For example, if we discount the economic crash of 2009, it is possible to confirm that since the appearance of social mobilisation on the streets the difference in income between the 99.9% and the 0.1% decreased 9 points between 2006 and 2013.

Consequently, one can argue that the model has had the capacity to address and reduce relational harms that the same experiment generated in its initial neoliberal phases. Nevertheless, for the participants and the Chilean literature about inequality, the relational harms produced by economic inequality have already manifested in Chilean society, and it is difficult to undo all the injuries left at the very centre of the social fabric. For example, while Garreton and Cumsille concluded that the perception of inequality in Chile could be read as an expression of the destruction of solidarity, classism and individualism in 2002, Araujo (2013) eleven years later found the aggravation of these tendencies in the way that Chileans perceived their society. In

particular, Araujo reports that Chileans perceived that inequality has deeply reshaped the pattern of social interactions between individuals in a way that individualism and classism have ‘forever’ transformed the way that individuals treat other individuals and the degree of kindness or disregard for others (Araujo, 2013).

The qualitative findings of this study are not different from the evidence presented by either Garreton and Cumsille (2002) or Araujo (2013). From the bottom to the very top of the social structure, the participants identified that the Chilean experiment despite its ‘patches’ constantly interrupts the fulfilment of relational needs. Although some of the relational harms identified by the participants will be unpacked in relation to Contradiction IV (see Chapter Seven), there were three interconnected harms that were directly linked to economic inequality: hostilities between groups, social segregation, and violence. In this context, even though it is possible to visualise how from the 1990s to the 2010s the income difference between different groups in society seems to be reduced (see Table 9), as an unskilled manual worker indicates, the hostilities between social groups are already installed within social interactions. To this participant, the best example of this hostilities can be read in connection to the labour space dynamics:

“I always say that there is a constant war between employees and employers. Workers say: why they are screwing me? While businessmen say: I will pay them less. In this little game the society loses, the country loses. Neither workers nor businessmen have a conscience” (Id 12, GP, Unskilled manual worker, Male).

The perceived hostilities between groups were closely related to the concept of violence. To all the participants, violence in the Chilean neoliberal era far from being the behaviour of few was perceived as a general pathology of society. However, violence as an expression of economic inequality was sometimes understood as a mechanism of self-defense against the uncertainties of society, while at other times violence was framed as a result of the progressive loss of space to meet other

individuals. In both situations, inequality was identified as the prime suspect for constructing the notion of ‘the others’. The participants dispassionately concluded that the model/system/society ended up stimulating violent, abusive and social segregation behaviours among Chileans. Through the words of a female participant, it is possible to get the sense of how economic inequality has deeply undermined the satisfaction of needs that are in relation to other individuals:

“Everything is segregated. There is segregation by schools, districts, everything... There is not room to meet different people. Thus, because I do not have spaces to meet other people, it is really easy to be violent, disrespectful... to generate hatred because these other people are far from your social circle. It is like the other people were something abstract, without faces... This is damaging us quite a lot. I can see this in the school of my kids. Unfortunately, all the parents behave in that way” (Id 27, PM, Professional, Female).

Taking into consideration that the amendments of experiment have succeeded in reducing inequality, but also considering that the participants conclude that relational harms are already at the centre of social dynamics, one can interpret that although the model is trying to re-organise the surplus feature in a different way, it will take a while to reverse the ways in which the reduction of economic inequality can actually reshape social interactions again. Therefore, it is possible to conclude that, for the moment, the model is still generating injurious dynamics that undermine the satisfaction of relational needs.

6.3.3 Evaluating the dynamics of exploitation and generation of surplus from the normative perspective of social harm

Based on Chapters Two and Three we already know that one aspect involved in the self-realisation of individuals is to satisfy relational needs. In doing so, it is possible to interpret that Chilean society evaluated by relational issues is closer to the opposite of a less harmful society (see more details on this issue on Chapter Seven). However, in the normative model established at the end of Chapter Three, it was also indicated that a

less harmful society could be found in relation to Contradiction II when societies are more capable of achieving self-realisation rather than self-sacrifice in individuals. Consequently, the model should also be evaluated by its ability to reduce autonomy harms, yet the findings relating to labour dynamics are divided.

On the one hand, there are participants who feel that ‘the model works against them’. To them, the system of labour relations undermines the possibility to negotiate labour benefits with their employers, and they monthly struggle either because they cannot afford minimal standards of living without going into debt (see Chapter Seven), or they experience labour exploitation. Therefore, although they evaluated in a positive way the availability of more jobs to reduce their chances of experiencing labour exclusion, one can interpret that their engagement in productive labour has more to do with a precarious expansion of autonomy. On the other hand, there are participants who feel that although the model is not perfect, and in this sense there is room for improving wage and labour conditions at work, the model creates the conditions for developing and expanding autonomy if people work hard and make sacrifices. While for the ‘disillusioned’ group these sacrifices will not lead to accomplishing their self-realisation, the ‘price worth paying’ group think that self-sacrifice is the main way to achieve self-realisation (see Chapter Eight for details). Therefore, there are participants who believed that the experiment is more capable of achieving self-sacrifice than self-realisation. In doing so, the experiment scrutinised by the elements of autonomy presents injurious dynamics. However, there are 1/3 of the participants who arrive at the opposite conclusion.

6.4 Summary

This chapter sought to scrutinise the neoliberal experiment in Chile through the lens of social harm. It is important to remember that the separation between Chapters Six and Seven is a false divide, which means that in order to have a comprehensive evaluation

of the consequences of the experiment by Contradictions I and II, it is necessary to uncover the findings from Contradictions III to V and vice versa. The framework provided by Contradictions I and II helped to explore whether the model and its amendments have helped Chileans to flourish in its three ontological categories (physical, autonomy and relational). Although Chapter Seven will make connections between the two contradictions explored in this chapter and the formation of physical, autonomy, and relational harms linked to Contradictions III-V, it is possible to summarise the findings of Contradictions I and II so far in relation to the normative model of a less harmful society. The neoliberal experiment analysed through Contradiction I indicates that there was a disconnection between the development of exchange and use value production, which presents injurious dynamics for all but especially those who are at the bottom of Chilean structure. While the experiment scrutinised through Contradiction II shows that 2/3 of participants framed the labour market dynamics as connected with the idea of self-sacrifice rather than self-realisation. These overall findings place the neoliberal experiment closer to the characteristic of a highly harmful society.

Even though there is not a linear way in which the participants made the connections between contradictions and harms, this chapter uncovered the direct links between labour dynamics (Contradiction II) and the assumptions that surround economic growth and availability of exchange-values (Contradiction I). However, a close connection between the wage reality of workers described in Contradiction II and how the participants make sense of Contradiction III will also be observed when the next chapter reflects on whether the circle of indebtedness has led to a commodity fetishisation process.

CHAPTER SEVEN: SCRUTINISING THE EXPERIMENT THROUGH THE SOCIAL HARM LENS: CONTRADICTIONS III to V

7.1 Introduction

This chapter is the second findings chapter that seeks to scrutinise whether the neoliberal experiment in Chile has helped individuals to satisfy their physical/mental, autonomy, and relational needs. Following the same structure as the previous chapter, this chapter will use the framework provided by Contradictions III to V for organising and evaluating whether the neoliberal dynamics have allowed the reduction of different social harms within Chilean society. Similar to the previous chapter, each contradiction will explain how they may result in the interruption of human flourishing, how their dynamics have been framed by the assumptions of the experiment, and how - from the participants' viewpoints- contradictions spin one into another. This chapter will also evaluate whether the neoliberal experiment has been closer or further away from the normative model of a less harmful society by each contradiction.

This chapter is organised into three sections. Each section uses a different set of literature to underpin the analysis of the quantitative and qualitative data. Section 7.2 deals with the circle of indebtedness. This section scrutinises not only the ability of the model to satisfy material needs through debt but also whether debt can lead to the formation of autonomy harms. In other words, this section evaluates the manifestation of physical and autonomy harms in the context of the dynamics of commodity production/consumption of goods (Contradiction III). Section 7.3 focuses on the production/reduction of relational harms when the dynamics of instrumental and value oriented rationality are closely examined (Contradiction IV). In this sense, section 7.3 works with the ideological aspect of the experiment. It evaluates how certain values and social practices that require either instrumental or value oriented rationality have helped individuals to fulfil their relational needs. The last section of this chapter (7.4) looks at

the dynamics of public goods and private gain regarding the production/reduction of psychological and autonomy harms (Contradiction V). This section mainly examines whether the experiment has been able to reduce these type of harms as a result of the way in which the model has decided to handle the provision and distribution of welfare.

7.2 The dynamics of commodity production/consumption (Contradiction III): evaluating the satisfaction of material needs and the production/reduction of autonomy harms

This section investigates whether the expansion of credit mechanisms has helped Chileans to satisfy their material needs and whether this credit expansion has led society to a process of commodity fetishisation, which can result in autonomy harms. Although Chapter Three argued that Contradiction III interrupts human flourishing mainly when exchange-values undermine relational needs, this chapter also indicates that through an overvaluation of exchange-values individuals could also start to think that the items that they consume are what provide them with self-actualisation. In doing so, beyond the fact that individuals can think that their relations with other individuals are relations between ‘commodities’ instead of social relationships (issues that will be explored in Contradiction IV), autonomy harms can also be formed in this contradiction.

Following Harvey’s ideas (2006b) about finance capital and its contradictions, the starting point for scrutinising the experiment through Contradiction III is to suggest that, to some extent, the credit system is responsible for shaping dynamics between the production circuit and the consumption sphere. If we assume this starting point as valid, the circle of indebtedness can bring two different tensions to society. From a social harm perspective, through the indebtedness circle, individuals satisfy material needs and non-essential needs. Therefore, the evaluation of social harm requires a twofold analysis. One focused on its capacity to fulfill material needs, while the other may be

explored in relation to the process of commodity fetishisation and its impacts upon the sphere of autonomy.

Based on the information provided by Chapter Four, we know that the experiment started a monetarisation process of the Chilean economy that facilitated the access to credit mechanisms and installed a seductive rhetoric about consumption and self-realisation (Moulian, 1998). As Salazar (2003) reports, the expansion of credit mechanisms was initiated with the intention of giving dynamism to demand. Nevertheless, as the neoliberal phases progressed, we also know that the increased demand stimulated by the new credit expansion was not necessarily accompanied by an increase in wages (Duran and Pavez, 2015; Salazar, 2003). Consequently, a close examination of this contradiction involves uncovering the participants' opinions about the indebtedness phenomenon, scrutinising how credit mechanisms can help Chileans to satisfy their material needs and examining whether the credit expansion has led Chilean society to a process of commodity fetishisation.

The first part of this section will explore the circle of indebtedness connected with the satisfaction of material needs, while the second part of the analysis will mainly deal with aspects of commodity fetishisation. Regarding the satisfaction of material needs, this section will start by characterising the evolution of the indebtedness phenomenon and by exploring the links between wage reality and debts. Here, participants' views regarding debts and the credit system will be explored, along with different household situations' experiences in relation to debt and the motivations of households to accrue debt. Then, concerning the process of commodity fetishisation, the section will test the extent to which the model facilitates the emergence of autonomy harms in connection with problematic debt. It will suggest that even though indebtedness does not constitute a social harm in itself, because it may present an opportunity to satisfy material needs, problematic debt can strongly damage the autonomy sphere of Chileans.

As Walker (2012) argues, problematic debt can be read as an expression of neoliberal economic policies to the extent that it “arises from a persistent disparity between income and expenditure, insecure labour market experiences and the financial impact of normal life events” (Walker, 2012, p. 535). In this sense, it will be considered that Chileans might be incapable of making autonomous decisions because of the responsibilities imposed by problematic debt. The hypothesis of the commodity fetishisation process will be tested by observing whether the debt problem is associated with paying for non-essential goods such as automobiles and accruing debt on credit cards, or if this type of debt is as a result of buying essential goods such as food, clothing items and utility services. If the results of the regression models show that the odds of a household experiencing problem debt are higher on non-essential items than on essential items, then this evidences that the process of commodity fetishisation has taken place. Similar to the previous chapter, this section will conclude with a reflection on how close or far away the neoliberal experiment has been from the normative model established in Chapter Three, which indicates that a less harmful society exists when the process of commodification of social relationships is less strong in societies.

7.2.1 Evaluating the satisfaction of material and autonomy needs through credit mechanisms

To begin with, although all the participants made links between the model, the credit system, and their personal debts as ‘it is how the system works’, few of them were able to make sense of the historical causes that generated the expansion of credit mechanisms in the country. In the narrative of a policy maker, it is possible to represent the voice of those who identified that the mechanisms of credit were created with the intention of keeping the macroeconomic equilibrium. As the policy maker talking about the early years of the experiment commented:

“We received a broken country, a country without a penny. So the solution was evident... To sell companies, to export things, and to stimulate the economy. It was given access to the market. Of course, not everyone has money, but the access to credit gave Chileans options. You can pay when you have money. The system has problems but also gives you solutions” (Id 33, PM, Senior managerial worker, Female).

When the policymaker in the above quote argues that ‘we received a broken country’ and explains the ways in which the economy was stimulated, one can interpret that the participant is referring to what Chapter Four characterised as the preamble of the experiment. It is important to remember that the government of Allende ended with a 700% rate of inflation (Taylor, 2006), and in this sense, the creation and expansion of credit mechanisms were considered as part of the strategy of the Chicago group to ‘heal the economy’. However, in contrast to other reforms of the period, such as the Labour Plan of 1979, which in its first stage increased unemployment dramatically (see Chapter Four, section 4.3), it seems that the incorporation of credit mechanisms did not have an immediate impact on the daily life of Chileans. As a skilled manual participant tells us, the social transformations produced by the new credit mechanisms were almost not noticeable in their beginning:

“Without noticing we changed, credit cards arrived, people began to buy refrigerators, television sets, vacuums cleaners and buying useless things as well ... Suddenly we all changed after 17 years of dictatorship, there was no curfew anymore, so even our routines and values started to change. We began to know what was going on in the world” (Id 40, SM, Skilled manual worker, Male).

Based on the information provided by the participants, one can interpret that, as the neoliberal phases progressed in the country, credit mechanisms became central for Chileans’ daily life. The collected data show that the credit system has played a critical role in boosting both benefits and harms. As noted in Contradiction II (Chapter Six), only 12 percent of workers earned more than £700 per month in 2013 (Duran and Paez, 2015). However, according to the last National Household Budget Survey (2013), the average expenses for a household of four members is around £800 per month. In this context, it makes sense that the participants not only tend to connect the dynamics of

labour expressed in Contradiction II with the indebtedness circle but also discuss what the positive and negative sides of going into debt are.

As the following quote of a small proprietor shows, for some participants, it would appear that the mechanisms of credit provide several opportunities to consume items, and thus, material needs can be met through credit mechanisms especially when the wages of individuals are not enough to afford their minimum standard of living. Nevertheless, as the small proprietor also suggests, problem debt would also increase psychological pressure on individuals. In doing so, this may generate not only mental health harms but may also reduce levels of autonomy. In particular, forcing many participants to enter into cycles of debt meant that they are not able to formulate free choices in any aspect of their life without considering the different bills that they must pay at the end of each month.

The narrative provided by the next participant is also important because it helps us to make connections with Contradiction I (Chapter Six), revealing once again that there is not a monolinear trajectory between the ways in which contradictions spin into one another. The participant explains the tension between use and exchange values regarding what is the fair price of a commodity when it is moved from the production circuit to the consumption sphere. In this sense, the question about the fair distribution of different goods reappears here as a bidirectional process, namely: when individuals sell their work in the market and when they act as consumers:

“In the past, only a few people could go to the supermarket, but nowadays everyone can fill more than two baskets. We improved our quality of life. This bank holiday you can see that people are travelling because they have more access to entertainment and the possibility to buy a car. In the past those things were impossible. It is true that the majority of us lived in debt, but at least, we have the chance to do other stuff. But, I can see that there is a lot of inequality here. I work hard; I sell stuff to big companies and while my collages and I work hard to sell 1 item which cost 2, the same company that bought our products they charge people around 20, and they do not have any other option than buy it. There are several improvements, but there are lots things that we need to work...

Of course, people have depression because they earn the minimum wage and their only possibility to have a decent life is through debt” (Id 8, PG, Small proprietor, Male).

With far less optimism, other participants, especially those who hold the ‘harm’ discourse (see Chapter Eight for details), tended to highlight the negative aspects of going into debt. To them, the wage reality and the circle of indebtedness are synchronised in such a way the model produces unhappiness and human alienation. As one holder of this discourse argues:

“In respect of wellbeing, nobody can say that we have improved because the majority of workers are working for under 300 [pounds]. What happens in this same model is like a cycle where you are permanently getting in debt, consuming goods. This hides the reality, masks the debt, the depression ... the truth is that it’s a model which brings us to ruin, the quality of human life has been denigrated” (Id 46, SM, Skilled routine worker, Female).

Although it is unclear whether the above participant is referring to the circle of indebtedness in general or problem debt, living in debt does not always constitute a harm. As the small proprietor in the previous quote argues, the access to credit can be considered as an opportunity to satisfy material needs. Nonetheless, as the skilled routine worker also points out in her narrative, there is an inherent harmful dynamic when the wages of workers are low. Consequently, in order to measure the incidence of autonomy harms, the establishment of a social harm threshold is required. In this context, the idea explored was that the focus of the social harm inquiry linked to autonomy harms should be based on problem debt.

The definition of problem debt provided by the Central Bank of Chile (2014), which states that this type of debt can be characterised when the level of debt reaches half of a household total income (Financial burden ratio $\geq 50.01\%$). From a social harm perspective, this means that a household might be incapable of making autonomous decisions because of the responsibilities imposed by debt. Based on Financial burden ratio of $\geq 50.01\%$ as threshold, it is possible to separate the percentage of households

that have been able to satisfy their material needs without triggering autonomy harms, from those households that have been able to fill needs but only by undermining their autonomy sphere. Figure 6 shows the result of this social harm distinction. From Figure 6, it is possible to see that around 34 percent of households have lived without debt, 54 percent had some level of debt, and around 12 percent have experienced problem debt from 2007 to 2014.

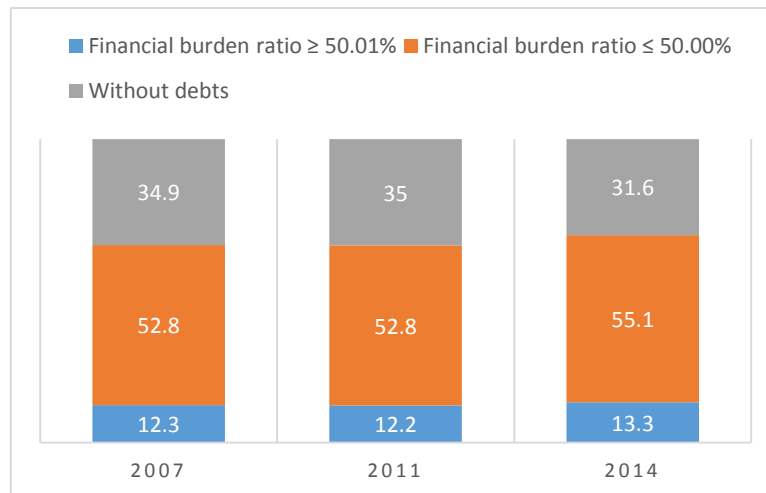


Figure 6. Percentage of household with different financial burden ratio (different years)

*Data source: EFH (2007, 2011 and 2014)

In social harm terms, Figure 6 shows that 54 percent of households have been able to satisfy material needs without triggering autonomy harms. However, this conclusion should be taken with caution. It follows that scrutinising the experiment in relation to Contradiction III also requires an examination of the process of commodity fetishisation within society. Commodity fetishisation can also trigger autonomy harms but in a slightly different way than problem debt. As argued before, autonomy harms can also be formed when individuals start to believe that the items they consume are what provide them with self-actualisation. Consequently, we can only conclude that 54 percent of households have been able to satisfy material needs without triggering autonomy harms when we examine in which areas Chileans accrue debt (Figure 7) and for what purpose (Figure 8).

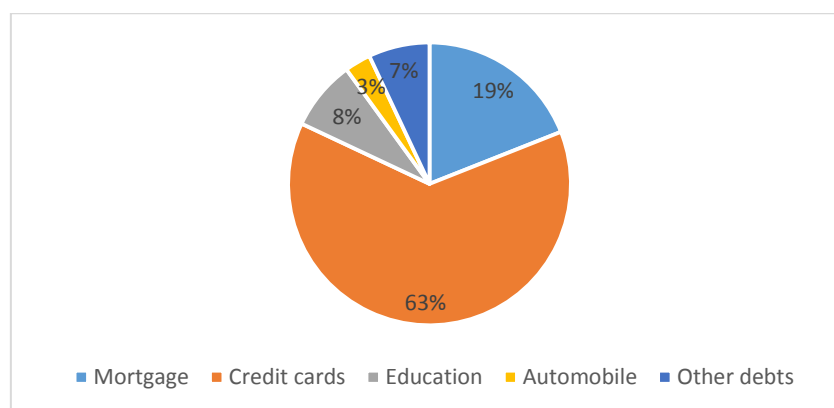


Figure 7. The type of debts of households in 2014 (%)

*Data source: EFH

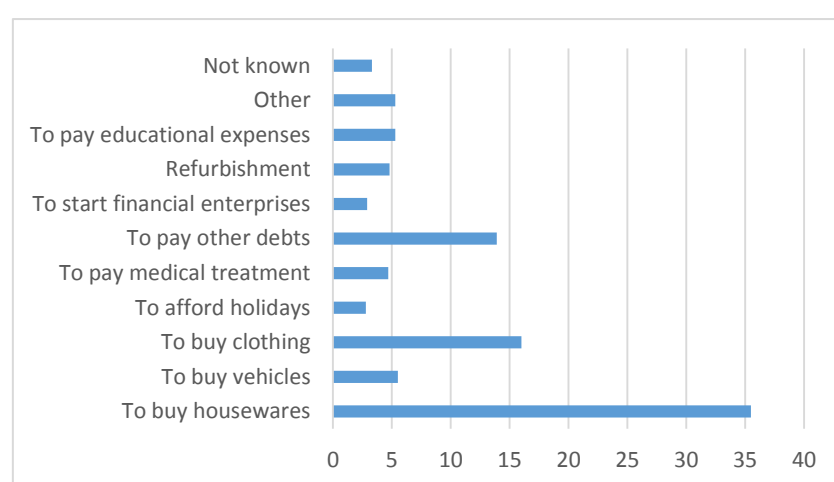


Figure 8. The main motivation of households to get a debt in 2014 (%)

*Data source: EFH

Figures 7 and 8 show that although 54 percent of households are capable of satisfying material needs without triggering autonomy harms in relation to problem debt, it seems that autonomy injuries are also emerging within this 54 percent of households insofar as there is a great percentage of debts that go to satisfy non-essential needs. It is important to note that Figures 7 and 8 contrast with the viewpoints of participants who indicated that there is a considerable proportion of Chileans who live in debt to fulfil the essential needs of food, health, and education. Figure 7 shows that 63 percent of household debt corresponds to different credit cards, while Figure 8 shows that only 5 percent of household debt was accrued in order to pay educational expenses and health treatment. Even further, it is possible to observe that the highest percentage of Figure 8

corresponds to houseware items. Unfortunately, it is impossible to know, from the way that this question was asked, the particular type of articles that may be considered in the homeware category. It could include anything from televisions to bedding items.

Although the quantitative and qualitative information provides contradictory evidence, the participants also claimed that Chilean society entered into a consumerism era, evidence that can be confirmed through Figures 7 and 8. In the words of a routine non-manual worker, it is possible to represent the views of the totality of participants regarding the consumerist nature of society:

“We live in shopping centres. We go to Malls during weekends, we buy things, and we get debts..credit cards.. I think that they live in a materialistic world that has nothing to do with important issues. This idea of being happy, to share with others... to be a community...family gathering together to discuss human issues instead of discussing what they are going to buy... Cars, 4 X4 vans, houses, TVs.. all the good stuff is gone. In the past people had hunger, people had real needs. Today we have the same needs, but there is an illusion for satisfying these necessities through consumerism, and people navigate in this illusion getting debts for life” (Id 14, GP, Routine non-manual worker, Female).

7.2.2 Evaluating whether the mechanisms of credit has led Chilean society to a process of commodity fetishisation

Until this point, on the one hand, we have a situation in which 54 percent of households have been able to satisfy their material needs without triggering autonomy harms. On the other hand, it is likely that within this 54 percent there are households that tend to think that their self-actualisation depends on the items that they consume, and we also have 12 percent of households with problem debt that have been able to fill needs but only by undermining their autonomy sphere. Nonetheless, given the way in which the participants expressed that consumerism is one of the main characteristics of Chilean society, it is unclear whether the 12 percent of households that have had problem debt can also experience issues associated with commodity fetishisation. Consequently, to clarify doubts about whether Chileans live in debt in order to cover basic needs and to

test the hypothesis that Chileans entered into a process of commodity fetishisation, multinomial regression models were built.

Through the dependent variable of the financial burden ratio of households, the odds of a family of experiencing healthy levels of indebtedness and problem debt were calculated. The objective of the regression models was to investigate whether problem debt is associated with paying for non-essential goods such as automobiles and accruing debt on credit cards, or if these type of debt are connected with buying essential goods such as food, clothing items, utility services, education, and housing. It should be noted that while credit cards are included as a variable in the statistical models, it is not possible to view data on individual purchases. Thus, it may be the case that some essential items are included here. However, they would not constitute a significant enough amount in comparison to the amount spent on non-essential items. It was possible to investigate the difference in odds between households regarding credit cards debts and automobile debts in contrast to educational debts and housing debt for years 2007, 2011 and 2014. However, given the database limitations, it was only possible to examine these patterns including other essential items such as utility services debts, food and clothing debts, and transport debts for the year 2007.

According to the indebtedness literature in Chile, it is well known that one part of the financial burden ratio of a households is designated to pay the necessary costs of living such as utility services, transportation, food, clothing, and housing issues while another proportion is designated to pay financial debts (Ossandon, 2012; Alvares and Opazo, 2009). Nevertheless, the ways in which the indebtedness literature looks at this issue can be split between economic studies and cultural studies that hardly ever speak to each other. For example, even though sociological studies have extensively examined the increases in payment associated with educational expenses and automobiles as part of the commodification process of education and the construction of social aspirations

in Chilean society (Moulian, 1998; Mayol 2012), these areas have been less well explored regarding their statistical trends. In contrast, financial studies mainly use quantitative data for understanding the indebtedness phenomenon, yet their explanations are exclusively concentrated in the behaviour of macro and micro economic variables such as the determinants of credit demand in the presence of borrowing constraints for the Chilean economy and how unemployment increases household financial vulnerability (Ruiz-Tagle and Vella, 2010; Fuenzalida and Ruiz-Tagle, 2010). Therefore, the statistical information provided in Table 10 can be read as an effort to provide to the cultural studies a quantitative point of view that help them to either confirm or dispute their assumptions about the process of commodity fetishisation in Chile. The following table shows the primary outputs of the regression models:

Table 10. Multinomial regression models for different financial burden ratio of households (different years)

	Model 1 2007a	Model 2 2011	Model 3 2014
Healthy indebtedness vs. without debts			
Constant	-.418*** (.011)	-2.124*** (.009)	-15.189*** (.007)
Age	.009*** (.000)	.033*** (.000)	-.010 (.000)
Years of schooling	-.004*** (.000)	.030*** (.000)	-.112*** (.000)
Number of individuals in the household	.087*** (.000)	.183*** (.000)	.054*** (.000)
Sex (Male=1)	.743*** (.002)	.022*** (.001)	-.781*** (.001)
Incomes	-.294*** (.001)	-.227*** (.001)	1.063*** (.001)
Credit cards debts	1.813*** (.029)	2.316*** (.000)	.643*** (.000)
Automobile debts	1.583*** (.099)	1.927*** (.000)	1.770*** (.000)
Educational debts	1.583*** (.099)	2.227*** (.000)	1.183*** (.009)
Housing debts	1.599*** (.049)	2.018*** (.000)	.513*** (.000)
Utility services debts	.101*** (.001)	-	-
Transport debts	-.032*** (.000)	-	-
Food and clothing debts	-.658*** (.002)	-	-
Domestic services and entertainment debts	-.023*** (.000)	-	-
Problem debt vs. without debts			
Constant	9.137*** (.013)	11.275*** (.011)	-10.017*** (.008)
Age	.016*** (.000)	.041*** (.000)	.000*** (.000)
Years of schooling	.042*** (.000)	.073*** (.000)	-.130*** (.000)
Number of individuals in the household	.027*** (.001)	.181*** (.000)	-.017*** (.000)
Sex (Male=1)	.346*** (.002)	.155*** (.001)	-1.094*** (.001)
Incomes	-.1746*** (.001)	-1.792*** (.001)	-.027*** (.001)
Credit cards debts	2.445*** (.029)	2.693*** (.000)	1.328*** (.000)
Automobile debts	2.229*** (.000)	2.076*** (.000)	1.851*** (.000)
Educational debts	1.730*** (.099)	2.397*** (.000)	1.314*** (.009)
Housing debts	1.716*** (.049)	2.205*** (.000)	.638 (.000)
Utility services debts	.723*** (.001)	-	-
Transport debts	-.021*** (.000)	-	-
Food and clothing debts	-.591***	-	-

	Model 1 2007a	Model 2 2011	Model 3 2014
	(.002)		
Domestic services and entertainment debts	-.027*** (.000)	-	-
R ² Cox & Snell	.725	.707	.687
R ² Nagelkerke	.849	.828	.805
Model X ²	148294287.2	155519523.2	165966074.9
Overall percentage	88.6	87.1	87.4
N	114936619	126763102	142871208

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

* See Appendices 13 and 14 for descriptive statistics and correlation matrix of the models.

*Numbers highlight in grey correspond to Model 2007b which include four variables that were excluded in Model 2007a to guarantee its comparability with Models 2 and 3.

*Data source: EFH (2007, 2011 and 2014).

It is important to evaluate the results of Table 10 in relation to the cycles of the economy. As Walker (2012) mentions, it is key to remember that the increase in personal debt “has worked to combat rising unemployment and recession” (Walker, 2012, p.534). In this sense, the results seem to reflect on three different moments of the Chilean economy, namely: before the 2009 economic crash, during the economic contraction, and the economic recovery from the recession. Therefore, the changes between years are likely related to what happened in the labour market dynamics between those years. If we look back to Figure 4 in Chapter Six, it is possible to observe that the urban unemployment rate was 10.5 in 2009, and then, steadily decreased until reach 7.1 in 2013. Additionally, based on what Agosin and Montecinos (2011) argue, it is known that the state created emergency employment programmes that stimulated the creation of jobs in the mining and industry sectors, which are mainly dominated by men. Thus, it is likely that those factors can strongly mediate the odds variation in the cases of the gender, income, and credit cards variables.

From Table 10 it is possible to establish two areas of findings. Firstly, gender of the head of a household seems to be one of the most important socio-demographic characteristics that boosts the chances of families of experiencing situations of indebtedness. Although determining some socio-demographic features that may mediate the different financial burden ratio of households, is not the main purpose of this social

harm analysis. It is striking the way in which the gender variable plays out in the indebtedness phenomenon. Men in contrast with women had, a positive relation with both healthy and problematic debt in 2007 and 2011. However, this trend reversed for both levels of indebtedness in 2014, which means that women were more likely to experience both healthy and problematic debt than men in 2014. This finding is controversial especially when we consider that the gender variable lost its explanatory power in both healthy and problematic debt in 2011. However, based on Fuenzalida and Ruiz-Tagle's (2010) study about household financial vulnerability, which explains that "evidence from debt issuers indicates that the main reason for households to default is unemployment" (Fuenzalida and Ruiz-Tagle, 2010, p. 299), one can speculate some reasons that may be associated with this contradictory trend.

We know that between Model 1 (2007a) and Model 3 (2014) the country experienced an economic contraction, and thanks to the regressions models of unemployment presented in Contradiction II (Chapter Six), we also know that women compared to men are far more likely to suffer from this harm than men. Moreover, Fuenzalida and Ruiz-Tagle (2010) concluded that "one percentage point increase in the unemployment rate, debt at risk expands between 0.6 and 0.8 percentage points" (Fuenzalida and Ruiz-Tagle, 2010, p. 317). Consequently, it is not illogical to expect that after an economic contraction women take longer to find a job than men, forcing women to go into both healthy and problematic debt to a greater extent than men after a rise in unemployment.

Another interesting finding regarding socio-demographic variables is what happened with the relation between income and debts. Table 10 shows that, as one might expect, households with high incomes are less exposed to both healthy and problem debt, yet this probability tends to lose strength over time. Therefore, it is possible to interpret that, as time goes by, debt is less connected with what money can represent, which in social harm terms implies that the speculative financial system tends to increasingly

disconnect exchange-values with its specific link to use-values. In other words, as long as the material support of money is disconnected from wages and the level of productivity of a country, the phenomenon of indebtedness can facilitate the emergence of harms because, as noted before, the use value dimension is where all kinds of human needs are satisfied.

The second area of findings can be read in relation to the process of commodity fetishisation. From Table 10 it is possible to conclude that it is more likely that a household has debts than to live without them either in a situation of healthy or problem debt. Table 10 demonstrates that the odds of accruing healthy debt and problematic debt in the form of credit cards, education expenses, and housing issues increased during economic recession, and then, decreased again when the economy recovered, which can confirm the idea that personal debt has been used as a tool to combat the recession. Table 10 also shows that the probabilities of going into debt are high on non-essential items (credit cards and cars) and essential needs (education and housing) for both healthy and problem debt. However, it is important to highlight that, contrasting the odds for problem debts versus the reference category (without debts), the highest numbers are related to credit card debts and automobile debts rather than education and housing debts.

Also, it is interesting to note what happened when we compare the variables highlighted in grey against credit cards and automobile debts in a situation of problematic debt. Based on Table 10, it is possible to confirm that there is a large difference in odds between credit cards/ automobiles and living expenses. Furthermore, from Table 10, one might interpret that it is unlikely people go into debt in those categories except for the utility services debts, which tend to be strong in the case of problematic debts.

Therefore, one can conclude that the commodity fetishisation process of Chilean society is true, although it is also true that there are two types of consumption in relation to the

credit system and debts. One serves to satisfy essential needs such as the need for education and shelter, and the other acts when individuals consume items they do not necessarily need such as credit cards to pay houseware items. It would appear that the process of fetishisation of commodities is an indivisible consequence of fulfilling essential material needs. However, in parallel, this could open a 'Pandora's box' that could trigger autonomy harms.

7.2.3 Evaluating the dynamics of commodity production/consumption from the normative perspective of social harm

In the normative model established at the end of Chapter Three, it was argued that a less harmful society can create when the process of commodification of social relationships is weaker in societies. Although the findings of this contradiction need to be complemented by the results of Contradiction IV (to assess the relational aspect of the commodity fetishisation process), it is possible to reflect on the autonomy issues involved in this process. As noted before, the manifestation of this contradiction in Chilean society is related to Contradiction II (Chapter Six). In particular, a discussion of what indebtedness can generate in individuals is closely connected with the precarious expansion of autonomy that 2/3 of participants identified regarding the reality of wages. However, while the first area of Contradiction II evaluated the production of autonomous harms when Chileans sell their work in the labour market, Contradiction III examined autonomy injuries when they act in the consumption sphere.

Based on the evidence presented in this section, it is possible to argue that autonomy harms have been triggered in two directions. As both quantitative and qualitative data show, it seems that consumerism is 'under the skin of Chileans' in so much as buying non-essential items gives them self-actualisation. This societal feature edges the model closer to a harmful society than a less harmful one. However, the experiment becomes less societally harmful when the data demonstrates that the credit system and the circle

of indebtedness have also opened up possibilities for satisfying essential needs. The satisfaction of needs can lead again to two possible situations. One situation is to go into healthy debt without triggering autonomy harms, yet for those who experience problem debt (second situation), autonomy harms in addition to the injuries caused by consumerism can also be triggered. Consequently, those who live with problem debt cannot formulate free choices without considering different bills that they must pay at the end of each month.

While this contradiction uncovered the impacts of indebtedness cycle regarding autonomy harms, Contradiction IV will deal with how these aspects may affect the fulfilment of relational needs. Although the connections between debts and the satisfaction of the need for education and shelter will be discussed in the context of Contradiction V, it is important to note that in the participants' minds these issues were strongly related. In particular, it will be observed that the pressures the model put on individuals to manage the different vicissitudes of life at the personal level are not separate from indebtedness dynamics.

7.3 The dynamics of instrumental and value oriented rationality (Contradiction IV): evaluating the production/reduction of relational harms

Contradiction IV interrupts human flourishing when there is a tendency to develop instrumental rationality over value oriented rationality. As noted in Chapter Three, social actions that aim to create exchange-values as their ultimate end mirror instrumental rationality, while social actions that allow individuals to trust and appreciate others for their subjective worthiness require value-oriented rationality. In this context, it was argued that relational harms can be formed in two interconnected ways within Contradiction IV; when through instrumentally oriented actions individuals are incapable of visualising how their own actions can negatively impact others, and when these actions undermine the social cohesion of society. Thanks to

Chapter Four, we know that the experiment works with the ideology that the interest and goals of individuals are best served when each individual is accountable to themselves. However, we also know that, as the neoliberal phases progressed in the country, concerns started to be raised within some sectors of society that a society model based on individuals' own agendas and efforts were not sufficient to prevent and resolve the formation of harms and injuries.

Related to these concerns, the results expressed in the three previous contradictions are clear. The Chilean experiment has tended to give more priority to exchange-values than use-values (Contradiction I). The consumerism feature of society has affected the individuals' autonomy sphere in a negative manner (Contradiction III), and although economic inequality has been reduced, relational harms such as violence and hostility between groups have not been reversed yet (Contradiction II). However, it remains unclear how the ideology of the experiment has helped to underpin some of these issues. In particular, how the promotion of certain values and practices that mirror either instrumental or value-oriented rationality relate to the overvaluation of exchange-values; or how consumerism can be seen not only as a cultural operation to negotiate social status but also as a mechanism that can provide meaning to individuals' lives.

This section seeks to scrutinise whether the experiment that spread certain values and social practices has helped individuals to fulfil their relational needs. Firstly, this section will start by suggesting how the process of individualisation has played a critical role in understanding the tensions between instrumental and value-oriented rationality, and how these tensions have re-shaped the social aspirations of Chileans over time. The qualitative data will evaluate and explain the cultural shift of society and the ideological principles that have guided social practices. Secondly, although it is not possible to measure directly the extent to which society seems to work under either instrumental rationality parameters or value-oriented one, we will approach this issue through proxy

variables. As noted in Chapter Five, the operationalisation of Contradiction IV will take place by examining the ability of the model to increase or reduce the feeling of being discriminated against in social circumstances, and by its ability to increase or reduce social trust either at interpersonal or institutional levels. While the first area of operationalisation will reflect on relational harms associated with misrecognition in the instrumental rationality dimension, the second area will mirror social cohesion issues related to value-oriented rationality. Similar to the previous sections, this section will provide a reflection on how close or far away the neoliberal experiment has been from the normative model established in Chapter Three, which indicates that a less harmful society can be found when societies tend to promote the valued oriented rationality above instrumental rationality.

7.3.1 The dynamics between instrumental and use value rationality in Chilean society

To begin with, one can interpret that the participants understood the dynamics between instrumental and use value rationality in connection with a cultural shift that took place at the beginning of the dictatorship. The following narrative from an unskilled worker displays the overall characteristics of this cultural shift:

“I believe that Chilean society changed because of the dictatorship. It created strong individualistic feelings, a lot of competition... All the ideas that promoted collective projects started to disappear. Now the values of people are oriented to consume stuff... to succeed in life as an individual. Nowadays collective projects do not motivate people, the collective projects are seen to be too old fashioned” (Id 55, SM, Unskilled worker, Male).

What is being described here is a diagnosis about when and how the ideology of society started to change from social actions that work with value oriented rationality to social actions that are oriented to the creation and reproduction of exchange-values. From the participants’ viewpoint, Chilean society is currently structured according to market dynamics in such a way that the process of individualisation and consumerist ideology

can represent what Weber (1996) called the ‘spirit of society’. However, as the above quote puts in context, this orientation towards the market differs from the cultural features that existed before the country became a testing ground for neoliberalism. In particular, the participants expressed that the cultural shift that reshaped the mentality and social practices of Chileans has to do with the open economy strategy (Contradiction I) and the indebtedness mechanisms that gave Chileans the opportunity to consume items that in the past did not exist, such as ICT items and electrical appliances (Contradiction III). As noted in Chapter Three, there is a dialectical mediation between the economic pillar of societies and the way that ideology necessarily operates in a certain material matrix and vice versa. Consequently, it does come not as a surprise that changes in consumer patterns that are the result of the economic structural adjustments of the 1980s, were identified as causes of this cultural shift.

Those participants who had experience of living in the country before the arrival of the experiment tended to describe the previous cultural features of society as follows:

For the participants who are more pro left-wing oriented, they argued that some of the positive aspects of Allende’s government were that the UP coalition stimulated the ideas of community, the design of a common project of society, and solidarity between individuals. However, to them, these societal features disappeared as soon as the military regime prohibited the right of association and assembly and when consumer items that came from the open trade strategy initiated a process of Americanisation of culture. What the participants mean by Americanisation of Chilean culture is straightforward. To them, the American culture can be characterised as a culture that promotes the values of competition, individualism, and consumerism. These are all negative values that in the participants’ eyes were progressively incorporated into

Chilean society in such a way that ended up guiding and reshaping the dynamics of the social fabric.

For those participants who are more pro right-wing oriented, even though they conclude the same as the pro left-wing participants regarding the process of Americanisation of culture, their starting point for making sense of the progressive loss of the 'sense of collective' is different. For them, the open trade strategy transformed not only the agricultural modes of production into a modern and industrial mode of production, but also reshaped the values and social practices associated with the *Hacienda* system which mirrors this agricultural mode of production. As Kay (1980) describes, the *Hacienda* system is "a complex and conflicting economic and social relationship between peasants and landlords" (Kay, 1980, p.6). From the participants' point of view, far from promoting just an agricultural mode of production, the *Hacienda* system also encouraged the promotion of Catholic values.

For those who are not familiar either with Chilean history nor Catholic beliefs, it is important to note that this religion has monopolised the faith in the country since the Spanish colonial times (Jocelyn-Holt, 1999). The Catholic Church, until recent years, has had a strong influence on individuals' lives in both private and public issues. It follows that, for the participants who are more right-wing oriented, the Catholic church through its ideas on Christian fraternity was not only a social institution that provided moral and ethical guidance, but also used to give the sense of community to society. As Ratzinger (2015) explains, the Christian fraternity appeals to the social dimension of faith, and in doing so, the words of 'our father' or 'brothers by blood' provide to individuals the feeling of being more than the sum of individuals who live in society. For the participants who are more right-wing oriented, the cultural shift of society is evident. They assess in a positive way that the pattern of consumption of the *Hacienda* system was reshaped because this change gave access to luxury and entertainment items

that in the past were restricted to the rural oligarchy only. However, these participants also perceived that the new consumption pattern ended up transforming the fraternity values of society into market values. Consequently, although the starting point for diagnosis of how society initiated the process of Americanisation of culture differs among the participants, the conclusion is the same: namely, there was an ideological shift from collectivism to individualisation that was initiated by the progressive transformation of the pattern of consumption.

To some extent, one can interpret that for all the participants, the assimilation of ‘American values’ such as individualism and consumerism represents more a ‘defeat’ than a ‘victory’ insofar as they tended to identify two main sets of relational harms in society. The first set of harms was understood in terms of how all aspects of the Chilean social life became on premised of personal benefits rather than collective goals; while the second set of harms was framed as how wealth as the main device to coordinate social interactions impedes the recognition of other individuals in their social dimension. In social harms terms, both sets of injuries would appear to lend credence to the idea that Chileans have tended to work under the parameters of instrumental rationality actions instead of value-oriented ones. In the words of a student participant, one can begin to interpret that the triumph of instrumental rationality over value oriented rationality has occurred according to the following traits:

“There is an idea of human development in society that does not consider social relations among individuals, here the important thing is to generate money by any means, and this is part of the ideology of society. Basically, always put the market over the human relationships” (Id 9, GP, Student, Male).

From a social harm perspective, it is possible to argue that each time the worthiness of individuals is mediated by their capacity to consume items, it is likely that individuals work under instrumental rational actions. Nevertheless, in order to predispose individuals to work under this type of rationality, societies need to set beforehand the

parameters of what does it mean to 'fail or succeed in life' in these same terms. In this context, an evaluation of the experiment regarding the effect that the promotion of market values has over social relations would be incomplete without exploring the ways in which the experiment has re-shaped the social aspirations of Chileans.

Bauman (2007), in his book *Consumerism Life*, provides a useful theoretical device to understand the former issues. In essence, the author argues that before a commodification process of social relationships can take place in societies; it is necessary that the ideological mechanisms of society carry on a 'subjective fetishism'.

One can understand that an aspiration is a hope, desire, dream or wish for something. However, these aspirations are not created by 'natural causes'. On the contrary, they are socially constructed in relation to people's understanding of others, the things that they have or not. In this context, the participants described that the construction of social aspirations is closely related to the American idea of the self-made man and the emphasis that individuals have put on private property issues. In doing so, it would appear that the fulfilment of social aspiration would permanently reduce the access of individuals to the field of exchange-values (Contradiction I), and by those means, individuals' will tend to believe that their realisation depends on their capacity to accumulate exchange-values to succeed in life. The following quote from a professional worker unravels these ideas as follows:

"This society generates a lot of frustration because the model tells you that you should be a self-made woman, you should be thin and tall with gorgeous boobs and ass... you should have a university degree, earn a lot of money, yet, the majority of people do not have that stuff... the only thing that they have is frustration. Your reality tells you day by day that your life sucks. Everyone wants to be the self-made guy. Everyone wants other people to admire them. This idea of realisation is at the expense of the collective. However, the sense of collective was why the world used to be a nice place to live" (Id 25, PM, Professional worker, Female).

Given the findings of the shift in the system of values in society, it is unsurprising that social aspirations were associated with social stratification based on consumption patterns. As the quote reveals, Chilean society has tended to measure the success of individuals according to the material items they have or may potentially consume. In doing so, the construction of their social identity seems to be mediated by their talents and effort to accumulate exchange-values, facilitating social exclusion and misrecognition especially when individuals cannot accumulate enough economic resources. Furthermore, when the question was reversed from ‘What are the parameters for succeeding in life?’ to ‘What does it mean to fail in society?’, a similar reference to exchange-values relations immediately appears. This was demonstrated by one participant debating the transformation of the concept of poverty:

“Being poor before the dictatorship was different... There was less discrimination. I used to live in a poor neighbourhood, but my classmates had a lovely house in *Apoquindo* [an upper-class sector of Santiago]. In that period, there was integration, all of us used to study together. Then, the dictatorship arrived. The concept of being poor was transformed. Poverty became a symbol of resistance against the dictatorship. We used to hide in shanty towns so as to build the resistance against Pinochet... There was solidarity in those times. However, Pinochet brought items for consumption such as one tv per house, a car per person... competition between comrades started. In the 1990s, there was a consumer generation. This generation transformed the concept of poverty. No one wanted to be poor. Nowadays, being poor is a social stigma, something that you should hide, like something that you should be ashamed of because it is your fault to live in poverty, it is your failure” (Id 50, SM, Routine manual worker, Female).

This narrative on poverty issues not only uncovers how poverty has been socially constructed in relation to its exchange-value links, but also how poverty has been based on individuals’ failures rather than the institutions of society that may produce such conditions. It is interesting to note that although the participants recognised that there was a tendency to associate those who live in poverty with their lack of talents, efforts, and poor decision-making until recent years; a great proportion of them also explained that, nowadays, to live in poverty is something that everyone could be exposed to at some stage of their life because (as will be uncovered in Contradiction V), the welfare

orientation leaves the management of different social insecurities in individuals' hands. In this sense, it comes as no surprise that the participants' feeling of constant vulnerability would lead them to both the rejection of the 'self-made man' ideology and the behavioural explanations of poverty given the social pressure that the institutions of society put on their shoulders.

Up to this point, we have characterised the cultural shift that reshaped the dynamics between instrumental and value-oriented rationality in Chilean society, the specific system of values implicated in this shift, and how these values and social practices have redefined the social aspiration of Chileans. In other words, we have uncovered how the features of instrumental and value-oriented rationality -as elements in contradiction- have worked together at the societal level. Therefore, the remaining task of this section is to scrutinise the instrumental and value-oriented rationalities in isolation from one another, so as to explore whether participants' negative evaluation of the ideology of society relates to the specific formation of relational harms such as social discrimination and distrust.

7.3.2 Evaluating the capacity of the model for reducing relational harms in its instrumental rationality dimension

In the case of the instrumental rationality dimension of this contradiction, thanks to the findings of Contradiction II (Chapter Six) we already know that one of the relational harms produced by the experiment has to do with how economic inequality facilitates social segregation. However, we did not explore how the feeling of being discriminated against through social circumstances may undermine the fulfilment of individuals' recognition in the context of Contradiction II because, according to the participants, these issues are strongly related with how society has built the social aspirations of individuals over the years.

Given the way in which the participants related the construction of the social aspirations of society to money, to a large extent, social discrimination in Chile can be seen as result of individuals negotiating their identity and social relations based on their capacity to accumulate exchange-values. From this standing point, it was logical to operationalise the instrumental rationality aspects of this contradiction by testing whether Chilean society tends to discriminate against individuals based on their capacity to accumulate exchange-values. In particular, to test if the hypothesis that Chilean society tends to prioritise instrumental rationality over value oriented rationality is true. If so, it should be expected that those who are at the bottom of the social structure would have a higher probability of experiencing discrimination because of social circumstances.

Here the ordinal dependent variable of experiencing discrimination against social circumstances was built using three sources, where money as an exchange-value plays a fundamental role in Chilean society. From the participants' point of view, Chileans tend to discriminate against other individuals based on their economic and educational backgrounds and the place where they live. In fact, for many participants, to be discriminated in those terms was read as a failure to achieve the social aspirations that Chilean society ideologically imposes.

Perhaps, it is self-evident that to be discriminated against by economic circumstances not only relates to the individuals' ability to accumulate exchange-values but also mirrors the findings of economic inequality presented in Contradiction II. However, this bond is not, at first sight, obvious when we refer to discrimination experienced by individuals because of their educational background and their place of residence. It follows that these areas were strongly connected with monetary criteria in such a way that there was no participant that did not mention that the determining factor for

satisfying the need for education and housing, is wealth. In the words of one student and one unskilled worker, these ideas can be expressed as follow:

“The only thing that I can say is something that you already know. Here we have education for poor people like me, education for those who can pay a little money, and good education for those who can afford it” (Id 21, GP, Student, Male).

“We have access to subsidies that aim to resolve the housing issue. However, the way to handle this problem is through a market logic. This is the reason why we have cities which are highly segregated. The rich and powerful people live in houses with big walls... while poor people live in small houses” (Id 54, SM, Unskilled worker, Male).

Driven by the extensive evidence about classism, marginalisation and social segregation, it was decided to include two types of independent variables in the regression model: class based and non-class based variables. Regarding class-based variables, the literature is clear. The phenomenon of social discrimination in Chile is based on: (1) the socioeconomic position of individuals (Nunez and Gutierrez, 2004; Contardo, 2008); (2) education (Nunez and Miranda, 2008; Bellei, 2013); and (3) place of residence (Rodriguez, 2001; Agosini and Brown, 2007). In other words, similar to what the participants expressed, the literature suggests that when Chileans come from a modest economic backgrounds; when they have less education; and when they live in marginal neighbourhoods, they are more exposed to being discriminated against. For example, Valenzuela, Bellei and Los Rios (2009), using the index of dissimilarity, conclude that schools are segregated in such a way that the phenomenon of residential segregation closely matches the level of educational segregation. The authors found that the index of dissimilarity in the educational system reached 0.53 in the 2000s, which means that the country is closer to what the literature classifies as a hyper-segregated system (0.6 and above). Similarly, studies by Rodriguez (2001) and Agosini and Brown (2007) about residential segregation, demonstrate how it is possible to interpret that the place of residence not only represents borders between districts, but is also a symbolic barrier between classes.

Concerning non-class variables, given the database restrictions, it was only possible to incorporate the variables of gender and age into the regression model, even though the Chilean literature about social discrimination and classism also indicates that the ethnicity variable is a relevant criteria for understanding these issues (Merino, Quilaqueo and Saiz, 2008; Ramirez, Estrada and Yzerbyt, 2016; Larrain and Walker, 2005). In general, it was expected that both class-related and non-class variables influence the chance of being discriminated against. However, it was reasonable to presume that non-class-based variables have lower expected probabilities of experiencing discrimination than class-related variables, because those variables reflect biological characteristics of individuals rather than circumstances of living. Nevertheless, given the importance attached to paid labour and domestic labour disparities between genders (Grabb, 2007) it is undeniable that this variable tends to have close links in mediating the access to exchange-values.

Table 11 present the results of the regression model for exploring the formation of relational harms associated with misrecognition in their instrumental rationality dimension. Table 11 confirms the hypothesis that Chileans tend to prioritise instrumental rationality over value oriented rationality to the extent that the economic position of those who are at the top of the social fabric is less exposed to experiencing discrimination than those who are at the bottom. In fact, Table 11 shows that the strongest negative relationships happen when the upper-class groups are contrasted with the underclass group (reference category). Moreover, it is important to note that as the years of schooling increase, the odds of being discriminated against decrease, however, this variable presents a weak relationship compared to the socioeconomic position of individuals.

Concerning the non-class variables of age and gender, Table 11 shows that while gender does not influence the odds of feeling discriminated against because of social

circumstances, these odds increase when individuals are younger. However, the age variable also tells us that its intensity is weak when with the socioeconomic position of individuals.

Table 11. Ordered logit regression model for individuals' feeling of social discrimination in 2012

	Model Discrimination against social circumstances (economic, educational and neighbourhoods)
Years of schooling	-.169*** (.001)
<i>Socio-economic position (Underclass ref.)</i>	
Upper class	-.861*** (.005)
Middle middle class and Upper middle class	-.264*** (.004)
Lower middle class	-.344*** (.003)
Working class	.139*** (.003)
Sex (male=1)	.090*** (.002)
Age	-.028*** (.001)
<i>Place of residence allocated by socio-economic position (Underclass ref.)</i>	
Upper class	.356*** (.004)
Upper middle class	.007 (.005)
Middle middle class (top)	.162*** (.004)
Middle middle class (bottom)	-.080*** (.004)
Lower middle class	.649*** (.004)
Working class (top)	-.056*** (.004)
Working class (bottom)	.328*** (.003)
R ² Cox & Snell	.087
R ² Nagelkerke	.105
Model X ²	573688.947
N	839

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

*The place of residence variable only includes 34 districts within the Metropolitan Area of Santiago. The district allocation based on socioeconomic position was made using criteria of AIM (2012). See Appendix 3 for district allocation.

*See Appendix 15 for descriptive statistics and correlation matrix of the model.

*Data source: PNUD (2012).

The socioeconomic position of individuals confirms how wealth as a mechanism coordinates social actions and shapes the phenomenon of misrecognition. Through the variable of the place of residence allocated by socio-economic position, it is possible to uncover how this logic operates within territories. In particular, as De Mattos (2002)

suggests, the place of residence says not only something about the geographical distribution of individuals in a territory, but also how these territories mirror the cultural transformation of societies and the evolution of inequality. From the place of residence variable presented in Table 11, one can observe that individuals who live in upper-class and working-class districts in Santiago are more likely to experience social discrimination than those who live in underclass districts. However, within this, it is also possible to uncover how individuals who live in lower middle-class districts seem to be the socioeconomic group most exposed to the risk of social discrimination. Consequently, although it seems that those who are at the top of the social fabric are less exposed to experiencing discrimination than those who are at the bottom, the probabilities of experiencing this type of harm is not restricted to one sector of society only. In the words of an upper-class participant, one can interpret in a better way what these numbers are expressing when the participant indicates that:

“In my social circle, it is expected that you have a big house, a sports car... It is expected that you will be married and you have at least two kids. If your kids go to Catholic schools and you go to mass every Sunday even better. If you follow what is expected from you, you are included” (Id 2, GP, Upper service worker, Female).

The quantitative and qualitative data show that social discrimination is a widespread harm in Chilean society. Nevertheless, one can also argue that the extent of this harm seems to have more adverse consequences for those who are at the bottom of the social structure. Through the narrative of a participant who lives in one of the working-class districts, where the odds of experiencing social discrimination are similar to those who live in upper-class sectors (Table 11), it is possible to disclose the scope of the harm of misrecognition when the social aspiration of society is built under exchange-value terms:

“Jalo, the father of my child, when he was looking for a job wrote ‘La Pintana’ as his district area, and all doors closed because he was from La Pintana... like as if he was going to rob from the workplace already. He was not even in the job

interview, and they already thought that about him” (Id 47, SM, Professional worker, Female).

Based on the evidence presented so far, it is possible to conclude that the neoliberal experiment when scrutinised according to its capacity to reduce relational harms, has failed in providing individuals with the chance of being evaluated for their subjective worthiness rather than being judged and discriminated against according to their ability to accumulate exchange-values. Nevertheless, we still need to examine how these issues have impacted the level of social trust, which mirrors the overall cohesion of society in its value-oriented rationality.

7.3.3 Evaluating the capacity of the model for reducing relational harms in its value-oriented rationality dimension

Chapter Five operationalised the characteristics of the value-oriented rationality of Contradiction IV by scrutinising the ability of the model to increase or reduce social trust. In particular, it was hypothesised that if the experiment is good at increasing value oriented actions, what should happen is that the level of social trust should also increase. Although social trust is a puzzling phenomenon that can be studied from different angles, from a social harm perspective, trust should be rooted in the realm of social needs. As argued in Chapters Two and Three, individuals cannot flourish without establishing relationships with other individuals, because their needs are not only egoistic but also social.

Trust can be understood as the pillar through which social cooperation and solidarity are built, and in doing so, social trust can closely mirror social actions that need value-oriented rationality. However, as Misztal (1996) summarises, trust can be analysed as either “the property of individuals, the property of social relationships or the property of the social system” (Misztal, 1996, p.14). Therefore, all these layers may reflect on different aspects of the relational needs that individuals need to meet if they want to satisfy their needs. The need to be loved and valued is linked to interpersonal trust while

‘trust as policy’ (Misztal, 1996) looks at the social cohesion of the system. Through the following quote, one skilled worker describes these ideas about trust as:

“Your personal goals should include the goals of society because we live in society. To love and be loved it is the most basic feeling in society. It is very harmful that you just think of yourself without considering others. However, no one will tell you that distrusting others is a good thing. I believe that we are afraid, we are afraid to take the first step to start designing something different, we do not want others to hurt us... in the end, we end up locked in our homes because of fear of others, yet, we want to share with our neighbours, we want to trust in the institutions. It is a big trap... who will take the first step to design something different if everyone is afraid of being hurt?” (Id 19, GP, Skilled worker, Female).

As the participant indicates, the rise of individualism opens the door to the suspicion that there is always a hidden intention in the actions of others, and consequently, concern about being hurt by others appears to be a natural self-defense mechanism to fight for self-oriented interests. To a large extent, the promotion of instrumental actions would pose several questions regarding how to deal with other individuals. This dilemma can be viewed as resulting from the socio-political context in which the interviews were conducted (see Chapter Five, section 5.3), but also appears to be strongly associated with the cultural features of individualism and competition mentioned at the beginning of this section.

For all participants, the phenomenon of distrust appears more as an endemic issue in society rather than a single phase of the neoliberalisation process. It is possible to distinguish two types of trust: interpersonal trust and institutional trust. Although the participants developed their arguments by mixing both elements, these elements do not necessarily have the same explanatory features for analysis. For example, Freittag and Traunmuller (2009) argue that interpersonal trust is based on a combination of experiences (first and second-hand experiences) and social dispositions (disposition referring to personal, familiar and social contexts) in relation to other individuals. Hence, one can expect that interpersonal distrust has close links to both biographical experiences, and the experiences of society as a whole. Nevertheless, as Blind (2007)

also notes, although interpersonal trust is inseparable from the notion of trust in the system as a whole, evidence has shown that there is a weak link between interpersonal trust and institutional trust. In other words, as Morrone, Tontaranelli and Ranuzzi (2009) indicate it is impossible to “predict a person’s trust in other people from their trust in social institutions” (Morrone, Tontaranelli and Ranuzzi, 2009, p.21).

Consequently, guided by the social trust literature, a hypothesis was developed that although interpersonal trust and institutional trust may be connected in Chilean society, they can also mirror and explain different dynamics within the social fabric. Interpersonal trust can tell us more about the process of individualisation, whilst the level of institutional trust can offer an approximation of the neoliberal experiment regarding the achievement of promises made during the neoliberal phases.

Concerning the level of interpersonal trust, from Figure 9 it is possible to observe that the level of interpersonal distrust reached on average 85 percent between 1998 to 2015. In 2010 and 2012 the level of distrust decreased, only to increase again in 2015. It is important to take into account that the difference in percentages between the 2010 to 2015 periods match the third and fourth phases of the experiment. For the 2010 to 2012 years, it is key to remember that the student movement raised awareness among the general population about the lack of solidarity in the educational system, while 2015 was a period strongly mediated by cases of corruption (see Chapter Four). Despite the difference in percentages of these years, the high level of distrust represents a severe harm that undermines the fulfilment of relational needs. One might expect that people may distrust others to a certain degree; however, when the percentage of distrust covers over half of the population, to a large extent, this represents a threat to building a common project in Chilean society.

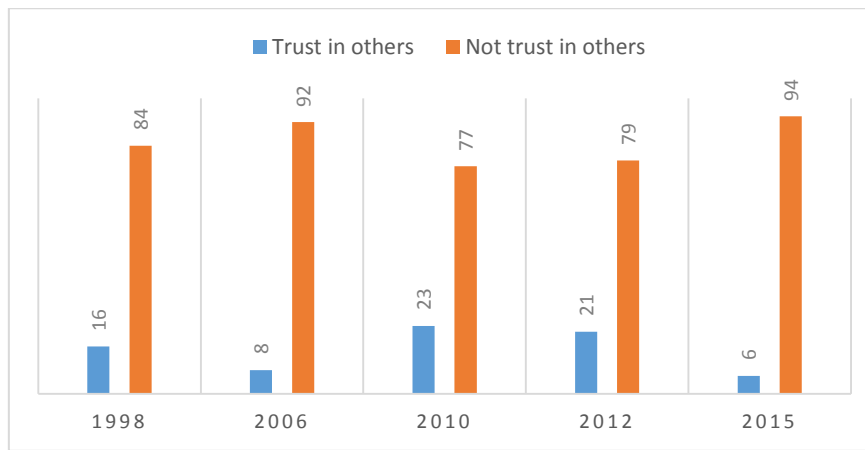


Figure 9. Interpersonal trust by different years (%)

*Data source: CEP (1998, 2006, 2010, 2012 and 2015).

Unfortunately, given the unavailability of databases, it was not possible to track the pattern of distrust in Figure 9 in the earliest 1990s. Therefore, we cannot be sure if this pattern increases or decreases in the first democratic period after the dictatorship. However, from qualitative evidence, we can approach the interpersonal distrust phenomenon if we analyse what happened during the dictatorship in relation to the national security policy, the main objective of which was to find and punish anyone who could challenge the regime. As an routine manual worker mentions:

“The dictatorship brought not only fear but also the disarticulation of society, and this was continued by the Concertacion governments. Once, a lady told me: the greatest achievement of the DINA [Intelligence agency created during the dictatorship to defy the enemies of the regime] was to install mistrust among individuals. When we don’t trust in our neighbour because he or she can accuse us, the social bond is broken. The DINA contributed to the idea that everyone wants to live on their own island” (Id 50, SM, Routine manual worker, Female).

This repressive state apparatus bears similarities to that of the Stasi in East Germany. In this case the ‘DINA’, would leave deep scars in society regarding interpersonal trust. However, it is also likely that a proportion of this distrust may be explained through the effects that economic inequality (Contradiction II), and the values that individualism and competition bring to interpersonal relations. In other words, inequality is the prime suspect for constructing the dispassionate notion of ‘others’. This process of individualisation that convinced Chileans that they could succeed in life without others, created a ‘perfect storm’ for increasing the feeling of interpersonal distrust after the

dictatorship. Therefore, based on the information provided by the participants, but also attending to what Figure 9 shows, one can conclude that the experiment (evaluated through its capacity to generate interpersonal trust) is far away from promoting social actions that require valued-oriented rationality among Chileans.

It was decided to expand the analysis of the interpersonal distrust phenomenon by building regression models, which aim to determine which socio-demographic profiles tended to distrust more in one another over time. Guided by the results of Power (2002), who used Chilean World Values Survey data, it was expected that similar results in our dataset (CEP surveys) would be found. In particular, it was expected that interpersonal trust does not correlate with gender, even though European studies on this issue have found connections given understandings from the literature. For example, according to Cho (2016) quoting the work of Algan and Cahuc (2010) and Glaeser *et al.* (2000), women trust others less than men “because they are more frequently subjected to discrimination and the rules of the game are unfair to women” (Cho, 2016, p.761). Moreover, Power (2002) and Baeza (2011) in contrast to the findings on gender, found statistical correlations between interpersonal trust and the variables of socioeconomic position of individuals, age, education, and urban/rural residence. Evidence that in the case of the socioeconomic position of individuals seems to resonate with empirical studies made for European countries. As Brandt, Wetherell and Henry (2015), reviewing the existing evidence about interpersonal trust, indicate:

“There is a consistent positive correlation between socioeconomic status and social trust (Alesina & La Ferrara, 2002; Gheorghiu et al., 2009; Henry, 2009).

One explanation for this pattern builds on research from social psychology on social status and stigma (e.g., Goffman, 1963; Major, Quinton, & McCoy, 2002). These perspectives suggest that people with low social status who face disrespect and discrimination in society experience long-term threats to their

social worth, which leads them to become more psychologically defensive” (Brandt, Wetherell and Henry, 2015, p.762).

Consequently, given the similarities between Chilean and European literature, it was not illogical to expect that Chileans who are at the bottom of the social structure were more likely to distrust one other than the rest. Nevertheless, contrary to all expectations, as can be seen in Appendix 19, only the variable of gender expressed a statistically significant link to the interpersonal distrust phenomenon over time.

The study made by Hamamura (2012) may partially explain these results; the author found that social class predicts interpersonal trust but only in wealthy countries. However, this explanation is not entirely convincing because it cannot explain the relationships that should exist between social trust and the variables of age, education and residence, and contradicts the evidence on gender when we take into consideration the data provided by World Values Survey and *Encuesta de Juventud*. Therefore, in order to be confident about these results, further investigation is needed. For example, one could conduct a comparative analysis of interpersonal trust using the CEP survey, World Value Survey and *Encuesta de Juventud*, which not only have similar sample sizes and representativeness but also ask the same question. However, this type of analysis goes beyond what is possible to do in the context of this research.

Regarding the level of institutional trust, from Figure 10 it is possible to observe how high levels of interpersonal distrust do not necessarily correspond with the level of socio-political trust in the early 90s and 2000s. Nevertheless, as time goes by, the tendency of distrust in the socio-political system displays a similar pattern compared to interpersonal distrust (Figure 9). As it is possible to observe from Figure 10, the percentage of those who do not trust at all in the system increased from 9 to 49 between 1992 and 2015. Therefore, without excluding the factors that may mediate interpersonal distrust in society to understand the level of distrust in the system (process of

individualisation), it also seems important to comprehend political distrust as part of the attrition of the neoliberalisation process regarding its capacity to achieve both expectations and satisfaction of its promises.

Thanks to Chapter Four, we know that the high percentage of institutional trust in 1992 can be attributed to the promise of democracy and freedom after the dictatorship. So it is likely that a decrease in the percentage of institutional trust over the years can be linked to the failure to fulfil this promise. It may also relate to other harms and injuries that the experiment generated during the phases, such as the persistence of inequality and the harms generated by the circle of indebtedness.

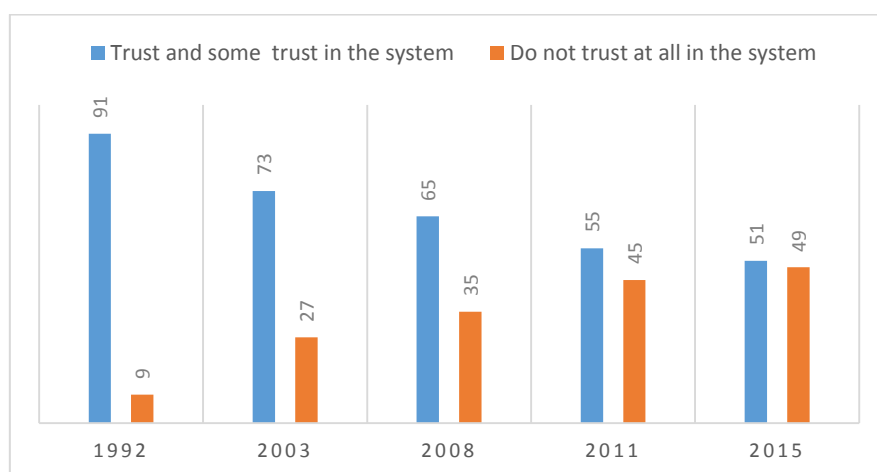


Figure 10. Social trust in the socio-political system by different years (%)

*Data source: CEP (1992, 2003, 2008, 2011 and 2015).

Perhaps, one can understand in a better way the progressive loss of trust in the socio-political system through what one policymaker mentioned in relation to the campaign slogan on which the *Concertacion* coalition won the 1988 national referendum recovering democracy in the country. The campaign slogan was:

“Chile joy is coming:

Chile joy is coming because whatever they say I am free

I feel that is time to gain freedom.

No more abuse, it is time to change.

Because there is enough misery

I will say NO.” (‘NO’ campaign slogan, 1988).

However, after 27 years of this campaign slogan a policy maker who worked for more than ten years in the *Concertacion* coalition mentioned:

“We are still waiting for the promise of joy. I fought and worked hard to achieve this promise. However, after all these years, there is stuff that we did very badly” (Id 36, PM, Professional worker, Female).

What the quantitative and qualitative data are showing, is that the experiment has not only failed in developing interpersonal trust, but has also systematically eroded the level of institutional trust even though different ‘patches’ have attempted to overcome this situation. Consequently, it is possible to conclude that the experiment scrutinised by Contradiction IV has spread values and social practices that strongly undermine the fulfilment of relational needs in such a way that far from promoting social actions that require value oriented rationality, in fact, facilitate exchange-value relationships that need instrumental rationality to operate. In doing so, the experiment seems to be closer to a harmful type of society when we consider how embedded the profound harms of misrecognition and distrust are in the heart of the social fabric dynamics.

7.4 The dynamics of public goods and private gain (Contradiction V): evaluating the production/reduction of psychological and autonomy harms

Contradiction V interrupts human flourishing when public goods designed to help individuals to fulfil their needs are transformed and appropriated by capital in the form of exchange-values. Although the dynamics generated by Contradiction V can either intensify or reduce the manifestation of harms in all three of its ontological categories, this section will examine whether the experiment has been able to reduce psychological and autonomy harms as a result of the way in which the model has decided to handle the provision and distribution of welfare. Thanks to Chapters Three and Four we know that

the experiment has not only systematically transferred the management of social goods into private hands, but also has made individuals primarily responsible for satisfying their wellbeing through an exchange-value formula. In this context, on one hand a social good was selected that followed a process of privatisation to explore whether the public-private alliance for managing a social good decreases the odds of forming psychological harms. On the other hand, the study interrogated the experiment by examining the results of what an individualised approach to handling the vicissitudes of life can generate for Chileans.

Firstly, this section will start by characterising the internal logic of the market-state dynamics that has underpinned the provision and distribution of welfare along the phases of the experiment. Secondly, from statistics, it will scrutinise the capacity of the market-state alliance for reducing psychological harms in the housing area. In particular, it will be understood that if the public-private alliance for managing housing policy succeeded over time, it should be expected that the level of housing overcrowding progressively decreases. As noted in Chapter Five, overcrowding can be read as a psychological harm insofar as overcrowding strongly relates to poor mental health (Gove, Hugues and Galle, 1979) and poor mental health in social harm terms means that the individuals' 'bodies' cannot be used as 'means' to obtain their livelihoods. Then, the idea that an individualised approach to welfare provision can reduce autonomy harms by handling social insecurities will be tested. Here, it will be expected that if the experiment is successful at handling social insecurities through a market-state formula, the probabilities of experiencing insecurities between different social gradients should be low. The section will conclude with a reflection on how close or far away the neoliberal experiment has been from the normative model established in Chapter Three, which indicates that there is a less harmful society when individuals

have the feeling that they are protected from the different social risks generated by the vicissitudes of life.

7.4.1 The logic of welfare distribution

The first area that we need to unpack in Contradiction V is the internal logic of welfare distribution through the public-private formula. In Chapter Three, it was mentioned that there is a tendency in neoliberal societies to outsource the provision of several public assets in the interests of the expansion of public coverage, which holds true for the neoliberal experiment in Chile. The incorporation of the market orientation in the Chilean state was seen as a critical device that would boost coverage, efficiency, and effectiveness in all sectors of the provision of social goods (Borzutzky, 2002). Within this orientation, as Solimano (2015) reminds us, we cannot forget that although the majority of the privatisation of social goods was made under the military regime, the social democratic governments ultimately consolidated this welfare orientation. As was explained in Chapter Four, the *Concertacion* justified this orientation partially because they could not remove the neoliberal anchors of the dictatorship, such as the 1980 Constitution, the Organic Constitutional Laws and the electoral system. However, we can also understand that the privatisations of social goods resulted in profitable niches that increased the economic and political power of the elite during the phases of the experiment (Matamala, 2016).

From the information provided by the interviews, it was possible to explore the principle of subsidiary state liability by which the logic of welfare distribution is underpinned. The needs for medical care, housing, and education were considered as social rights that should be guaranteed by the state. However, the formula to ensure these rights appears to be shaped by the combination of public and private mechanisms. It seems that when the market nexus is considered as the central pillar for the production

and distribution of welfare, it activates a cycle whereby the public sector not only provides funds to support public institutions, but enormous profits are generated in the private sector. Through the example of health system provision, the following testimony aims to illuminate how through private mechanisms the enforcement of social rights has been guaranteed in Chilean society:

“You can see what happens in the health area. Businesspeople make a lot of money with the ISAPRES [the private health system]... but 80% of the population receive medical attention in the public system, yet the state pay to the ISAPRES because the GES, and this is crazy [GES is the acronym for Explicit Health Guarantees which is the general law that regulates the health system]... A couple of days ago a doctor was telling me that in the emergency room arrived a thief who was shot three times in his chest. This guy receives the benefits of the AUGE program [AUGE is the public program through which Chileans can exercise their health rights]. The doctors couldn't perform the surgery because of the lack of trauma surgeon... the lack of human resources is the constant problem that you hear everywhere. Well, the doctors transferred this guy to the XXXX [private hospital] so as to perform the surgery... this cost to the state around 100 million [Chilean Pesos]. Thus, you can see that to guarantee the right to medical attention they pay to the private system. There is a contradiction because if you invest in public health, we won't have this problem. You hear every time that the public system is in crisis because the lack of human resources and money, but it is not necessary that you send people to the private system if you invest in the public health system from the very beginning” (Id 11, GP, Unskilled worker, Female).

It seems that the problem identified by the unskilled worker is closely related to the idea of accumulation by dispossession that was discussed in Chapter Three. In essence, it is interesting to note how the private sector helps to fulfil needs, yet at the same time undermines public goods, to the extent that the public sector tends to lose control over its resources. This cycle in the short term would improve access to different public goods, facilitating the enforcement of social rights, yet in the long run, these mechanisms would increase the concentration of economic resources in few hands. Thus, through the reduction of one harmful feature such as the diminution of barriers to use-values by assuming the exchange-value costs, it would open other harmful characteristics, for example, the tendency of appropriation of the common wealth into private hands. Furthermore, one can interpret that once public goods are in private

hands, somehow the access to use-values becomes a problem again because not all individuals have enough money to pay for access to social goods.

7.4.2 Evaluating the capacity of the market-state alliance for reducing psychological harms within the logic of welfare distribution

As far as the interviews are concerned, they explored the participants' evaluations of social and economic issues that impact people's lives in different policy areas such as health, education, and housing. Depending on participants' answers, they were asked to what extent they considered that each policy field has contributed to and undermined individuals' ability to achieve personal goals, and then asked about the causes of each situation. The respondents considered that the privatisation of public goods was the main way in which the Chilean state has addressed the distribution of welfare. Whilst the democratisation of access to public goods through market solutions was indicated as the main positive consequence of market-state dynamics, the monetary cost of this access was mentioned as its main downside.

Although it is true that the results of welfare distribution can be seen in a great variety of areas, it is also true that the logic of welfare distribution was nearly the same for the vast majority of social goods (Taylor, 2006; Solimano, 2015; Borzutzky, 2002). It was possible to draw from the interviews similar policy evaluations that seem to drive the tension that the market nexus put on the distribution of welfare. As a professional worker thoroughly revealed:

“I believe that we have access to health, education, housing, transport, etc. However, I'm not so sure about the quality, and how we have tackled these issues regarding distribution. We have access, but you should pay a lot of money if you want to receive medical attention, good education or to live in a beautiful place. I would say that we have access, but we need to keep working on quality. In theory, there is a weird mix here because I have the right to choose the type of health that I want, the institution where my kids can receive education although there are a lot of barriers. I'm thinking of a boy who lives in a shanty town. Likely, he has the same access to everything like me... it sounds heartless, but I just want to make my point... the difference between this guy and me is that I

have the possibility to pay for quality while he likely is doomed to live with just a few options because money. The market is a solution to the access problem, but it also leaves several questions marks” (Id 28, PM, Professional worker, Male).

As the quote suggests, welfare distribution seems to show a nuanced picture of the Chilean reality. It would appear that the combination of private and public mechanisms successfully expanded the coverage of public goods, and by these means, there were improvements not only in access but also in the quality of the provision of public goods. Nevertheless, in parallel, the participants claimed that the downsides of market relevance are the lack of supervision of the state over the goods and services that are outsourced, as well as the high prices that they must pay for them. As an example of this idea, an unskilled worker commented that:

“Housing and health are guaranteed as long as you can take on a debt. This helps the economy to keep going. But if you collapse or you made a mistake, the market will make you pay the price. What people say is that with sacrifice you can get social security, a house, education and a permanent job but you can’t...Here in Santiago, the quality of housing is poor. You need to pay a lot or live in social housing very far away from the city centre. Social housing is awful. The state did not supervise the construction. They pay a company and this company builds houses...These houses have one small living room, two bedrooms. So only three people should live there, but big families live inside of these human boxes” (Id 20, GP, Unskilled worker, Female).

If we accept the housing policy area as a representative example for evaluating the results of the public-private alliance, it is possible to analyse these dynamics as follows. From one point of view, the participants evaluated in a positive way the expansion of public subsidies and the diversification of market options. For example, it was argued that housing policy tends to solve the housing problem itself, and in doing so, the need for shelter may be satisfied at the level of material needs. However, in parallel, the participants emphasised that this policy would produce other social issues that may undermine human flourishing such as social segregation and overcrowding. While the social segregation issues were discussed in the context of Contradiction IV, here we will deal with overcrowding as an expression of psychological harm. As noted

before, the overcrowding phenomenon allows us to test indirectly the extent to which the market-state formula has helped to reduce the housing deficit by reducing the odds of Chileans experiencing overcrowding.

Although in general around 87 percent of the population did not experience overcrowding between 2009 and 2013 (see Appendix 20), it is interesting to note how one social policy, in this case, the housing one, can contribute to the reduction of physical harms through a public-private formula. However, for those 13 percent who experience this situation it may trigger other harmful features that can be classified as psychological harms. While one interview was conducted in the living room of one participant who lives in a house built thanks to the private-public formula, the interviewee shared that:

“All is very toxic. You need to think that people cannot develop their skills through magic tricks. People need to live in a peaceful environment. For example, this house is a very small and ugly house... ahaha... always crowded... there is not privacy here, everyone in the neighbourhood is aware of your family problems... you cannot live in peace here” (Id 59, SM, Student, Female).

Considering that the housing deficit has been reduced from 944 thousand units in 1990 to 495 thousand units in 2011 (Gimenez *et al.*, 2013), multinomial regression models were built to establish the odds of a household experiencing medium and severe overcrowding in this general context of physical harm reduction. As one can interpret from the above quote, overcrowding is linked to emotional distress and a lack of privacy (Lentini and Palero, 1997). In doing so, overcrowding can have negative consequences for human flourishing that go beyond the harms and injuries that housing deficit can produce in people. As the literature reports, overcrowding is one of the main determinants of Unsatisfied Basic Needs (UBN) and it has relevant consequences in the probability of experiencing poverty (MINVU, 2007; Arraigada, 2004). Based on this link, the social harm expectations of Contradiction V were similar to the regression models that were built for exploring the manifestation of physical harms in its

exchange-value dimension (Contradiction I, Chapter Six). Fundamentally, the idea behind the regression models was to explore which socio-demographic characteristics of households may facilitate the appearance of psychological harms.

Following the study of MINVU (2007), which mapped out one century of housing policy in Chile, but also replicating the social gradients established by the poverty alleviation literature (ECLAC, 2010; Gammage, Albuquerque and Duran, 2014) the independent variables of age, years of schooling, income, geographical location, and gender were included in the regression models. While according to MINVU (2007) those variables may significantly explain different variations of the overcrowding phenomenon over the years, Alvarado, Arraigada and Nieto de los rios (2004) reported that there are links between these social gradients and the role played by overcrowding in the intergenerational transmission of poverty in Chile.

Importantly, as indicated in Chapter Five, the regression models were calculated according to the overcrowding index made by the Housing Ministry in Chile. This index considers that whereas there is medium overcrowding between 3 and 4.9 people per room in a house, it can be considered a situation of severe overcrowding when these numbers reach more than 5 people per room. Using the case of ‘without overcrowding’ as the reference category, the main results of the models are presented in the following table:

Table 12. Multinomial regression models for different levels of overcrowding (different years)

	Model 1 2009	Model 2 2011	Model 3 2013
Medium overcrowding vs without overcrowding			
Constant	1.100*** (.006)	1.505*** (.006)	1.320*** (.006)
Age	-.033*** (.000)	-.034*** (.000)	-.034*** (.000)
Years of schooling	-.119*** (.000)	-.117*** (.000)	-.110*** (.000)
Incomes	-.078*** (.003)	-.117*** (.000)	-.109*** (.000)
Area (Urban=1)	.167*** (.003)	.251*** (.003)	.298*** (.003)
Sex (Male=1)	-.045*** (.002)	-.089*** (.002)	-.073*** (.002)
Severe overcrowding vs without overcrowding			
Constant	-.276*** (.016)	.013*** (.016)	-.817*** (.016)
Age	-.044*** (.000)	-.038*** (.000)	-.033*** (.000)
Years of schooling	-.163*** (.001)	-.153*** (.001)	-.110*** (.001)
Income	-.100*** (.001)	-.141*** (.001)	-.141*** (.001)
Area (Urban=1)	-.100 (.008)	.282*** (.008)	.727*** (.009)
Sex (Male=1)	-.107*** (.006)	-.068*** (.005)	-.034*** (.005)
R ² Cox & Snell	.041	.044	.040
R ² Nagelkerke	.077	.079	.075
Model X ²	562060.075	598844.753	556721.968
Overall percentage	88.7	88.1	89.0
N	132634051	13393116	13588786

*p< .05; **p< .01; ***p<.001*; Numbers in parentheses are robust standard errors.

* See Appendix 17 for descriptive statistics and correlation matrix of the models.

*Data source: CASEN (2009, 2011 and 2013).

It is interesting to note how the probabilities of experiencing overcrowding seem to match the profile of the participant who shared her experience on this issue. The participant was a young female student living in an urban area of Santiago. As Table 12 shows, men compared to women are less likely to experience medium overcrowding than those who live without overcrowding. Then, the variables of age, income and years of schooling show a negative relation to both situations of medium and severe overcrowding, which means that as those variables increase, the odds of experiencing medium and severe overcrowding compared to the reference category (without overcrowding) tend to decrease.

Nevertheless, in the overall picture, Table 12 seems to confirm that it is less likely that households experience severe overcrowding than medium overcrowding, expressing a positive result for reducing psychological harms in individuals. However, these findings are only accurate when the area of residence is excluded from the analysis. Table 12 shows that urban households have higher odds of experiencing medium overcrowding than those who live without overcrowding. In fact, this tendency seems to increase over the years, and for the period 2011 to 2013, the odds of experiencing severe overcrowding changed from negative to positive in a strong way. Consequently, one can conclude that the public-private alliance has tended to reduce the housing deficit and reduce the odds of experiencing psychological harms produced as a consequence of overcrowding. Nevertheless, for those who live in urban areas they are far more exposed to experiencing psychological harms than before.

To a large extent, there are similarities between the positive and negative outcomes of the housing policy and what the participants understood as the pros and cons of the public-private alliance for other social goods. Generally speaking, according to the participants, the outsourcing of social goods tends to resolve access problems. However, as the quote of the professional worker mentioned before expresses, this public-private alliance leaves several question marks about other unintended harms that this alliance may produce. In particular, it would appear that the centrality of the market nexus in society has tended to democratise access to exchange-values, increasing individuals' chance to satisfy material needs. However, this process of democratisation has also posed several tensions between liberty and equality principles, and in doing so, the criteria of distribution and quality of accessible services has been called into question.

7.4.3 Evaluating whether an individualised approach to welfare provision can reduce autonomous harms by handling social insecurities

Regarding the second way in which Contradiction V is scrutinised, one of the main disadvantages identified by the participants about the public-private partnership regarding welfare orientation can be found when the focus of the discussion turns from the policy outcomes to the realm of perceived social risk in society. Similar to what was noted in Chapter Three, it seems that one of the major disadvantages of the outsourced system of social goods is that individuals should search for their own strategies to face different social risks. In other words, it seems that for the neoliberal experiment individuals become the site to resolve the tensions of contradictions. In doing so, they are required to rely more on their biographies and talents for paying the access to ex-public goods than trust in social institutions. In this sense, the tendency of the experiment to ‘privatise social responsibility’ (Beck, 1992) cannot only be read as part of the individualisation process (Contradiction IV), but also as effects what happens when the market nexus acts as a critical pillar to boost welfare orientation (Gilbert, 2002). In fact, according to Mau, Mewes and Schoneck (2012), it is possible to statistically confirm through that welfare-state efforts are relevant factors to explain subjective insecurity.

In many respects, Figure 11 reveals individuals’ feelings of insecurity as a result of the centrality of the market in society. From Figure 11, it is possible to see that around 1/3 of Chileans are very worried about losing their jobs and not being able to pay for either health treatment or educational expenses. This trend becomes more pronounced, if the categories of ‘worried’ and ‘very worried’ are considered together, where the percentages reach more than 75 percent for each type of fear. One might interpret that it is natural to be worried about those situations because they are one of the three most fundamental pillars to satisfy physical and autonomy needs. However, when the

percentage of fear reaches more than 50 percent in society, this can not only count as social harm but should also be read as something more endemic in society rather than a subjective apprehension of individuals.

From a social harm perspective, a discussion about what an individualised approach to welfare provision can produce for Chileans cannot be separated from the dynamics produced by the rest of the contradictions analysed in this chapter and the previous one. In this case, the level of subjective insecurity was framed by the participants in connection with the reality of wages (Contradiction II), problematic debt (Contradiction III), and the social expectations and pressure that the model places on Chileans for succeeding in life (Contradiction IV). These are all characteristics that in one way or another increased the feeling of vulnerability towards social risks. Through the words of a professional participant who has a temporary work in a company, it is possible explain what the numbers in Figure 11 are showing in relation to fear of losing jobs:

“Every Sunday I have a stomach ache because I don't know what will happen to me the next week. I don't know if the company will pay me for my work or if the company will keep the contract with the XXX company and I will keep my job. At play there are a lot of factors here. But what does not change is that I have to feed my family” (Id 5, GP, Professional, Male).

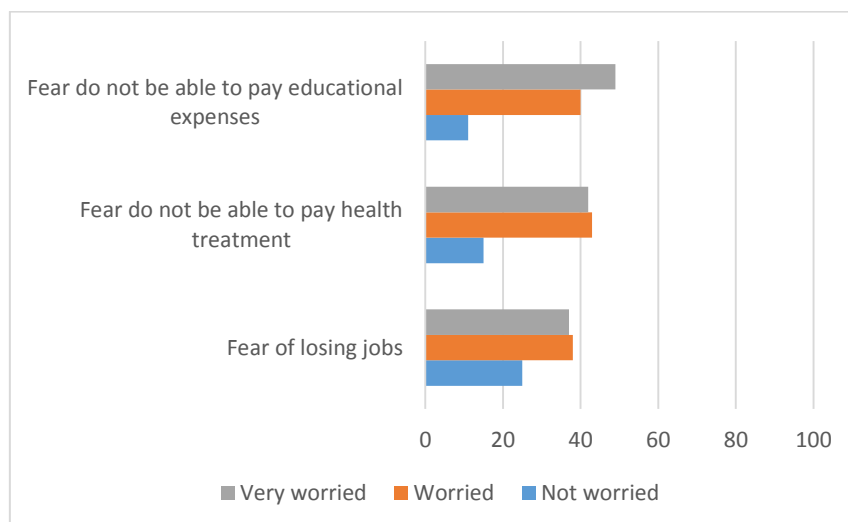


Figure 11. Perception of insecurity in society by jobs, health, and educational insecurities in 2015 (%)

For the majority of the participants, the feeling of being vulnerable increases tremendously when they start talking about health issues. An issue that not only can facilitate the appearance of autonomy harms but also physical injuries when the life of individuals is at stake. In the words of a professional worker:

“The health care system in this country is the most unfair issue. When you get sick, and you don’t have money, you need to wait until someone from the morgue comes to get you...You are always afraid to get cancer. The cancer bills are huge. When you wait for treatment in the public system, you can die waiting. So people decide to go to private clinics” (Id 13, GP, Professional worker, Male).

Based on the negative perception that both the quantitative and qualitative data are expressing regarding the way in which the experiment manages social insecurities, one can conclude that the experiment is not good at handling social insecurities through a market-state formula. The uncertainties of the experiment have increased individuals’ feeling of ‘being trapped by their circumstances of living’ in such a way that these uncertainties are somehow holding individuals back from making autonomous decisions.

With the intention of exploring the extension of these autonomy harms, multinomial logit regressions were undertaken so as to explore what biographical characteristics may influence the odds of the fear of losing jobs and not being able to pay educational expenses and health treatment.

Guided by the literature of financial insecurity, the regression models included variables that reflect the personal characteristics of individuals such a socioeconomic position, age, gender, years of schooling, and marital status (Mau, Mewes and Schoneck, 2012; Erlinghagen, 2008; Green, 2009). However, they also incorporated variables that may be an indicator of financial insecurity, such as the individual’s affiliation to trade

unions, their type of healthcare insurance, and the perceived network support that they have if they cannot pay educational and health bills.

Surprisingly, none of the models built was significant regarding any independent variables. As Appendix 21 shows, the only exception was the socio-economic position of individuals who were at the very bottom of the social structure. This finding may suggest that generally speaking, the feeling of insecurity regarding basic needs such as jobs, health, and education may be a shared feeling in society regardless different personal attributes of Chileans. However, this attitude became more pronounced in the poorest sectors, because it may represent an imminent threat to achieving the minimum standard of living.

7.4.4 Evaluating the dynamics of public goods and private gain from the normative perspective of social harm

To a large extent, the provision of welfare refers to how societies distribute the different resources generated by the modes of production. The formulas of welfare distribution seem to vary depending on the relevance that societies attribute to market, state, and family institutions (Esping-Andersen, 1999). Without doubt, the Chilean experiment gives great importance to market solutions for the provision of welfare, and in doing so, the market nexus tends to produce a permanent tension between public good and private gain. The evidence presented in this contradiction shows that the logic of accumulation by dispossession has democratised access to social goods using market solutions. However, the private-public alliance has also made individuals responsible for paying for the access to ex-public goods.

From the participants' point of view, this alliance presents a short-term solution for satisfying needs, yet in the long term, the public-private alliance tends to concentrate economic resources in few hands and ends up injuring those Chileans who have less access to money because they cannot afford the cost of privatised goods. The feeling of

uncertainties against the vicissitudes of life immediately emerges as a consequence of the relevance of exchange-values in the welfare provision circuit. When the provision of welfare is transformed and appropriated by capital in the form of exchange-values, the feeling of uncertainties against the vicissitudes of life is intensified in such a way that individuals who have less economic resources are indeed highly unprotected. Consequently, one can conclude that the experiment scrutinised by the dynamics of Contradiction V is far from the normative model established at the end of Chapter Three, which indicate that there is a less harmful society when individuals regardless of their socio-economic position are protected from the different social risk.

7.5 Summary

Similar to the previous chapter, this chapter sought to scrutinise the Chilean experiment through the lens offered by the social harm approach. The theoretical framework of contradictions helped to explore whether the model and its ‘patches’ have helped Chileans to fulfil their physical/mental, autonomy and relational needs from a quantitative and qualitative point of view. Summarising the findings of the experiment regarding its capacity for accomplishing material and autonomy needs, one might interpret that the elements that contribute to and undermine the flourishing of Chileans can be seen as ‘two sides of the same coin’.

Firstly, data provided in this chapter and the previous one demonstrates that the model has generated more exchange and use values to satisfy individuals’ needs, yet there seems to be a tendency through which the access to use-values may be compromised by the centrality of the market nexus in society. Secondly, it would appear that the model has expanded the autonomy sphere of individuals, although this expansion is conditioned by the individuals’ payment capacity. Thirdly, it can be expressed that the introduction of the market nexus for the provision of welfare has helped the state to provide services and public goods reducing social harm. Yet, the lack of regulation of

the private sector seems to expose individuals to other harmful dynamics such as the self-management of social insecurities.

Regarding the ability of the experiment to meet relational needs, the neoliberal picture becomes less nuanced. From the narratives and statistics presented in this chapter and the previous one, it is apparent that the centrality of market orientation has proved to have failed in bringing social integration, recognition, and trust between individuals. In this way, the market dynamics as guidance for values and social actions would create a pattern whereby the satisfaction of egoistic needs will always take precedence above the needs of society.

When the dynamics of the experiment were contrasted with the normative model established at the end of Chapter Three, the characteristics of a highly harmful society were found. The experiment proved that there is a commodification of social relationships, either when we focus on ‘subjective fetishism’, or when we evaluate how individuals build their social relationships based on their capacity to accumulate exchange-values. The level of interpersonal distrust and institutional distrust show how social actions that require value oriented rationality are rare in society, and the findings of the research also show how individuals have the constant feeling of being vulnerable to the vicissitudes of life.

Although the contradictions, harms and injuries seem to play out without an order of appearance in Chilean society, thanks to the information provided by the participants, it was possible to draw some connections between them. For example, the tendency of exchange-values to undermine use-values (Chapter Six) was linked to the privatisation of social goods (Contradiction V) and how society has reshaped the social aspiration of individuals (Contradiction IV). A discussion about the availability of exchange-values in the country due to the economic growth strategy (Contradiction I, Chapter Six) was

not separated from the dynamics of the labour area (Contradiction II, Chapter Six), and the participants could not explain the wage reality of workers without reflecting on the dynamics of indebtedness (Contradiction III). One can argue that the dynamics of commodity production/consumption opened the way for making connections backwards and forwards between contradictions. On one hand, the expansion of credit mechanisms was considered as part of the general strategy to boost economic growth (Contradiction I, Chapter Six). On the other hand, these mechanisms provided not only a way to manage access to the privatised social goods but also influenced the feeling of being unprotected against the vicissitudes of life (Contradiction V). The feeling of uncertainty was linked to the lack of solidarity within society, and this lack of solidarity was read in relation to the ideological features of society such as individualism and consumerism (Contradiction IV), which was tracked again back to Contradictions III and I. Taking into consideration that the findings of this chapter have shown that the experiment possesses the characteristics of a highly harmful society, the next chapter will discuss where the legitimacy of the experiment unravels.

CHAPTER EIGHT: THE LEGITIMACY OF THE NEOLIBERAL EXPERIMENT IN CHILE

8.1 Introduction

This chapter seeks to investigate the forms of ideological support that the neoliberal experiment receives and where the legitimacy of the experiment unravels. As discussed in Chapter Six and Seven, we know that the experiment has challenged the satisfaction of relational needs. However, in parallel, it has also proved that it can satisfy the material needs of Chileans. Based on these findings, this chapter will explore the different levels and areas of legitimacy that the participants provided to the production/reduction of harms in society. Although this chapter will not work with the framework of contradictions, the ideological content spread by Contradictions III and IV will be used for making sense of some of the findings of this chapter.

With the intention of exploring the different narratives that surround aspects of the experiment, the viewpoints of the participants will be organised into three broad discursive strands. However, it is important to note that each of the discursive strands will be interwoven with one another as the data lends itself to developing the understanding of the harms in this way. As Lears (1985) helps us to interpret, it is not possible to expect that there is full coherence between discursive practices and their actions, because they involve complex mental states which are always divided and ambiguous. In other words, the social world is more complex than ‘a black and white’ evaluation; and participants do not always ideologically subscribe to one discourse or another as they can simultaneously hold components of different discourses.

This chapter is organised into two sections. Section 8.2 develops the differences of the three discursive strands that emerged from the interviews, while section 8.3 aims to reveal the similarities between them so as to uncover the overall legitimacy of the experiment.

8.2 Discursive presentation of injury: three different approaches

Similar to what was suggested in Chapter Three, it is critical to acknowledge that the neoliberal experiment is not just an economic structure, but is a socially embedded construction that involves ideological norms, class relations and institutional rules (Cahill, 2011). Neoliberalism as a paradigm of thoughts has set a ‘spontaneous philosophy’(Gramsci, 1971) that provides a broad framework to make social life understandable. Although the experiment in phase one imposed its understanding of the social world through political violence, active consent tools were also needed to spread and secure the ideological content of the experiment. It is only through the transformation of coercion mechanisms into consent mechanisms, in the long-run that, “social norms and values are internalised and become part of the individual’s own desires concerning how to behave” (Hoffman, 1977, p.85).

Based on the findings of Contradiction III and IV (Chapter Seven), we know that through the changes in the consumer pattern, the neoliberal project successfully installed a seductive rhetoric about consumption and self-realisation in such a way that ended up transforming collectivism into individualisation and social relations between individuals into market-oriented relationships. We also know that the dictatorship through its policy of de-politicisation of society played a significant role in underpinning some of these issues, such as restricting the space where individuals can meet other individuals and installing distrust between them for fear of being reported by others as enemies of the military regime. However, one can also interpret that economic inequality that came after the return of democracy facilitated the social distance between individuals classifying and segregating them by social class barriers. The point is that all these elements are not divorced from how the participants either validate or challenge the legitimacy of the experiment. All of these elements are part of the ideological baggage of the model that create not only the isolation of individuals in the

social space, but also the content of how they should behave in this isolation. In other words, the experiment through both coercion and consent tools can internalise in the minds of individuals what they should care about and what they should remain indifferent about. From this standpoint, as Marquez (2016) suggests, the legitimacy of a system is a matter of ‘institutionalised persuasion’, which means for us that the experiment through a socially constructed system of norms, values, and beliefs should convince individuals that the experiment is appropriate (Tyler, 2006). However, it is equally true that as White (2005) argues, the legitimacy of a societal system is always partial rather than total. In doing so, it is not illogical to expect that the ways in which the participants legitimise the experiment also has to do with their biographical experiences regarding the fulfilment of their personal needs.

8.2.1 The ‘price worth paying’ discourse

The ‘price worth paying’ discourse understands that the harms and injuries of the few are acceptable for the benefits of the majority of the population. One can interpret this discourse as operating at two interrelated levels in the social imagination. As will be developed, at one level is the idea that in any society there are ‘winners and losers’. However, the proportion of individuals who lose is justified because the majority have benefited from the opportunities offered by the experiment. The other level relates to how these beliefs are internalised to justify the participants’ social actions. More specifically, this second level tells us how the participants internalise and individualise harms because they perceive that the opportunities of the model necessitate sacrifices in order to grab these opportunities.

At a societal level, the consequences of the neoliberal experiment as a ‘price worth paying’ for social prosperity can be best represented through this evaluation of the model by a senior managerial worker:

“Once I read in a magazine that if human being had been told in the XVIII century ‘I am going to give you a technological tool, but it will cost you 3,000 lives’, no one would have said yes. But that is the automobile development... No one would have said: ‘we do want automobiles by the cost of 3,000 lives’. So I wouldn’t tell you if it’s worth it or no... the positive is more than the negative” (Id 23, PM, Senior managerial worker, Male).

Significantly, even though it is true that the testimonies are uniquely personal, it is important to note that this discursive strand was not restricted to a specific class position. As one can observe from the following narrative of a routine non-manual worker, the idea that the collateral harms are acceptable for the benefits of the majority were expressed in the same terms as holders of this discourse position who belong to the top of the social structure:

“It is a price worth paying. This is just as it should be. It is like wars; you must have guns. Wars are necessary to have a better economy. It is impossible that everything is OK for all, but evaluating the negative and the positive stuff. I think that we are doing and living better than before as society” (Id 6, GP, Routine-non-manual worker, Female).

At the micro level, benefits and harms are internalised and justified using the same words as the above participant, in particular, the idea that - in the overall picture - individuals are “doing and living better than before in society”. For the holders of this discursive strand, although the economic growth strategy (Contradiction I) and the privatisation of public goods (Contradiction V) may have downsides, these policies were the only path for increasing the availability of exchange-values quickly. According to Tyler (2006), “if people view market procedures as fair, they give little weight to evidence of potential distributive unfairness in forms of individual or group-based outcome differences” (Tyler, 2006, p.385), which is exactly how this discursive strand evaluates the market system for resource allocation. In this sense, even though this discourse recognised that the material improvements of the neoliberal experiment have not trickled proportionally to all sectors of society, the concerns about inequality are subsumed by the importance of individuals being able to satisfy their basic needs.

In many respects, this discourse carries its own awareness of what has happened in society concerning the inequality of opportunities. For the holders of this discourse, the neoliberal experiment provides a series of opportunities. Nevertheless, it is the responsibility of individuals to grab these opportunities for their own benefit, and in doing so, the sacrifices that individuals need to make in order to get these opportunities are themselves a price worth paying. A professional participant explains the logic of this argument according to the following traits:

“I can tell you that I like that Chile has economic freedom. Depending on my entrepreneurial capacity, the model can help me or destroy me. But, if you work hard enough, you can get real opportunities” (Id 37, PM, Professional worker, Male).

As Hall and Lamont (2013) remind us, “people respond to neoliberal values with varying degrees of enthusiasm and resistance, and many people turned neoliberal ideas to their own purposes” (Hall and Lamont, 2013, p.5). We see this in the comment of the following unskilled worker it is also possible to suggest that, even when the benefits of the trickle down effect do not ‘knock your door’ immediately, through the combination of self-determination and resilience individuals can -at some stage- achieve their goals:

“The problem is: what do we do if we don’t pay, so what? Then, we better go straight to the cemetery? The good thing about the second Chile that we have left is the spirit for efforts, just self-sacrifice... If we say that it’s not worthy, we better go straight to the cemetery” (Id, 12, GP, Unskilled worker, Male).

Although one might expect that the rhetoric of self-sacrifice that individualises harms and injuries was used in the same manner for making sense of personal failures and success, the narratives within this discourse expressed something different. They tended to reject behavioural explanations for understanding personal failures, yet this rhetoric of self-sacrifice seems to operate in the cases of personal success. One might interpret that this divided consciousness between personal success and failure appears to be shaped by two principal factors.

There is a self-conception of Chileans that to be '*Pillo*' (conniving) is part of their cultural identity. To be '*Pillo*' is seen as a desirable talent, which somehow converges the adjectives of conniving and crafty, but also the attributes of being witty and clever. Within this context, it argues that both success and failure should be viewed in relation to either excess or lack of '*Pilleria*' (craftiness). However, the lack of '*Pilleria*' is best applied in the case of the other individuals. Sometimes, this lack of '*Pilleria*' was read in relation the poor efforts that other individuals make to grab opportunities, while at other times the lack of resilience was understood as the reason why after several failed attempts to succeed in life some people still cannot be '*Pillo*'.

When the holders of this discourse position who have low-income distance themselves from the lack of '*Pilleria*' to understand personal failures, one can interpret that they are somehow replicating what studies on poverty have found. Fundamentally, as Fahmy, Sutton and Pemberton suggest (2015), low-income participants who discount personal experiences of poverty may doing so be as "a strategy for coping with the harsh realities of life" (Fahmy, Sutton and Pemberton, 2015, p.597). Nevertheless, one might also interpret that the idea of self-sacrifice does not apply for explaining personal failure given the socio-political climate of the country.

To a large extent, the political context of society seems to facilitate an understanding of the biographies of individuals as events that lay beyond their control. As was mentioned in previous chapters, thanks to the massive demonstrations related to education, there is a relative consensus about how the influence of educational factors and inequality have played a role in building different societal barriers. It is not illogical to suggest that these elements may serve to explain why individuals tend to consider their social context is one of the main triggers of personal failure. The following quote seeks to illuminate what '*Pilleria*' means and its explanatory role for the idea of self-sacrifice within the 'price worth paying' discourse. As the quote suggests, there is an implicit

validation of the '*Pillo*' behaviour as a natural response to facing the downsides of the experiment:

“We have gone from promoting rights to promoting opportunities. As if conquering certain basic and elemental guarantees to a citizen would have to do with cleverness, ‘pillos’ to take that chance, screwing the system and assuring wellbeing. Something very Chilean is the idea of being ‘pillos’... because at the end the system is the one that sucks. Public education sucks. Public health care sucks. It is very sad, but in the end, everything that is not paid or paid poorly sucks” (Id 3, GP, Professional, Female).

As was discussed in Chapter Six and Seven, financial criteria seem to play a critical role in mediating the satisfaction of material needs, either as a mode of production or welfare orientation. In doing so, it should also be considered that wealth would appear to be a device that shapes the commodification of social relationships in such a way that stimulates the competition between individuals. Indeed, as Littler (2013) suggests, the neoliberal ideology promotes the narrative of meritocracy, yet this narrative in practice says very little about merits and a lot about competition. In the words of the author, “meritocracy endorses a competitive, linear, hierarchical system in which by definition people must be left behind. The top cannot exist without the bottom” (Littler, 2013, p.54). Regarding these issues, this discursive strand tended to argue that there is an interval during which an economic gap encourages individuals to compete to move forward in society. However, when there is a substantial and significant difference between people, there is a natural tendency through which the economic gap, from an ethical perspective at least, becomes immoral. As the following participant mentions:

“I think we have passed the limits. I think there is a difference which stimulates where I can go to reach the next level, but I think we're talking about two worlds. One in the public eye for poor people which is perhaps not at the level of some of the worst places in Africa but some of them yes... and on the other side, equivalent to good health establishments of major countries in Europe or the USA. This difference is immoral” (Id 23, PM, Senior managerial worker, Male).

Within the ‘price worth paying’ discourse, the increase in immoral practices can be viewed as resulting from the system of values that the experiment produces as its main

unintended consequence. This consequence of immoral practices would appear to be the key factor that reduces support for the legitimacy of the model. However, this discourse seems to be more inclined to maintain the current model, albeit with certain changes, especially in relation to laws that can promote solidarity rather than facilitate situations of abuse in society. From the following quote of an unskilled worker, it is possible to determine how the centrality of income reshapes the problem of solidarity in such a way that might end up undermining the fulfilment of relational needs:

“At the end of the day the problem is not just people, it is also the bad laws that allow the abuse to occur. There you can see to kill the goose that laid the golden eggs ... from the old man that runs the football field, the corrupt politicians, the pharmaceutical companies, the supermarket, the cashier... as the proverb goes ‘every law has a loophole’” (Id 16, GP, Unskilled worker, Male).

First, the words “the problem is not just people, it is also the bad laws” seem to suggest that both behavioural and social circumstances play a role in understanding the failures in accomplishing relational needs within society. Second, the proverb “to kill the goose that laid the golden eggs” would appear to summarise the general tendency through which the system of ideas seems to spread values, beliefs, and practices motivated by greed and individualism. Equally important, it appears that the reference to “the golden eggs” may represent the critical role that wealth plays in shaping the social relations. Furthermore, when the quote highlights the variety of social positions such as ‘cashier’ and ‘politician’, this serves to support the idea that some practices of abuse could easily be conceived as widespread practices. As Horne (2005) suggests, when “many people engage in a particular behaviour, it becomes taken for granted. It becomes part of the frame through which people view the world” (Horne, 2005, p.406). Last but not least, the “every law has a loophole” expression seems to reinforce the idea of being ‘*Pillos*’ (crafty) as a positive characteristic, and therefore, it would appear that there is some areas and situations where being ‘*Pillos*’ for personal advantage is validated.

Whilst it remains true that the main identifiable factor for reducing the legitimacy of the model is the individualistic logic through which values and practices are spread in society, a contradictory consciousness emerges each time that those values and practices are positively used to justify personal behaviours as a ‘price worth paying’ for success. Moreover, it is interesting to note how this discourse position is also partially shared by individuals who have been left behind in relation to the benefits of the experiment, indicating how the ideology of individual choice and self-responsibilisation (Neilson, 2015) is ‘persuasive enough to motivate continuing commitments’ to this ‘price worth paying’ discourse (Marquez, 2016).

8.2.2 The ‘disillusionment’ discourse

According to Marquez (2016), in order to have legitimate systems, it is necessary to manufacture credible claims that hold true for this second discursive strand. The ‘disillusionment’ discourse can be read through the relationship between the promises of the experiment and its breaches. The neoliberalisation process is judged not only by its assumptions, but also by its long-term results. It follows that this discourse position when compared to the ‘price worth paying’ discourse seems to highlight other aspects of the model, and consequently, the levels of legitimacy are also approached in a different way.

Time is perhaps the key factor in understanding the ‘disillusionment’ discourse. This factor proved to be critical in shaping the levels of both expectation and satisfaction with regard to the promises of the model. It does not appear to be illogical to suggest that some people who hold this discourse could simultaneously be holders of aspects of the ‘price worth paying’ discourse. For them, there were aspects of the model where they perceived benefits for the majority of the population whilst at other times they mainly highlighted the injuries generated by the model. Also, this discourse position

gathers the opinions of former holders of the ‘price worth paying’ discourse who later changed their mind due to the failure of fulfilling their expectations in the long-term. In these cases, as the time goes by, their dissatisfaction with the model only seemed to increase. To some extent, the source of their discontent may be explained (in part), by the way in which the transition to democracy was agreed between the military regime and ‘*La Concertacion*’ (see Chapter Four). However, within this discursive strand, it is also possible to find participants who, since the beginning of the experiment, have posed some doubts about the trustworthiness of the promises. For example, instead of stimulating the aggregate demand based on debts through access to credit (Contradiction III), the neoliberalisation process could increase the aggregate demand based on a rise of wages (Contradiction II). In this sense, as Lazzarato (2011) notes “the credit card is the simplest way to transform its owner into a permanent debtor, an indebted man for life” (Lazzarato, 2011, p.20). An issue that for many holders of the ‘disillusionment discourse’ say more about the invisible and oppressive ties of debt regarding individuals’ autonomy sphere than a mean to truly accomplish human flourishing. However, they simultaneously conclude that debt is the best available mechanism offered by the model to reach their personal goals.

In all of three sub-varieties of the ‘disillusionment’ discourse (former holders of the price worth paying discourse, holders of aspects of the price worth paying discourse, and sceptical from the start but open to change their minds), what seems to emerge is an ambivalent position for evaluating the consequences of the experiment. There is a recognition of aspects where individuals win within the model, while there are other aspects of social life where they are injured. In the words of a small proprietor the ambivalence of this discourse position can be represented as follows:

“I don’t know, it should be an equilibrium. I believe that Chile during the 80s was grey, there was more poverty. But today we don’t have these type of problems. People are unhappy with other stuff such as debts, health and

education. I have more things than before, but I'm aware that the model did not work for other people. I really don't know what to think" (Id 8, PG, Small proprietor, Male).

It is important to note that the 'disillusionment' discourse does not necessarily transform the discursive practices into actions. However, one cannot ignore the fact that, in a few cases, there were coincidences between the level of disillusionment and the participation of the holders of this discourse in public demonstrations. Despite these few cases, the data obtained appears to suggest that for this discourse position, neoliberalism is the only available system. In other words, to them, there is not another alternative beyond neoliberalism. For the 'price worth paying' discourse, neoliberalism seems to be the best model to reach human prosperity.

Within the ambivalent nature of the disillusionment discourse, it is possible to find a shared matrix of disillusionments regarding the promises of the experiment and its 'patches'. In this sense, it is worth noting how the neoliberal experiment updates its promises over the years as a tactic to ensure continuation. It follows that, in order to increase the levels of the legitimacy of the model, the Chilean neoliberal project appears to be capable of creating a discourse through which its own nature is divided into two souls: one associated with the renewal of social democracy, and the other connected to Pinochetism. As one unskilled worker offers:

"I thought that there were two kinds of models, the bad one, the Pinochet one, and the good one, *La Concertacion* one. But now, after what has happened I realise that the good ones were also the bad ones in the end, they all steal" (Id 15, GP, Unskilled worker, Female).

As was discussed in Chapter Four, regardless of the *Concertacion* strategy to amend some of the harmful dynamics of the experiment, there were other areas where the neoliberal logic of the model was consolidated, such as the privatisation of social goods. In fact, it is important to note that this discourse position seems to delegitimise the model by expressing that the reforms addressed throughout the years (for example the education reform and the creation of a public fund for pensions), were superficial

reforms that only transform already existing harms into new ones. The logic of this argument was framed by a student participant as follows:

“You realise that they made us believe in one thing, they added nice words, the education agreement to shut us up in 2006, that rubbish of state AFP [pension system] that at the end is a market solution as well” (Id 38, SM, Student, Female).

Considering the point made by the student participant, it remains clear that the time variable for this discourse strand can act as a device that permanently threatens the legitimacy of the experiment. Further elements that may reinforce this idea naturally emerge when the time variable is read in relation to what happened with the overarching promises of the model, namely: the trickle-down effect, upward social mobility, and freedom.

First, in contrast to the ‘price worth paying’ discourse, the disillusionment discourse disagreed with those who believe that the model works for the majority of Chileans. As a matter of fact, this discursive strand had a tendency to express its disillusionment with the trickle-down promise by saying “there was a trickle with limits”. Second, this discourse position tends to consider that efforts did not work as a general rule but rather as an exception. Thus, upward social mobility, sometimes, not necessarily has relation to neither efforts nor talents. From the following testimony, in the same line as Littler (2013), one might interpret that the idea of upward mobility in neoliberal societies “operates to marketise the very idea of equality” (Littler, 2013, p.53):

“One who tries and works hard does not always have the best reward. There was an ethic in my family, which many people have, that you have to study. Then there was a labour ethic of working a lot, and that was going to be rewarded. I worked a lot, but it wasn’t necessarily financially rewarded. This situation has caused me considerable stress and frustration waiting for that reward. Being an old woman, I can realise that the former is not as such. In fact, when I worked less was when things started to get better for me haha, so you realise that working your butt off wasn’t necessary” (Id 17, GP, Professional worker, Female).

As the above quote suggests, the level of frustration can be viewed as resulting from the relationship between self-sacrifice and reward. However, we can also expect that the explanations of this frustration can be read through the perceived injustice between the concentration of power and networks, which for many mirrors the fragmentation of society. As was uncovered in Chapters Six and Seven, there is a tendency in society to build strong economic and symbolic barriers within classes, which lead us to suspect that the feeling of disillusionment may also come from the decomposition of the social bond, given the way in which life chances are highly structured according to wealth.

The last pillar that seems to frame the disillusionment discourse can be allocated to the participants' understanding of freedom. The concept of freedom was not only related to the recovery of civil rights but also freedom as consumption. Firstly, the promise of civil rights as freedom was indicated as the most fulfilled promise insofar as the democracy was recovered. However, in parallel, this discourse position seems to recognise that this promise is broken when exploring income. This factor tends to give more privilege to certain economic groups. In particular, there was a tendency to emphasise that not everyone has the same civil rights within the legal system. The holders of this discursive strand expressed that "the legal system makes differences depending on your social status" and "there are different types of Chileans regarding rights". In this respect, the 'disillusionment' discourse seems to believe that there is a close relationship between the various levels of autonomy and wealth factors, and therefore, this position appears to recognise that it is possible to expand freedom to include autonomy mainly through market solutions. As a skilled worker argues:

"Looking at the glass half full, this political and economic system has a flag that is freedom, which is alright... but it takes the worst cartoon, the worst option of freedom, an extremely poor freedom, very diminished. Your freedom is associated to the financial capacity, focusing on the more I have the freer I am. I would say what if we took freedom seriously, if the system would take its promise seriously. Its first flag that is freedom of autonomy could make very

interesting things in expanding freedom. Let us take its basic promise and ask that it is taken seriously” (Id 48, SM, Skilled worker, Female).

Although freedom seems to be an important value (either as the recovery of civil rights or freedom through consumption), the ‘disillusionment’ discourse expresses its nonconformity in relation to the high economic cost to expand the borders of autonomy. Consequently, there is an explicit acknowledgement to describe the different level of freedom as “it is all about money”. In doing so, it seems clear that this discourse position tends to consider that the costs of the experiment have been higher than was expected. The disillusionment discourse seems to believe that the model of development should keep its good intentions in relation to redistribution of benefits, meritocracy, and freedom; yet these intentions should be addressed with a new approach, procedures, and actions. Similar to the ‘price worth paying’ discourse, the ‘disillusionment’ discourse was neither restricted to an interviewed group nor a particular class position. On the contrary, from the top to the bottom of the Chilean social fabric this feeling of disillusion was found. However, it is important to remember again that ‘the society mood’ in which the interviews were conducted, may facilitate not only the visualisation but also the intensification of this discourse (see Chapter Five, section 5.3).

8.2.3 The ‘harm’ discourse

The last discourse strand gathers participants who realised the structural nature of harm. They link a whole array of harms and injuries to the organisation of Chilean society. Although it is true that all the discursive strands identified harms and injuries, the harm discourse does not tend to justify injuries, neither to reach personal benefits nor to achieve benefits on behalf of specific groups. This discourse seems to use the feeling of being harmed as the main engine for their actions and beliefs, and in doing so, the vast majority of the participants who hold this position joined public demonstrations as a way to transform their social circumstances.

Within this discursive strand, it seems important to distinguish at least two types of structural harms identified by the participants. One direct and explicit, and other less visible but equally harmful. Firstly, there is considerable evidence that demonstrates that neoliberalism was installed through the use of political violence, whereby more than forty thousand people were killed while others were tortured during the dictatorship (Kornbluth, 2013). Therefore, without doubt, the most visible type of harm can be read in the field of physical and psychological injury that, unfortunately, some of the participants who hold this discourse experienced. To them, the horror of the dictatorship remains, especially because since the return of democracy, according to official statistics, only 298 perpetrators have been prosecuted for their crimes (CNNchile, 2015). This reveals an inconclusive process of national reconciliation that logically increases the feeling of being harmed. Interestingly, even though the harm discourse concluded that the model is a not ‘price worth paying’ because the model has not positive elements to them; individuals who participated in clandestine movements to defeat the military regime expressed that they already ‘paid’ the cost of the model with their own life. In the voice of two participants, some of these costs can be understood as follows:

“Of course, prison and torture have affected my life, psychologically... torture and prison are things which leave marks on your life: physically, psychologically and socially” (Id 50, SM, Professional worker, Female).

“In the year 1974, we made the first attempt to escape prison. The military ambushed us in the month of June or July. We had made a tunnel... When the military personnel found the tunnel there was a great deal of torture and repression, we were 12, after this, many of us were transferred to prison camps” (Id 39, SM, Senior managerial worker, Male).

Secondly, the harm discourse can also be seen in relation to less visible injuries that in many cases are as strong as the visible ones. In both situations, the visible and hidden experiences of harm have left deep scars on the participants. It is worth noting that the holders of this discourse, are not exclusively concentrated at the bottom of the social

structure. However, a less privileged social position would appear to be an important factor for explaining this discourse strand. To these participants, the institutionalised mechanisms of persuasion that provide legitimacy to the model are not convincing enough to normalise their harm experiences. Perhaps, the most salient commonality among biographical narratives can be allocated in the feeling of being vulnerable to several situations. As was noted in Chapter Seven, the idea of constant vulnerability appears to be connected not only with the way in which society deals with daily insecurities such as education, jobs, and health issues but also how society has addressed the issues of trust, inequality, and social discrimination. In this sense, the following narrative aims to illuminate how the asymmetrical relations of power and resources tend to increase the feeling of being harmed leading the participants to connect different harms and injuries to the organisation of society:

“In the hospital xx, which is financed by many of the most expensive private universities in Chile, where a "specific" group of Chileans study. In this hospital, they train doctors which later go on to work at the most expensive clinic in the country. These doctors do surgery for education, that is to say, if you don't have a wound, they give you a wound and they set you up just to teach. This is done to a group of people who have no idea, and they don't tell the people they are doing it. My partner who worked in the hospital saw how births, these births that were normal, ended up in cesarian or what is known as a forced birth, just to teach these little doctors how to perform a cesarian or a forced birth and they hid this. They wrote fake medical records, and they wrote that a cesarian was necessary and there was no other choice. All of this they do to teach, we are talking about a group of Chileans that use another group of Chileans to do their own ends” (Id 58, SM, Unskilled worker, Male).

The above quotation provides evidence that reflects the lived experiences of neoliberalism, and how the neoliberalisation process tends to configure different dynamics of harms that cannot be read as isolated experiences. On the contrary, from the different narratives of harm, there appears to emerge a picture of Chilean society with more negative elements than positive. For the holders of this discourse position, what causes harm to them and others is clear. The ways in which the neoliberal experiment has organised its social dynamics and how this model exacerbates the

egoistic characteristics of human beings that already exist in nature. As a professional worker who holds this discourse position argues:

“This model stimulates our human nature. I mean that there is a lot of people that are comfortable with this model because our nature is about saved yourself and your closest environment. Human beings search for their own wellbeing full stop... The most harmful characteristic of the model is that it installs the feeling that the model is endless and this is very dangerous because the model has an end... This model challenges our survival as humans. However, if you look at the development of human history, there are some periods that we were able to reverse a harmful model of development as happened with fascism and communism” (Id 53, SM, Professional worker, Male).

In this context, the harm discourse seems to argue that the contradiction of the model is the model itself because, in the long term, the social arrangements of the model tend to destroy human life. In doing so, this position would appear to highlight that society should progress and reshape the dimensions of humans into ethical beings, for which it is necessary to recover the notion of human dignity.

8.3 Consensus of the public realm

Based on the information provided by the three discursive strands, it is possible to identify a society of contrasts where not only the levels of legitimacy of the model are different, but also how it is experienced. Despite differences, the three discourse positions agreed on two aspects. First, Chilean society tends to promote situations of abuse, and second, this logic of abuse was incorporated when market mechanisms were introduced to the country. It seems that after the dictatorship, the liberty component was associated not only with the recovery of civil rights but also in relation to expanding freedom through consumption in a way never seen before in the country's history. As was concluded in Chapters Six and Seven, for many participants, the market mechanism (such as the privatisation process and the credit system), are not by definition harmful to individuals. However, to them, the problems started when through the same mechanisms, a set of values and social practices were promoted to expand, in the long

term, a breeding ground for social segregation, violence and decomposition of the public realm.

The three discourse strands expressed that the shift in the economy not only changed the consumption patterns, but also changed the mentality of Chileans, producing as a consequence a new consensus for understanding social dynamics. This new consensus can be summarised as the tension between the results of the experiment at the individual level, and its societal results. Neoliberalism promotes individualistic values and the commodification of social relationships that impede the recognition of individuals in their social dimensions, such as the need for inclusion, worthiness, and trust. However, in parallel, these dynamics proved to be a formula to satisfy individuals' material needs. As Clarke (2004) suggests, neoliberalism dissolves the public realm and substitutes this space with the figure of the consumer. This consumer is nothing more than an "economic person", 'a family person', motivated by the interest of himself and his family" (Clarke, 2004, p.31). Therefore, on the one hand, the results of the experiment and its 'patches' at the aggregate level are disapproved, while, on the other hand, its results at the individual level are legitimised for the sake of individuals' family and personal goals. In other words, it is argued that the neoliberal experiment, in the short term, increases individuals' wellbeing, even though, in the long term, it decreases in the well-being of society overall.

Although this finding is only true when we excluded the harm discourse from the analysis, one can interpret that the consensus of legitimacy of the experiment at an individual level is given by the ideological content that is spread through Contradictions IV and III. Individualisation and the commodification of social life manufacture the social distance between individuals in such a way that each person becomes an island. When individuals are isolated in the social space is not illogical to expect that the participants legitimise the harms and injuries of the experiment from indifference.

Indifference seems to be overcome only when individuals feel that the model is personally working against them as with the harm discourse. Nevertheless, in some respect all the participants perceived that at some stage, societal harms would impact upon their personal lives. Paradoxically they tended to recognise that it is hard to think outside of the individualistic logic because somehow this logic is embedded in them.

8.4 Summary

This chapter was the final findings chapter in this study. The chapter examined the three main discursive strands that provide different degrees of legitimacy to the neoliberal experiment in Chile. The legitimacy of the experiment has been secured against harms and injuries through ideological mechanisms that allow for a dispassionate reading of human suffering. The process of individualisation and the commodification of social life has made the dynamics of the social fabric understandable in three ways. First, as a ‘price worth paying’ for individual prosperity, where individuals are indifferent to issues of structural inequality and commit to individual opportunities. Second, as an individualised and ambivalent narrative that navigates through market mechanisms to satisfy needs, but this narrative is increasingly more sceptical and critical about the sacrifices required to achieve their goals. And third, as a narrative that represents a group of people who have been directly impacted by the negative dynamics of the experiment who identify the model as the primary suspect of their harm experiences.

CHAPTER NINE: CONCLUSIONS

This study has shown the experience of a country that was used as a testing ground for the neoliberal formulae, and how a social harm analysis contributes to the understanding of the implications and interpretations of this experiment. The objective of this chapter is to reflect on four major areas in which this study presents conclusions relevant not only for the Chilean experiment, but also for a broader discussion of neoliberalism. The first conclusion refers to the ability of neoliberalism to reinvent itself due to the harms and injuries that have been triggered over time. The second conclusion relates to the role played by debt in consolidating not only the economic pillars of the model but also in shaping its legitimacy or discrediting the model over the years. The third conclusion is linked to the fragmentation of society and how the isolation of individuals within the social space allows a dispassionate reading of harms and injuries under neoliberalism. The last conclusion relates to the necessity of implementing a social harm agenda in order to design less harmful societies.

9.1 Neoliberalism is adjusted to the harms that are generated for itself

The evaluation of the Chilean case demonstrates that neoliberalism is not a static model. On the contrary, it has a restructuring ethos that allows the transformation of its characteristics over time to secure continuity. In Chile, neoliberalism has moved from a close installation of an ‘ideal type’ of neoliberalism to different amended versions that try to reconcile economic and ‘human’ variables (Atria, 2013).

Neoliberalism in its most authoritarian version can dismantle economic and social dynamics and replace those dynamics with a broad paradigm of thoughts and practices, which have specific views on individuals’ flourishing, economy, and welfare distribution. In Chile, neoliberalism was manufactured by a military regime. Neoliberalism with the intention of installing free market- reforms as value-free, used coercive (political repression) and legal mechanisms such as the 1980 Constitution to

impose its understanding of the social world. The implementation of an ‘ideal type’ of neoliberalism hosted a whole array of physical harms that range from murder and torture, high unemployment, to a poverty situation where almost the half of Chileans did not have enough resources to satisfy their material needs (see Chapter Four). The price for the installation of the model was therefore, not only high, but also unsustainable from a human point of view.

The first trace that corroborates that neoliberalism adjusted to the harms generated, can be seen when the system was able to self-induce a switch. This change allowed neoliberalism not only to transform its authoritarian nature into a democratic one through the 1988 national referendum, but also consolidated a seductive narrative about freedom, consumption and self-realisation. Consequently, the story of the Chilean experiment also reflects on the adaptability of neoliberalism when the model is implemented under a democratic framework. The experiment politically reinvented neoliberal contradictions over the years to transform the ‘purity’ of the neoliberal project into a less harmful model of social prosperity. The results of this process are nuanced.

Table 13 presents a summary of the empirical findings regarding neoliberal contradictions in Chile. Through this table, it is possible to demonstrate how harms and injuries developed in the early years of the experiment (such as high unemployment and inequality, see Chapter Four) have been reduced over time, while other contradictions and harms spin out of control such as the process of commodification of society and interpersonal distrust.

The evaluative picture of the experiment presented in Table 13 is complex, and its complexity relates to the adaptative strategies of the experiment to secure its continuity over time. For example, in phase two, the experiment would consolidate democracy and

expand social spending so as to reduce poverty. Although the chances for satisfying material needs seem to be improved in all sectors of society, Table 13 also shows that the harms that impede the satisfaction of material needs not only seem to be more violent and injurious for those Chileans who are at the bottom of the social structure but also more severe over time.

Table 13. Summary of the empirical findings regarding contradictions

Contradictions	Quantitative findings	Qualitative findings
The dynamics of use and exchange values: physical harms	Those who are female, young, less educated and living in rural areas are more at risk of living under 3 USD per day over time.	The model contributes to the fulfilment of material needs but also poses tensions concerning the fair distribution of these benefits among Chileans.
	The odds for experiencing precarious access to drinking water and sewerage services decreased by social gradients except for those who live in rural settlements.	
The dynamics of exploitation and generation of surplus: autonomy and relational harms	The job creation policy has reduced the probability of experiencing unemployment by gender, years of education, and urban/rural residence. However, it has systematically increased the odds of labour exclusion in the young population over time.	There is a divided argumentation in diagnosis both of social harm reduction and production regarding labour dynamics. While the pro-business discourse commits to the availability of more jobs, the pro-worker discourse challenges the quality of jobs and describes different situations of labour exploitation that goes from injuries at work, problem debt to low wages.
	The percentage of Chileans who work in precarious jobs decreased over the years.	
	Economic inequality increased in periods of economic crisis. The inequality problem is concentrated in how the richest 0.1% dominate the distribution of income. The difference in income between the poorest 10% and the richest 10% as well as the difference between 99.9% and the richest 0.1% decreased over time.	
The dynamics of commodity production/consumption and the realisation of individuals: autonomy harms	It is more likely that a household has debts than to live without them either in a situation of healthy or problem debt. Going into debts is one of the individuals' tools to combat the economic recession. Although the probability of going into debt are high on non-essential and essential items, the problem debt is especially high in the items of credit cards and automobiles.	The consumerism feature is 'under the skin of Chileans' in such a way that buying non-essential items gave them self-actualisation. Going into debt are related to the labour market dynamics and can help individuals to satisfy essential needs. However, debt undermines the autonomy sphere when wages are low.
The dynamics of instrumental and value oriented rationality:	Those who are at the top of the social fabric are less exposed to experiencing social discrimination	Through the transformation of the pattern of consumption, Chilean culture ended up embracing the

Contradictions	Quantitative findings	Qualitative findings
relational harms	than those who are at the bottom. However, the probabilities of experiencing this type of harm are not restricted to one sector of society only.	values of competition and individualism. Chilean social life became on premised of personal benefits rather than collective goals. The aspirations of society are built on the logic of the ‘self-made man’. Wealth as the main device to coordinate social interactions within the social fabric of society.
	Interpersonal distrust is high, and distrust in the socio-political increased over time.	Distrust and misrecognition are widespread practices in society.
The dynamics of public good and private gain: psychological and autonomy harms	It is less likely that household experience severe overcrowding than medium overcrowding. However, this finding is only true when the area of residence is excluded from the analysis.	Public goods were privatised in order to expand coverage. However, the privatisations concentrated wealth in few hands. Individuals access to social good through market formulae. The public-private alliance resolves the access problem but raises several questions about the quality of social goods and the way in which the model handles the distribution of welfare among social groups.
	Individuals’ feeling of insecurity concerning the fear of losing jobs, do not be able to pay health treatment and educational expense are high. However, these insecurities became more visible in the poorest of the poor.	Society unprotects individuals from social risks, generating uncertainties and insecurities among Chileans.

After the first wave of ‘patches of the experiment’ (see Chapter Four), new social demands appeared, pushing the system to reconfigure itself again. Here, neoliberalism was not only tested by its capacity to consolidate democracy, but also by the relational and autonomous harms that were triggered such as the persistent economic inequality and the high rate of debt. Based on the meagre redistributive effects of phase two, the neoliberal experiment in phase three and four amended some harms produced as a result of its internal dynamics, such as improvements in labour regulations, new limits to capital, and the expansion of credit mechanisms for accessing education. However, this new wave of ‘patches’ of the experiment was challenged by the incapability of the ‘patches’ to generate a more ‘solidaristic way to address social issues’. Table 13 also summarises some of these results.

Table 13 demonstrates that the experiment has failed in satisfying the need for social integration, recognition and trust between Chileans. The disconnection between use and exchanges values has installed the idea that the majority of the aspects of society can be treated as a tradable commodity in the market space. Chilean society has fallen into an individualistic logic promoting the idea that the best way to establish relationships with others is through the use of instrumental rationality. In parallel, the aspirations of society have been designed under the assumptions of the self-made man, yet hardly ever individuals can accomplish these expectations, generating a breeding ground for social discrimination and individual frustration. In this context, the alienation of individuals is unleashed. Through commodity fetishism, individuals appear to be disconnected not only from themselves but also in relation to others. This situation has contributed to widespread distrust in both the institutions of society, and interpersonal relationships. In so doing, hostilities between groups in society appear, partially as a result of the negation of others, but also as a response to the insecurity of the daily life such as job insecurity and inability to pay educational expenses or health treatment costs.

As argued in Chapter Four, more solidarity within society does not mean the increase of economic resources to state programmes for social movements. It involved moving from a model of society based on individuals' responsabilisation of social risks to a model based on social rights guaranteed by the Chilean state. However, at the same time that there was a political attempt to remove neoliberalism from Chilean society, such as reversing the privatisation of social goods and replacing the 1980 Constitution. A severe socio-political crisis emerged stopping all the structural reforms that aimed to undo neoliberalism. Therefore, the question of what the ideal socio-political conditions in which neoliberalism can be reversed, or the extent to which the experiment has to be reformed so its harmful dynamics reach minimal levels, remains open.

The ability of neoliberalism to adjust its dynamics due to the harms that the model triggers itself makes it not only difficult to predict its next stages, but also challenges the possibility to reduce the dynamics that remain harmful for human flourishing. However, a notion of social harm based on contradictions allows us to map out not only the complex and various ways in which neoliberalism display its adaptive and evolving features, but also how contradictions and harms have been balanced over time to secure continuity, and when they are less or more harmful to human flourishing.

9.2 Debt as a necessary yet harmful condition of neoliberalism

The empirical findings of this study have shown that neoliberalism consolidates an economic model based on indebtedness rather than wages. Neoliberalism works in a way that boosts availability of jobs, yet this job creation is based on a low wage policy highly characterised by the precariousness of labour (see Table 13). The logic of debt instils the idea that everyone in society can be an owner of ‘something’ (cars, houses, etc.), and yet this sense of ownership tends to predispose individuals to commit with the discourses of meritocracy, sacrifice and resilience. Even when wages are not enough to satisfy both essential and non-essential needs, the model of indebtedness helps to consolidate behavioural explanations of injuries, because personal debt is presented as the result of a ‘personal choice’ or as an individuals’ opportunity to grab the benefits offered by the model.

Although debt increases individuals’ chances to satisfy material needs and provides opportunities to afford the access to private social goods, debt also intensifies the psychological pressure of individuals, and compromises their sphere of autonomy when individuals cannot pay their debt, discrediting the positive link between debt and individual flourishing. In Chile, the empirical findings of the study demonstrate that the negative consequences of problem debt are as widespread as its positive characteristics.

In fact, the neoliberal experiment presented its most structural amendments when students, workers and their families could not pay their debts (see Chapter Four).

When the neoliberal experiment privatised the vast majority of social goods, the mechanism of personal debt became one of the most important devices through which individuals could actually grab the opportunities offered by the model. However, a vast proportion of Chileans could not afford the economic price of these opportunities, leaving them exposed to the swings of the market. Via the individuals' exposure to educational debt, the model started to be challenged. The critique of educational debts were systematically applied to the broader social policy fields, including the pension system, health care system, and labour relationships. This consolidated a broad critique of the role played by personal debt, one of the foundational pillars through which the inequality of neoliberalism is maintained. Consequently, the logic of debt is not only a critical component that allows neoliberalism to grow and gains validation, but is also a feature that destabilises and threatens the system itself.

Debt is a necessary, yet harmful condition of neoliberalism. A model of social prosperity based on debt means that the 'overall winners' are very few (those without any debt) while the rest of the population is distributed between 'partial winners' and 'losers' who have either some debt or problematic debt. Within the 'partial winners' and 'losers', it is possible to uncover not only the invisible and oppressive ties of debt for individuals' flourishing (see Chapter Seven), but also the threats that debt poses for the sustainability of the model in the long term. Academics like Ben-Ami (2010) claim that debt is important for keeping economic growth, and that economic growth is what ultimately generates 'abundance for all'. However, a question that immediately emerges from this type of argument is what will happen when debt spins fiercely out of control? Alternatively, how much can neoliberalism grow and bring 'abundance' with a high level of debt?

Some of the answers to these question are already known. It is known that the financial crisis of 2008 was a crisis of consumer debt and that the international response was to transform the financial crisis of consumer debt into a fiscal crisis (Clarke and Newman, 2012). It is also known that the fiscal crisis led to austerity agendas in various European countries, which in essence have worked with the policy of shrinking the state and shifting state responsibility to individuals and their families (Clarke and Newman, 2012). However, the human consequences that result from neoliberalism if it keeps growing based on debt with the ongoing austerity agenda are unknown. Here the lessons from Chile are critical for illuminating this issue.

Even in Chile where personal debt sustains the structural pillars of the model, social spending has kept expanding over the years. One can argue that this learning process came in the hardest possible way. It came from the experience of the initial phase of the neoliberal experiment where through the logic of 'minimal state' almost half of the population was not able to satisfy their minimum needs of subsistence. However, the level of personal debt for the dictatorship period was far lower compared with the rest of the neoliberal phases. Consequently, it is not illogical to expect that in a situation of rising levels of debt plus an austerity agenda, the human consequences of neoliberalism can be as bad as the Chilean case in the initial phase of the experiment or even worse. The Chilean case also shows what the systematic increase of personal debt can bring to overthrow neoliberalism. Although it remains unknown to what extent social movements can either radically transform or remove neoliberalism in Chile, it seems that the personal debt issue is the space where not only neoliberalism can gain more opponents, but also facilitate and organise the struggles for its destabilisation.

9.3 Manufacturing the indifference of harms and injuries through the fragmentation of society

Neoliberalism has set the parameters to make harms and injuries understandable or ‘normalised’ through the fragmentation of the social bond. In Chile, the ideological baggage of the experiment manufactured this social fragmentation through a combination of different mechanisms. Some of these mechanisms were forged in the early years of the experiment, whilst others were built upon the consequences of the military regime but under democratic conditions. The mechanisms of ‘institutionalised persuasion’ that played a major role in initiating the process of fragmentation of society were the de-politicisation of society through political repression; the prohibition of association in public spaces; and the distrust between individuals for fear of being reported by others as ‘enemies of the military regime’. However, as also noted in the empirical chapters, equally important was the way in which the experiment installed the logic of consumerism ‘under the skin of Chileans’, and how inequality ended up increasing the social distance between individuals to secure its assumptions about personal freedom, individuality and reward.

When neoliberalism encourages and commits individuals to live in the private sphere instead of the public realm, what neoliberalism does is to manufacture social actions based on indifference. As noted in Chapter Eight, indifferent behaviours can appear more or less strongly in individuals depending on the extent of injuries and whether those harms affected individuals personally. For example, those who hold the ‘harm’ discourse were able to link a whole array of harms and injuries to the organisation of society, because they constantly experience the most severe characteristics of harms that include misrecognition, social exclusion and injuries at work. The ‘disillusionment’ discourse held an ambivalent position regarding harms, because they gained some

benefits such as access to education and health while other aspects of the model injured them such as financial insecurity and problem debt.

However, in the case of the holders of ‘price worth paying’ discourse, an individualised narrative about harms and injuries was persuasive enough to commit them with the premises of individual opportunities, meritocracy, resilience and hard working spirit. The holders of this discourse perceived that the opportunities of neoliberalism necessitate sacrifices in order to grab these opportunities. Therefore, those who are injured can be read as a result of the irresponsibility of individuals for not making the necessary efforts to grab these opportunities.

The variable of time appeared to be a determining factor in relation to developing a dispassionate understanding of harms and injuries. Even for those who considered neoliberalism to be a ‘price worth paying’ for the satisfaction of egoistic needs, they were still aware that, at some stage, harms will impact upon their personal lives.

This point is extremely important because even though neoliberalism is capable of fragmenting society and manufacturing the understanding of injuries from indifference, the empirical findings of this study also demonstrate that individuals reject the relational harms inflicted by the model. This means that even in a context where neoliberalism was manufactured in a ‘pure’ way, and even when neoliberalism redesigned and reconfigured society from scratch, people still have the need for the community. This facilitates a point of hope and resistance against the indifference regarding harms and injuries. In fact, within the interviews, a contradictory consciousness emerged whereby the only consensus among the three broad discursive strands is that the logic of an ‘abusive society’ was incorporated and legitimised when the market principles were introduced as the new foundational pillars of the country. Therefore, there seems to be a shared belief across the participants that the ‘price worth paying’, ‘disillusionment’ and

‘harm’ discursive strands appeal to a logic of necessarily transforming the ethical parameters of neoliberalism. To some participants, this transformation should be within the existing capitalist arrangement, while others seem to express more support for the idea of thinking outside of capitalist dynamics.

9.4 The necessity of a social harm agenda

Before it can be indicated why it is imperative to develop a social harm agenda and integrate this agenda into a broad discussion of neoliberalism, it seems important to provide the readers with a summary of the key contributions, limitations, and areas of future research of this study as follows:

Table 14. Key contributions, limitations and area of future research

Key contributions	<ul style="list-style-type: none"> • This study has contributed to the development of Chilean social science. It has used the alternative social harm perspective to make sense of a whole array of harms and injuries resultant from 42 years of neoliberalism. • In order to evaluate the Chilean experiment through the social harm lens, this study has also contributed to the further development of social harm conceptualisation and method. <p>Conceptualisation: The study has merged the notion of social harm with contradictions, and in doing so, it has developed an explanatory framework for the generation of harms in societies.</p> <p>Method: This study is the first one that uses a multimethod design to capture harms. The study collected first hand lived experiences of neoliberalism. It adapted and developed a dialectical qualitative technique of analysis that allows the exploration of relationships and contradictions that emerge from the ‘models of truth’ provided by the participants. While at the quantitative level, under the framework of contradictions, different existing databases were used to build social harm indicators. These indicators not only allow exploration of the incidence of harm, but also its trends over time.</p>
Key limitations	<ul style="list-style-type: none"> • Limitations can be found when it is considered that this study has worked with imperfect quantitative data that was created for other purposes. This limitation restricted the analysis of the data not only in terms of mapping out harms from the early years of the experiment to the present, but also the potential connections between social harms indicators, and therefore, contradictions.
Future research	<ul style="list-style-type: none"> • The natural task that emerges from this study is to keep refining both the conceptualisation and measurement of social harm and to develop further empirical tools that can consistently capture harms in a comparative perspective not only over time but also between societies. For example, this study has focused on the neoliberal type of harms. However, this does not mean that the corporatist or social democratic regimes are harm-free societies. In fact, these societies must also explain the particular harms that they produce. In so doing, there is a great area of knowledge that can be developed regarding these type of societies.

	<ul style="list-style-type: none"> • Comparative exploration of ‘developed countries’ with ‘developing countries’ could also open an area of further study. Developing countries with ‘informal security regimes’ (Gough, 2004) could mature the hypothesis of informal harmful societies insofar as it is not illogical to expect that developing countries with ‘weak or shallow’ states (Filgueira, 2009) could hold more injurious dynamics than some developing countries with the same capitalist regime. • It is equally important to keep developing the normative perspective of the social harm approach within the social policy debate. In particular, it seems relevant to work on how the categories of harms and the idea of preventable harms can be included in the policy decision-making process.
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Without a doubt, the harms and injuries produced by neoliberalism are significant, and they are spread in nefarious ways within the dynamics of the social fabric (see Table 13). However, perhaps, one of the most dangerous thoughts that surround neoliberalism is that this type of harmful society is endless, and in being so, neoliberalism and some of its harms and injuries cannot be reversed. Nevertheless, from the perspective offered by the social harm lens in this study, it is clear that harms are not naturally occurring. On the contrary, harms are ‘visible structures’ or the ‘results’ of socially constructed dynamics by which social injuries occur, and therefore, both the formation of harm and the ways in which we build our social relations are alterable.

In many places across the globe, neoliberalism has not only locally evolved, adapted and increased its harmful dynamics compromising human flourishing, but has also has progressively convinced individuals that it is the best and perhaps the only way to organise societies. For example, the Trump phenomenon represents not only a triumph of neoliberal values and thinking but also the inauguration of a new neoliberal phase. The inauguration of a neoliberalism away from multinational corporations and international bureaucracy and closer to a national neoliberalism. This new era of neoliberalism seems to consolidate, even more, economic and social barriers between individuals. It preserves inequality, closes the geographical boards to restrict migration, and promotes not only the fear of others but also stimulates hate, discrimination and xenophobia between individuals. Therefore, the necessity of a social harm agenda and

to search for social policies that can both reduce and demystify the production of harms and injuries under neoliberalism becomes imperative to reverse some of these ongoing issues.

To a significant extent, the rise, consolidation and transformation of the social movements into a political coalition with a real option of winning the next general election in Chile give hope to the idea that neoliberalism can either be reversed or reduce its harmful features. The Chilean experience after 42 years of neoliberalism proves that at some stage, an organised civil society will emerge that can reject the ideas of neoliberalism. I believe that this research can provide tools for building this path in the academic world, within the state - and above all - in the street, where this new 'coalition of hope' is grounded.

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APPENDICES

Appendix 1. Topic guide

ECONOMIC AND SOCIAL REFORM IN CONTEMPORARY CHILE AND ITS CONSEQUENCES TOPIC GUIDE

My name is Carla Parraguez-Camus and I am a PhD student at the University of Birmingham in the United Kingdom. Firstly I would like to thank you for agreeing to take part in an interview for my study. Before we begin I'd like to start by saying a little more about the purpose of this interview and the research. There's a lot of talk about the current model of economic development in the media and politics. Journalists and politicians have a lot to say about it, but I want to find out more what people really think about the social consequences of this model that has evolved over the last four decades in Chile.

The interview will be recorded; it should take around 1 1/2 hours and your answers as well as your identity will remain anonymous; this interview will be analysed only as part of this study by my PhD supervisors and myself. The findings will be published as part of my thesis, but all of the participants will remain anonymous.

I understand that some of the issues you might want to talk about today might be quite sensitive but I want to assure you that I will treat this discussion as confidential.

Are you comfortable with this?
Did you read the participant information sheet?
Did you sign the consent form?
If you want to stop the interview at any time just let me know.

PART I: Brief history of life

I'd like to start by asking you tell me about your life up to now.

Q1: If you could tell me about a little more of your personal story? What do you do for a living, your professional career, your educational background, your age, your family background?

Prompts:
(All)

Education (qualifications)
Employment
Family background
Age

(Policy makers only)

Years of experience in the area
Former job position
Government period
Jobs outside of the public service

(Social movement only)

How did you come to be involved in the social movement?
What was your main motivation to take part?
What activities do you usually engage with inside of the social movement?
What are the most significant objectives of the social movement?

Part II: Perception of the model of development through the years

Q2: I'd like to start by asking you to tell me about how you perceive the progress of the country from 1980 to the present in economic and social terms?

In your opinion, what have been the key social and economic achievements during the last four decades?

From your point of view, what are the most significant social issues during the last four decades?

Do you believe that the attitudes of Chileans have changed since the 1980s to the present? Why? In which sense?

Prompts:

Positive elements (significant achievements)

Negative elements

Economy

Social issues

Changes

Part III: Evaluation of the economic and social consequences

I would now like to ask you more about your perception of specific social and economic issues that impact people's lives in contemporary Chile.

Q3: What elements do you find positive (or at the moment are contributing the people's life in a positive way to their personal goals) regarding the current socio-economic system that we have today?

Is there another area that you can consider positive as well (Example: education, pensions, transport, housing, health, etc.)

What are the causes of these positive elements?

Prompts:

Elements involved

Causes

Q4: Which aspects of the current social and economic model cause the most harm? What is harmful about the current socio-economic system that we have today?

Is there another area that you can consider harmful as well (Example: education, pensions, transport, housing, health, etc.)

What are the causes of these negative elements?

Prompts:

Elements involved

Causes

Q5: Do you think- considering the positive sides of the system that you mentioned- that the harmful consequences that people are suffering -in the end- are a price worth paying? What is your personal opinion?

Prompts:

Evaluation

Legitimacy elements

Q6: Do you believe that access to goods such as adequate housing and healthcare for everyone in Chile is fully guaranteed? (thinking from the 80s to the present)

And what do you think about the quality of these?

What are the causes of this situation?

Regarding the levels of access and quality that you described, do you consider that this is harmful to individuals preventing them from achieving personal goals? In what sense?

Prompts:

Elements involved

Causes

Q7: Do you think poverty is a particular issue for Chilean society? How do you evaluate poverty policy through the years and governments?

Do you consider that this situation has been harmful to individuals preventing them realising their personal goals or on the contrary has it been positive to individuals' development? (For you, is this positive or negative?)

Prompts:

Elements involved

Evaluation

Q8: Do you believe that Chile is a meritocratic country? (Meritocratic: all individuals are rewarded according to their talents and effort) Why?

Regarding the levels of meritocracy that you described, do you consider these to be harmful to individuals?

What are the causes of this situation?

Prompts:

Elements involved

Causes

Q9: Do you consider that individuals can choose freely where and what they want to study or to work or there are some conditions? (If any) what are these conditions (thinking from the 80s to the present)?

Regarding the levels of freedom that you described, do you consider these to be harmful to individuals?

What are the causes of this situation?

Prompts:

Elements involved

Causes

Q10: Now, thinking about the labour area. Do you believe that labour policies through the years tend to protect workers or not, regarding regulations, wage policy and social benefits?

Could you tell me the positive elements that you consider the ways that the employment policy has developed through the years?

Regarding the labor market area that you described, Do you consider these elements to be harmful to individuals?

What are the causes that you identify as the labor market system problematic?

Prompts:

Positives elements

Negative elements

Causes

Q11: Do you believe that social conflicts among different social groups, such as between (rich and poor, gender, age, employees and employers) have increased or reduced? (Thinking from the 80s to the present) Why?

Regarding the levels of social conflicts that you described, Do you consider these to be harmful to individuals?

What are the causes of this situation?

Prompts:

Elements involved

Causes

Evaluation

Q12: Do you believe that there is more or less social trust between individuals in society over the years? (Do you think that we are more or less individualistic society than before?) Why do you think that this happens?

Regarding the levels of social trust that you described, Do you consider this to be harmful to individuals?

What are the causes of this situation?

Prompts:

Elements involved

Causes

Evaluation

PART IV: Impact of the economic and social consequences on the individual's daily life

Now, thinking about your own experiences.

Q13: Could you tell me based on your own experience of life if there are any factors/elements of your environment that in some way or another have impacted on your physical and mental health? For example, something relating to your workplace (stress/ injuries), your neighborhood, the pollution of the city, etc.

Q14: Do you feel that the country (thinking about the way that you chose your own lifestyle) has helped you follow your own life choices (to achieve your goals) and provided you with the opportunity to follow them?

Q15: Do you feel that the country (thinking about the different relationships that you have with people at work, in the street, in your neighborhood) has helped you to feel integrated, recognised, valued (with a sense of belonging to something, that your role in the society is important to contribute to the system) or not?

Q16: Some people believes that inside of the country there are two Chiles, one of them with plenty opportunities for the people's development in all aspects of their life, a country with a lot of freedom and

a country where people have full access to consume items and social goods; on the contrary, in the other Chile, there are not these benefits. Do you feel that you live more in the first or the second type of Chile?

Why?

In the end, do you believe that the costs of having the second Chile is a price worth paying on behalf of the first Chile?

IF NOT Are you willing to sacrifice part of your benefits to achieve this?

Prompts:

Elements involved

Causes

Evaluation

Legitimate elements

PART V: End of interview

Thank you very much for agreeing to speak with me today. Hearing about your evaluation, perceptions and thoughts is very important for my project.

Q17: So before I go is there anything else that you think is important that I should consider in the project?

So thank you once again for taking part in a research interview for my study. The information that you have provided will be very useful when I put together my report. Just to remind you that I won't be using your real name anywhere in the report.

END OF INTERVIEW

Appendix 2. Pilot stage

1. General characteristics of participants

N	Gender	Age	Category	Occupational Category
1	Female	21	Social Movement	Not applicable
2	Female	53	General Population	Lower-grade professional
3	Female	21	General Population	Not applicable
4	Female	50	General Population	Non-skilled manual worker
5	Female	51	General Population	Non-skilled manual worker
6	Female	52	Policy Maker	Intermediate grade professional
7	Male	41	General Population	High-grade professional
8	Male	56	Policy Maker	Lower-grade professional
9	Male	71	Policy Maker	High-grade professional

Dates: 16/01/2015 to 30/01/2015

Location: Metropolitan area of Santiago, Chile

Average length of the interviews: 1:03:00

2. The interview process

First contact

General information about the research was provided to participants.

Observations:

- People were worried about 'being tested'. In some cases, people were afraid of not giving 'smart' answers.
- Depending on the participant, the type of language (formal/informal) was adapted.

Improvements:

- To explain the general information about the research in a more accessible way so as to avoid the feeling of 'being tested'.
- To keep a variation of language because it is working.

The participant information sheet

The participant information sheet was explained.

Observations:

- Nobody wants to read the information sheet. All the participants prefer an oral summary.
- Nobody had questions regarding the information sheet.

Improvements:

- To give a copy of the information sheet to the participants.
- To give an oral summary because it is working (nobody has questions).

The consent form

The consent forms were given and all the forms were signed.

Observations:

- Not all the participants provided their email.
- The researcher read the consent form to people from the low income sectors as it was required by the participants (the participants only signed the form).
- A copy of the document was not given.

Improvements:

- To give the alternative of reading the consent form by themselves or having it read by the researcher.
- To repeat verbally the idea of receiving a copy of the main results of the research.
- To give a copy of the consent form to the participants.
- To include the date in the consent form.

The recording process

Everyone gave their consent to record the interview without any kind of concern. No one asked to stop the audio-record.

Observations:

- Nobody had problems with being recorded.

Improvements:

- Not necessary.

The extra information sheet

Basic details about the participants' lives so as to analyse the information was explained. The participants provided the information.

Observations:

- Some of the questions are unnecessary.
- The total income classification is not working. The level of aggregation underestimates some sectors of the middle class as well as a portion of the upper class.

Improvements:

- To ask:
 - Age
 - Current job only
 - Parents' jobs
 - Highest educational or school qualification (interviewee)
 - Highest educational or school qualification (parents)
 - How many people are in your household?
 - (Ask for total family income per month) Total income (in CLP) [1,000 CLP = £1]
- a) \$0 to \$193,000
b) \$194,000 to \$ 327,000
c) \$328,000 to \$547,000
d) \$548,000 to \$913,000
e) \$914,000 to \$1.567,000
f) \$1,568,000 to \$ 2,863,000

- g) \$2,864,000 to \$ 5,609,000
- h) \$5,610,000 or more

The new income classification is based on the following table.

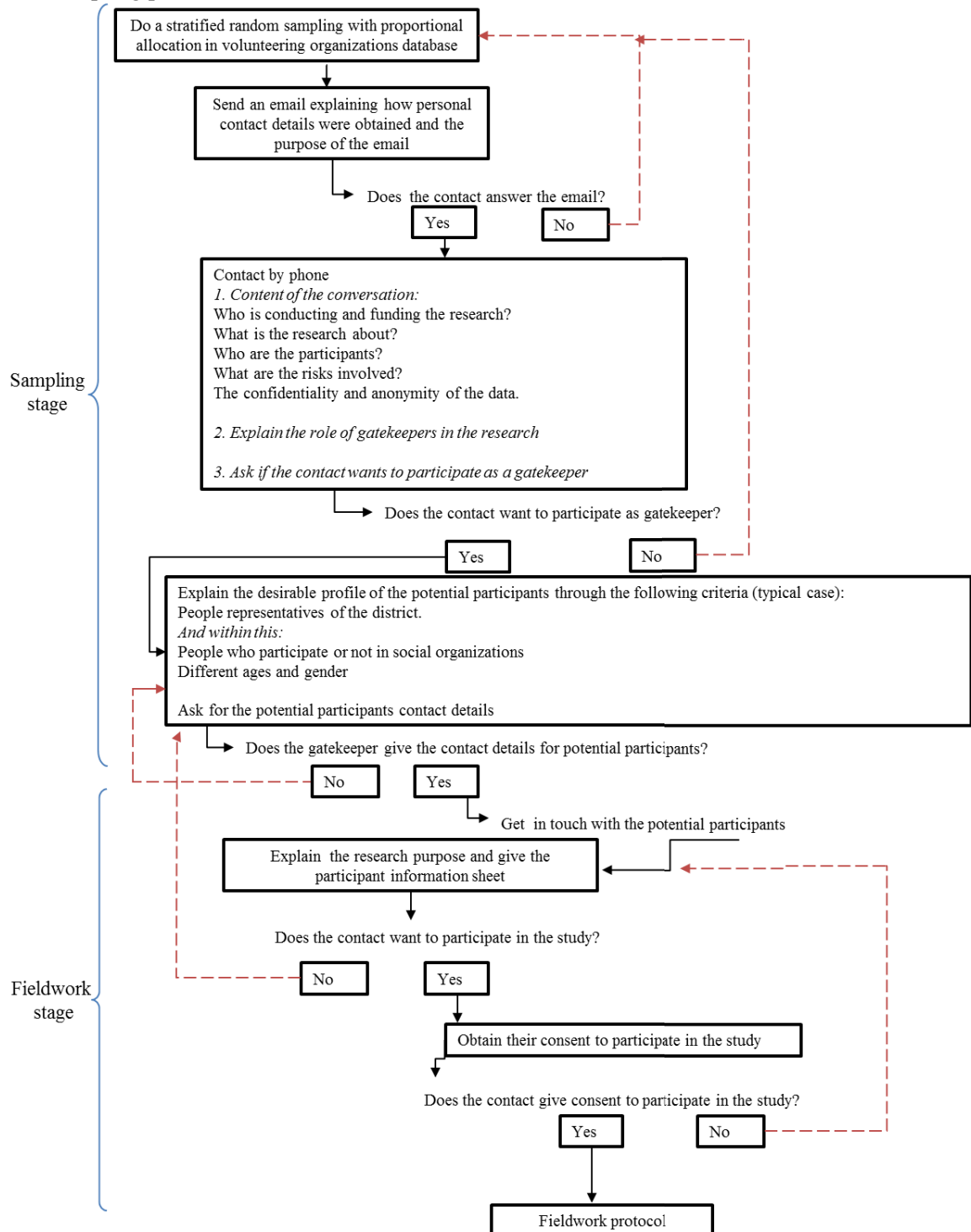
Social Class	Percentile	Socio economic group	Average family income (per month)	% of the population in Chile
Upper class (11% pop.)	100	AB	\$ 5,610,000 or more	1%
	97-99	C1a	\$2,864,000 to \$ 5,609,000	3%
	90-96	C1b	\$1,568,000 to \$ 2,863,000	7%
Middle class (35% pop.)	76-89	C2	\$914,000 to \$1.567,000	14%
	55-75	C3	\$548,000 to \$913,000	21%
Lower class (54% pop.)	31-54	D1	\$328,000 to \$547,000	24%
	13-30	D2	\$194,000 to \$ 327,000	18%
	1-12	E	\$0 to \$193,000	12%

**Appendix 3. District allocation of the Metropolitan Area of Santiago using AIM
(2012) criteria**

Socio economic group	District
Upper class	Vitacura
	Lo Barnechea
	La Reina
	Las Condes
Upper middle class	Ñuñoa
	Providencia
Middle middle class	La Florida
	Santiago
Lower middle class	Maipú
	Independencia
	Quilicura
Upper working class	Macul
	La Granja
	San Bernardo
	Lo Espejo
Middle working class	Huechuraba
	Recoleta
	Conchali
	Pudahuel
	La Cisterna
	San Miguel
	Pedro Aguirre
Lower working class	Estacion Central
	Renca
	Peñalolen
	Puente Alto
	Lo Prado
	La Pintana
	San Ramon
Under class	Cerro Navia
	Quinta Normal
	Cerrillos
	El Bosque
	San Joaquín
TOTAL AMG	34

Appendix 4. General population protocols

1. Sampling protocol



2. Fieldwork protocol

Generals

- Find a place free of noise and interferences
- Wear clothing according to the district
- Try to be unbiased
- Be flexible

Within the interview process:

STEP 1: First contact

- Explain the general information about the research in an accessible way so as to avoid the feeling of 'being tested'
- Keep an informal language

STEP 2: The participant information sheet

- Give a copy of the information sheet to the participants
- Give an oral summary of the research

STEP 3: The consent form

- Give a copy of the consent form to participants
- Put the date on the consent form
- Give the alternative of reading the consent form by themselves or being read it by the researcher

STEP 4: During the interview

- Do not forget to ask for causes in each question
- Keep eye contact
- Ask for details:
 - Education (qualifications)
 - Employment
 - Family background
 - Age
- Take notes

STEP 5: The extra information sheet

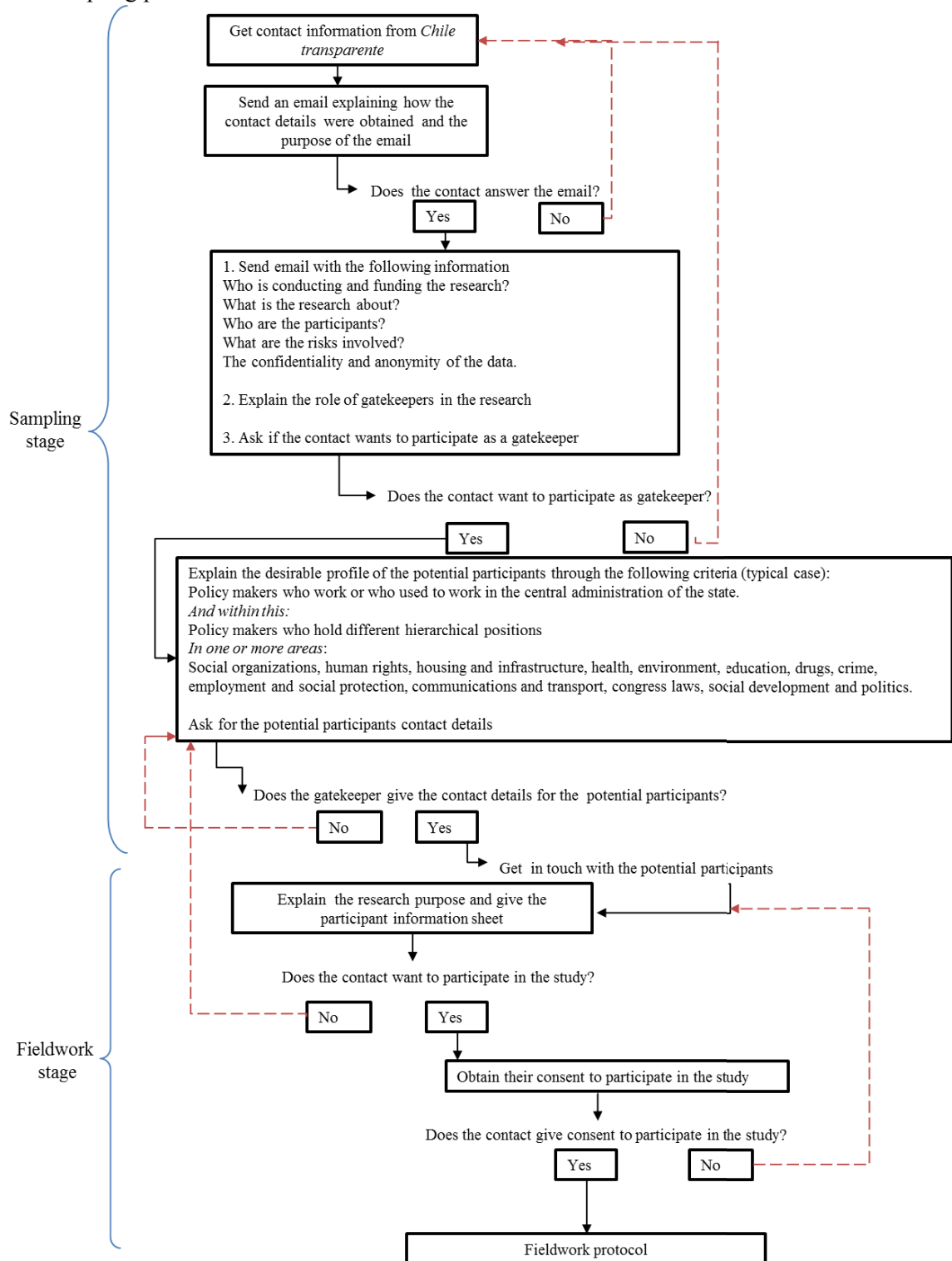
- Do not forget complete the extra information sheet

STEP 6: After the interview

- Write general comments and thoughts in the field diary

Appendix 5. Policy makers protocols

1. Sampling protocol



2. Fieldwork protocol

Generals

- Find a place free of noise and interferences
- Wear semi-formal clothing

- Try to be unbiased
- Be flexible

Within the interview process:

STEP 1: First contact

- Explain the general information about the research in an accessible way so as to avoid the feeling of 'being tested'
- Keep a formal language

STEP 2: The participant information sheet

- Give a copy of the information sheet to the participants
- Give an oral summary of the research

STEP 3: The consent form

- Give a copy of the consent form to participants
- Put the date on the consent form
- Give the alternative of reading the consent form by themselves or being read it by the researcher

STEP 4: During the interview

- Do not forget to ask for causes in each question
- Keep eye contact
- Ask for details:
 - Years of experience in the area
 - Former job position
 - Government period
 - Jobs outside of the public service
- Take notes

STEP 5: The extra information sheet

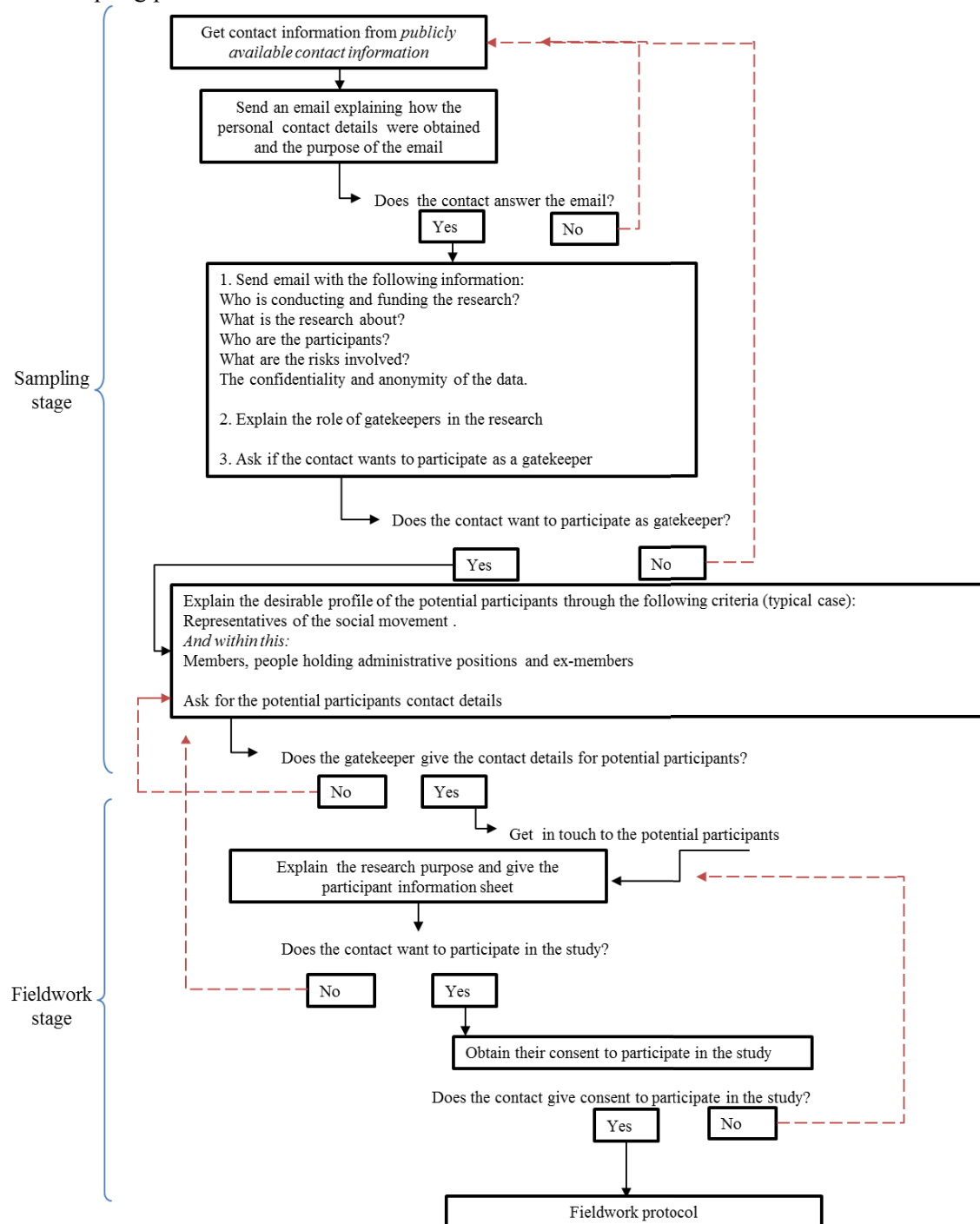
- Do not forget complete the extra information sheet

STEP 6: After the interview

- Write general comments and thoughts in the field diary

Appendix 6. Social movements' protocols

1. Sampling protocol



2. Fieldwork protocol

Generals

- Find a place free of noise and interferences
- Wear informal clothing
- Try to be unbiased
- Be flexible

Within the interview process:

STEP 1: First contact

- Explain the general information about the research in an accessible way so as to avoid the feeling of 'being tested'
- Keep an informal language

STEP 2: The participant information sheet

- Give a copy of the information sheet to the participants
- Give an oral summary of the research.

STEP 3: The consent form.

- Give a copy of the consent form to participants
- Put the date on the consent form
- Give the alternative of reading the consent form by themselves or being read it by the researcher

STEP 4: During the interview

- Do not forget ask for causes in each question.
- Keep eye contact
- Ask for details:

How did you come be involved in the social movement?

What was your main motivation to take part?

What activities do you usually engage with inside of the social movement?

What are the most significant objectives of the social movement?

- Take notes

STEP 5: The extra information sheet

- Do not forget to complete the extra information sheet

STEP 6: After the interview

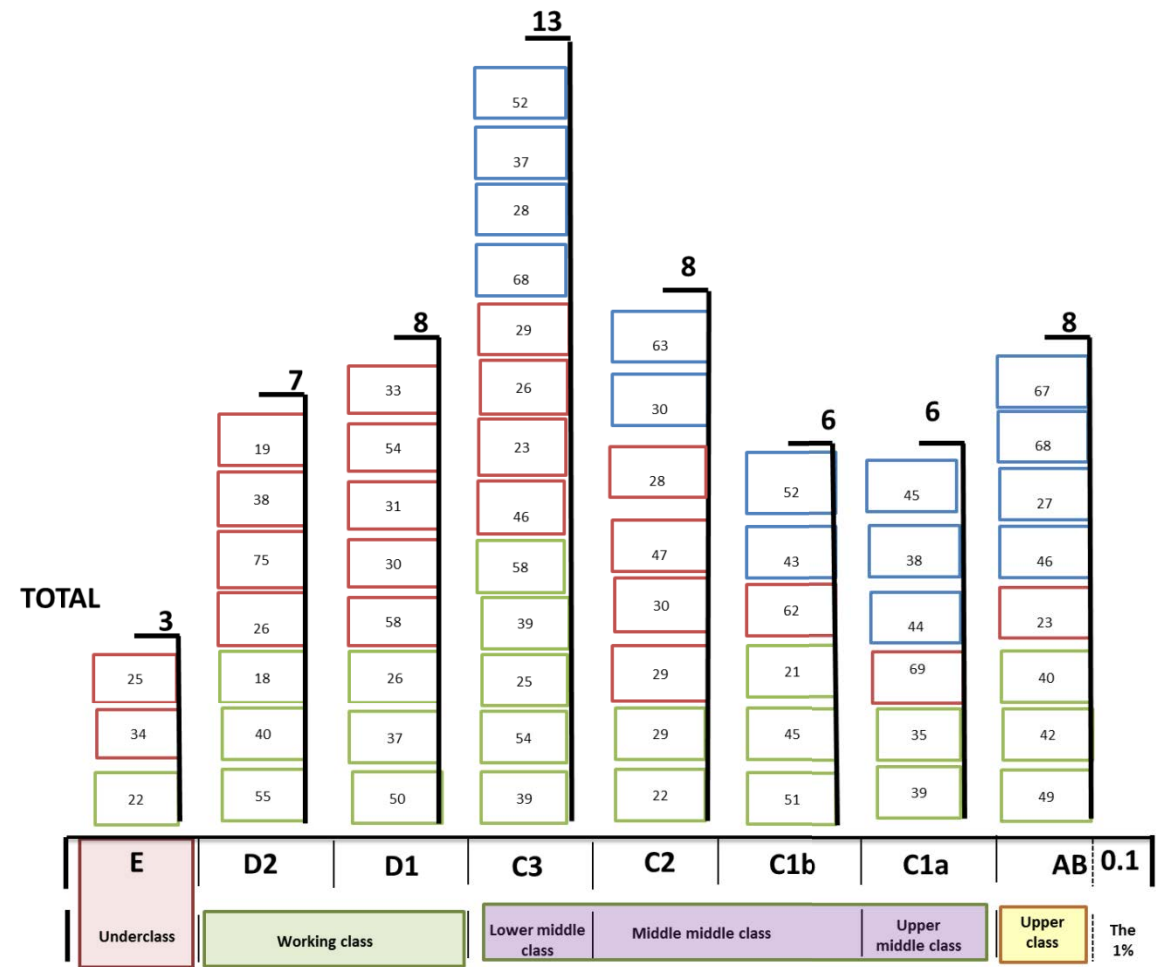
- Write general comments and thoughts in the fieldwork diary

Appendix 7. List of national demonstrations attended while the fieldwork was conducted

1. Free education demonstration (17/03/2015)
2. Demonstration against corruption (21/03/2015)
3. Demonstration against abortion (23/03/2015)
4. Demonstration pro-Constituent Assembly (23/03/2015)
5. Water rights demonstration (26/03/2015)
6. Demonstration against corruption (28/03/2015)
7. Health demonstration (15/04/2015)
8. Demonstration against the slow progress of Bachelet' reforms (16/04/2015)
9. Transport demonstration (18/04/2015)

Appendix 8. General characteristics of the 59 interviews

1. 59 participants



Position in social structure by group by age

General population group	N: 22
Social movement group	N: 22
Policy makers group	N: 15
Numbers	Age
	T: 59

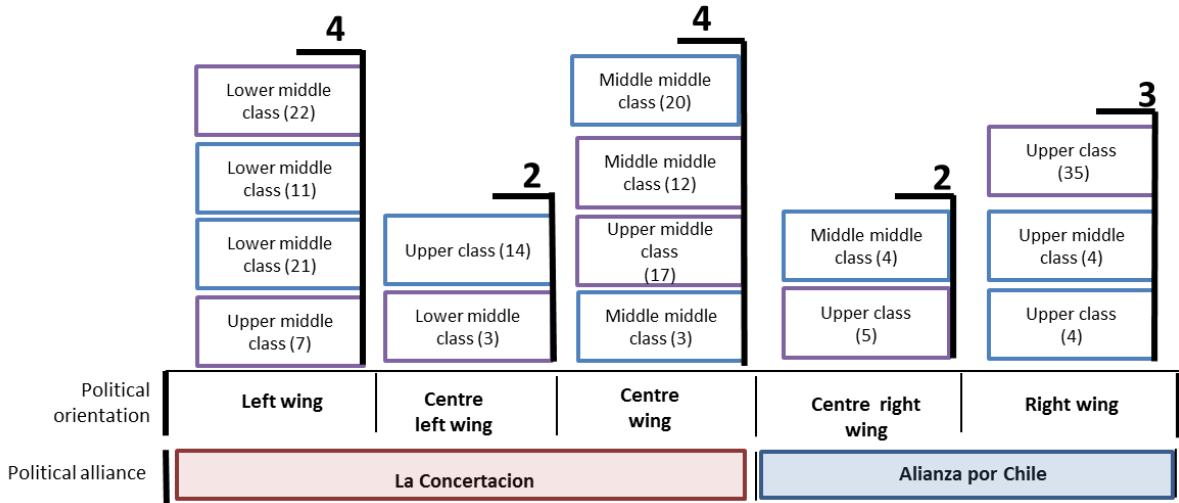
Age

Min 18

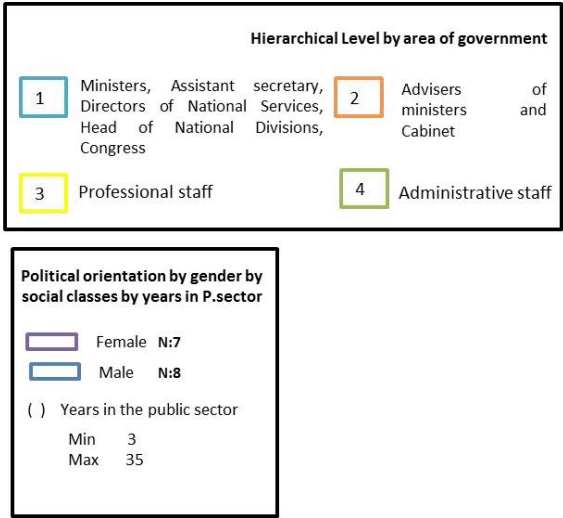
Max 75

2. Policy marker

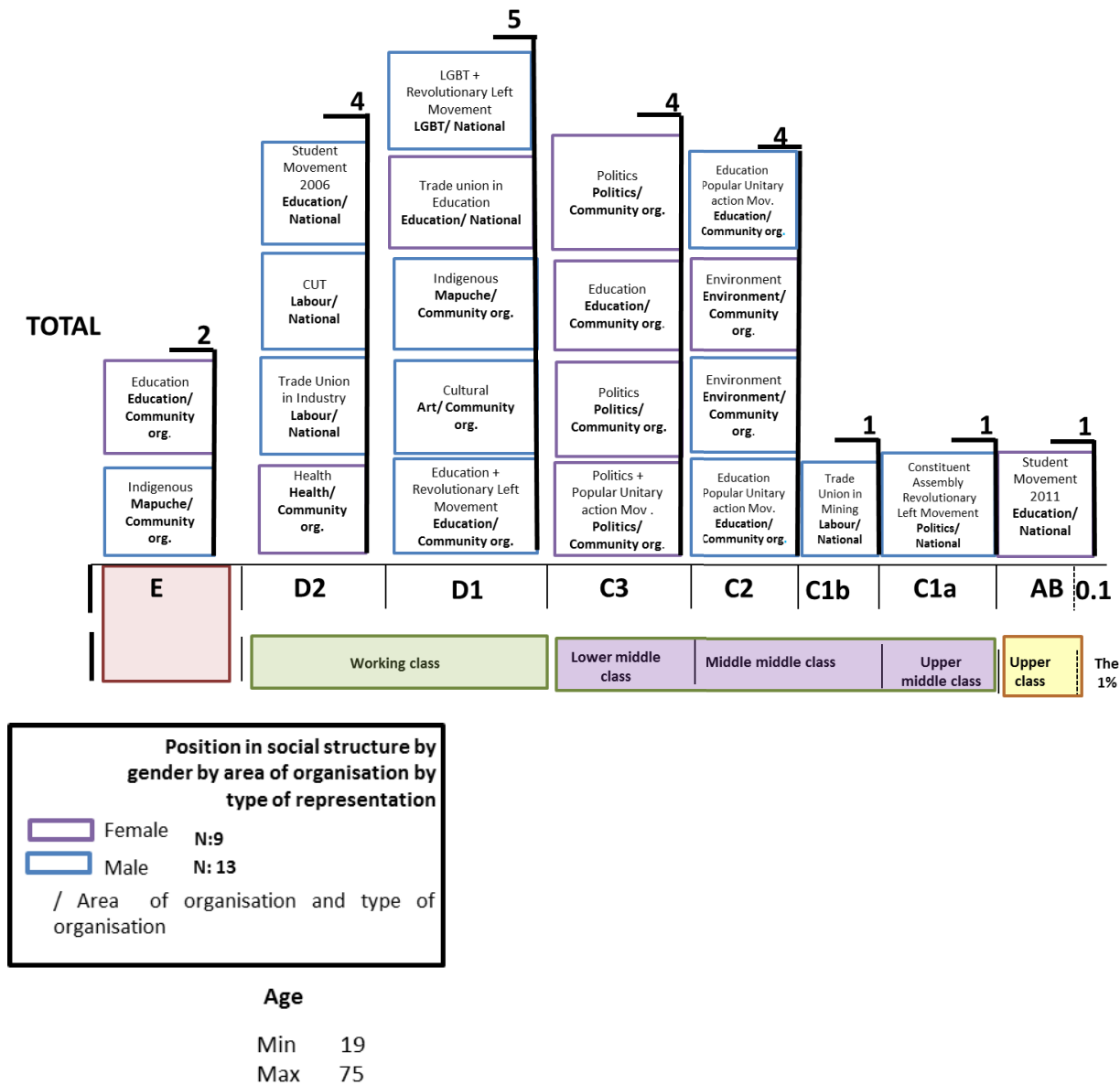
TOTAL



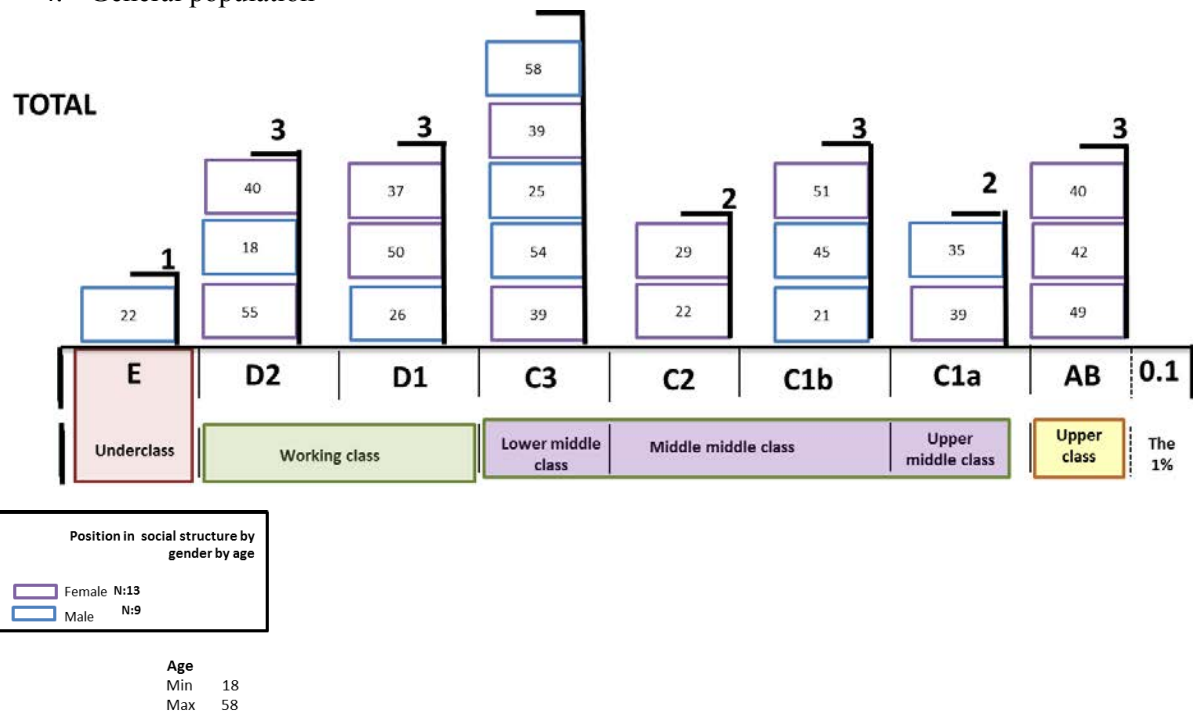
Laws
State modernization
Housing
Congress
Social participation
Security and public order
Education
Health
Employment and pensions
Government communications
Environment
Local government
Human rights
Politics
Social Policy



3. Social movements



4. General population



ID	Group	Gender	Type of occupation	Age	Highest education	Household socio economic group (Allocated)
1	General population	Female	Upper service	49	University level	Upper class
2	General population	Female	Upper service	42	University level	Upper class
3	General population	Female	Professional	39	University level	Upper middle class
4	General population	Female	Student	22	Incomplete university level	Middle middle class
5	General population	Male	Professional	35	University level	Upper middle class
6	General population	Female	Routine-non manual	51	Technical level	Middle middle class
7	General population	Female	Professional	40	University level	Upper class
8	General population	Male	Small proprietor	45	University level	Middle middle class
9	General population	Male	Student	21	Incomplete university level	Middle middle class
10	General population	Female	Skilled non-routine	29	Technical level	Middle middle class
11	General population	Female	Unskilled	39	Incomplete high school	Lower middle class
12	General population	Male	Unskilled	54	High school	Lower middle class
13	General population	Male	Professional	25	University level	Lower middle class
14	General population	Female	Routine non manual	50	Technical level	Working class
15	General	Female	Unskilled	39	Incomplete university	Lower middle

ID	Group	Gender	Type of occupation	Age	Highest education	Household socio economic group (Allocated)
	population				level	class
16	General population	Male	Unskilled	58	Incomplete high school	Lower middle class
17	General population	Female	Professional	37	University level	Working class
18	General population	Male	Professional	26	University level	Working class
19	General population	Female	Skilled	55	Incomplete university level	Working class
20	General population	Female	Unskilled	40	Incomplete high school	Working class
21	General population	Male	Student	18	High school	Working class
22	General population	Male	Student	22	Incomplete university level	Underclass
23	Policy maker	Male	Senior Managerial	46	University level	Upper class
24	Policy maker	Female	Professional	27	University level	Upper class
25	Policy maker	Female	Professional	44	University level	Upper middle class
26	Policy maker	Male	Administrative professional	68	University level	Lower middle class
27	Policy maker	Female	Professional	28	University level	Lower middle class
28	Policy maker	Male	Professional	30	University level	Middle middle class
29	Policy maker	Male	Professional	43	University level	Middle middle class
30	Policy maker	Female	Professional	38	University level	Upper middle class
31	Policy maker	Male	Administrative professional	37	Technical level	Lower middle class
32	Policy maker	Female	Professional	52	University level	Lower middle class
33	Policy maker	Female	Senior managerial	68	University level	Upper class
34	Policy maker	Male	Senior managerial	67	University level	Upper class
35	Policy maker	Male	Skilled worker	45	Incomplete university level	Upper middle class
36	Policy maker	Female	Professional	52	University level	Middle middle class
37	Policy maker	Male	Professional	63	University level	Middle middle class
38	Social movements	Female	Student	23	Incomplete university level	Upper class
39	Social movements	Male	Senior managerial	69	University level	Upper middle class
40	Social movements	Male	Skilled manual worker	62	Technical level	Middle middle class
41	Social movements	Female	Professional	29	University level	Middle middle class
42	Social movements	Male	Professional	30	University level	Middle middle class
43	Social movements	Male	Professional	47	University level	Middle middle class
44	Social movements	Male	Professional	28	University level	Middle middle class
45	Social	Female	Professional	46	University level	Lower middle

ID	Group	Gender	Type of occupation	Age	Highest education	Household socio economic group (Allocated)
	movements					class
46	Social movements	Female	Skilled routine	23	Incomplete university level	Lower middle class
47	Social movements	Female	Professional	26	University level	Lower middle class
48	Social movements	Female	Skilled	29	Incomplete university level	Lower middle class
49	Social movements	Male	Professional	26	University level	Working class
50	Social movements	Female	Routine manual	58	Incomplete university level	Working class
51	Social movements	Male	Unskilled	30	High school	Working class
52	Social movements	Male	Routine non-manual	31	High school	Working class
53	Social movements	Male	Professional	54	Unknown	Working class
54	Social movements	Male	Unskilled	33	Technical level	Working class
55	Social movements	Male	Unskilled	75	High school	Working class
56	Social movements	Male	Unskilled	38	High school	Working class
57	Social movements	Female	Student	19	High school	Working class
58	Social movements	Male	Unskilled	34	Technical level	Underclass
59	Social movements	Female	Student	25	Incomplete university level	Underclass

Appendix 9. Participant information sheet, recruitment sheet and consent form

1. Participant information sheet

• The study

Title	Economic and social reform in contemporary Chile and its consequences
Researcher	Carla Parraguez-Camus
Lead Supervisor	Dr Simon Pemberton
Co-Supervisor	Dr Antonio Sanchez

I want to take the opportunity to introduce myself, Carla Parraguez-Camus, and the research I am inviting you to contribute to as a research participant. I am currently studying for a PhD at the University of Birmingham. As part of my PhD study I am conducting a series of interviews. In order to help you decide whether you would be happy to be interviewed, this information sheet outlines why the research is being done and what it will involve. Please read the following sections carefully and feel free to ask for clarifications or questions.

• Who is conducting and funding the research?

The research will be conducted by Carla Parraguez-Camus. She was born and raised in Machalí, Región del Libertador Bernardo O'Higgins, Chile. Carla is a sociologist, she has an MA in Public Policy and MA in Social and Political Latin American studies, and at the moment she is continuing her doctoral study at the Department of the Institute of Applied Social Studies, School of Social Policy, University of Birmingham, United Kingdom. Carla is sponsored by the BECAS-CHILE Advanced Human Capital Program and this research is funded with the support of this scholarship.

• What is the research about?

The purpose of this study is to explore the economic and social impacts of policies in Chile over the last 30 years, as well as to investigate the different public perceptions and attitudes towards the consequences of these policies.

The interviews will explore the different perceptions that different social groups have with regard to the social and economic outcomes in our society in recent times.

This is where you come in.

The results from the interviews will also be used to develop statistical indicators so as to explore the outcomes of different policy areas, for example, education, jobs, pensions among others. This will help me to understand what Chileans who have direct experience of these policies think are the 'real' impacts of these policies.

• Who are the participants?

- Policy makers who work or used to work in the central administration of the state
- Chilean representatives of social movements
- People from the general population

- **What will happen if I take part and what is involved?**

If you agree to take part in the study, an interview, of at most 1 ½ hours will be scheduled. All the interviews will be digitally recorded. The recording of the interview will then be transferred to a password protected computer or portable hard drive, along with responses from other interviewees involved. The data gathered in this way may then be used in my final thesis. If you do not wish such a recording to take place or you do not want any part in the process being recorded, please let the researcher know before or during the interview process at any point you wish. You will also have the right to withdraw up to one week after the interview – please contact me at the below email address.

- **What are the risks involved?**

There is minimal risk involved in participating in this study. Although we do not foresee any risk, it is possible that during the interview the interviewee may find issues raised to be particularly sensitive for them. Please feel free to say so, and if this is the case, we can move onto another topic, or end the interview.

- **Confidentiality and Anonymity**

Your identity will remain anonymous and information about you will be properly coded. Pseudonyms will be used for all references to your narrative. However, you have the right to keep your name in immediate written outputs and publications that may arise from this research. No direct quote with participants' names will be made – all quotes will be anonymous.

- **Data protection and archiving**

All data arising from the interview (i.e audio files, transcripts, etc.) are treated as confidential. These data will only be accessible to the researcher; and will be kept in a locked storage. All files stored in the personal laptop, where data will be analysed, will be password and encryption protected. All data, whether physical or electronic, will be properly destroyed ten years after the study ends.

- **Research dissemination**

A major written output of the study is the PhD thesis. The study may also be presented in academic conferences and be published in academic journals. If you would like to receive a summary of findings please leave your email on the consent form and I will forward a copy to you.

- **Who has reviewed the study?**

The study has clearance from the Ethics Committee at the University of Birmingham.

For further information and other concerns, please contact:

Carla Parraguez-Camus

Email: at [REDACTED]

You can also contact the Academic Supervisors of the study as below:

Dr Simon Pemberton

Birmingham Fellow
School of Social Policy
Muirhead Tower, Room 914
University of Birmingham
B15 2 TT
Email: [REDACTED]

Dr Antonio Sanchez
Lecturer in Latin American Cultural Studies
Department of Hispanic Studies
University of Birmingham
B15 2 TT
Email: [REDACTED]

2. Recruitment sheet

In order to assist with the analysis of your interview, it is important that I be able to collect basic details about your life. This will remain anonymous.

Are you comfortable with this?

Many thanks.

I'd like to ask you a few questions about yourself...

How old are you?

What do you do for living?

What did your parents do for a living?

Can you tell me the highest educational or school qualification you have obtained? Can you tell me the highest educational or school qualification your parents have obtained?

How many people are in your household?

Thinking about the total income of your household, How much is your monthly household income? (in CPL)

- A) \$0 to \$193,000
- B) \$194,000 to \$327,000
- C) \$328,001 to \$547,000
- D) \$548,000 to \$913,000
- E) \$914,000 to \$1,567,000
- F) \$1,568,000 to \$2,863,000
- G) \$2,864,000 to \$5,609,000
- H) \$5,610,00 or more

3. Consent form

INTERVIEWS
CONSENT TO PARTICIPATE IN A RESEARCH STUDY

1. The study

Title: Economic and social reform in contemporary Chile and its consequences
Researcher: Carla Parraguez-Camus
Lead Supervisor: Dr Simon Pemberton
Co-Supervisor: Dr Antonio Sanchez

2. Signatures of consent

I, the undersigned, confirm that (please tick box as appropriate):

1.	I have read and understood the content of the participant information sheet for the study 'Economic and social reform in contemporary Chile and its consequences' as provided in the Information Sheet.	<input type="checkbox"/>
2.	I agree to take part in the above study.	<input type="checkbox"/>
3.	I have been given the opportunity to ask questions about the research and my participation.	<input type="checkbox"/>
4.	I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.	<input type="checkbox"/>
5.	The procedures regarding confidentiality have been clearly explained (e.g. use of names, pseudonyms, anonymisation of data, etc.) to me.	<input type="checkbox"/>
6.	I agree to the use of anonymised quotes from my interview in publications, reports and the final thesis relating to this study.	<input type="checkbox"/>
7.	I allow for an anonymised data/transcript of my interviews to be archived for 10 years.	<input type="checkbox"/>
8.	I understand that the data will be stored securely according to the regulation of the University of Birmingham	<input type="checkbox"/>
9.	I agree to the interview being audio recorded.	<input type="checkbox"/>
10.	a. I would like to receive a copy of summary of this research report to be sent to my email address.	<input type="checkbox"/>
	b. If the answer of the question of 10a is YES, please write your email address:	
11.	I, along with the Researcher, agree to sign and date this informed consent form.	<input type="checkbox"/>

Name of **participant** _____ Date _____ Signature _____

Name of **researcher** _____ Date _____ Signature _____

Contact details:

Carla Parraguez, Research Student, University of Birmingham at _____ or _____

Appendix 10. Descriptive statistics and correlation matrix for the models of people living under 3 USD per day

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
People living under 3 USD per day				
1990	.6048	.48889	0	1
1996	.3204	.46663	0	1
2000	.3231	.46767	0	1
2006	.1891	.39155	0	1
2013	.1161	.49930	0	1
<i>Independent variables</i>				
Female				
1990	.5161	.49974	0	1
1996	.5150	.49986	0	1
2000	.5097	.49990	0	1
2006	.5134	.49982	0	1
2013	.5265	.49930	0	1
Age				
1990	28.94	20.384	0	99
1996	29.81	20.567	0	98
2000	30.70	20.714	0	99
2006	32.97	21.258	0	110
2013	35.47	22.318	0	108
Years of schooling				
1990	9.03	4.320	0	19
1996	9.48	4.292	0	21
2000	9.91	4.246	0	21
2006	10.14	4.196	0	22
2013	10.76	4.222	0	22
Rural				
1990	.1697	.37538	0	1
1996	.1485	.35558	0	1
2000	.1351	.34187	0	1
2006	.1285	.33469	0	1
2013	.1273	.33335	0	1

*Data source: CASEN

Table. Matrix of correlations between independent variables.

	Female	Age	Years of schooling	Rural
Female	1			
1990				
1996				
2000				
2006				
2013				
Age		1		
1990	.039			
1996	.043			
2000	.048			
2006	.049			
2013	.058			
Years of schooling			1	
1990	-.035	-.346		
1996	-.041	-.369		
2000	-.039	-.365		
2006	-.037	-.414		
2013	-.029	-.393		
Rural				1
1990	-.035	.001	-.290	
1996	-.027	.010	-.305	
2000	-.022	.020	-.296	
2006	-.015	.026	-.235	
2013	-.022	.036	-.228	

*Data source: CASEN

Appendix 11. Descriptive statistics and correlation matrix for the models
households that have precarious access to tap water and sewerage services

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Households that have precarious access to tap water and sewerage services				
2009	.0611	.23943	0	1
2011	.0773	.26712	0	1
2013	.0492	.21635	0	1
<i>Independent variables</i>				
Female				
2009	.5182	.49967	0	1
2011	.5241	.49945	0	1
2013	.5265	.49930	0	1
Age				
2009	34.35	21.885	0	107
2011	34.83	22.091	0	105
2013	35.47	22.318	0	108
Years of schooling				
2009	10.38	4.247	0	20
2011	10.50	4.188	0	22
2013	10.76	4.222	0	22
Rural				
2009	.1298	.33613	0	1
2011	.1275	.33354	0	1
2013	.1273	.33335	0	1
Income (ln)				
2009	11.4398	2.08525	0	16.51
2011	11.6679	1.75153	0	17.65
2013	11.7136	1.67697	0	16.61

*Data source: CASEN

Table. Matrix of correlations between independent variables.

	Female	Age	Years of schooling	Rural	Income (ln)
Female	1				
2009					
2011					
2013					
Age		1			
2009	.055				
2011	.057				
2013	.058				
Years of schooling			1		
2009	.000	.000			
2011	-.031	-.402			
2013	-.029	-.393			
Rural				1	
2009	-.018	-.018	-.220		
2011	-.020	.028	-.218		
2013	-.022	.036	-.228		
Income (ln)					1
2009	-.020	-.002	.274	-.111	
2011	-.035	-.001	.287	-.105	
2013	-.027	-.009	.297	-.122	

*Data source: CASEN

Appendix 12. Descriptive statistics and correlation matrix for the unemployment model

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Unemployment				
1990	.4251	.49436	0	1
1996	.3999	.48988	0	1
1998	.4155	.49281	0	1
2006	.4144	.49262	0	1
2013	.4133	.49243	0	1
<i>Independent variables</i>				
Female				
1990	.5161	.49974	0	1
1996	.5120	.48988	0	1
1998	.5050	.49998	0	1
2006	.5134	.49982	0	1
2013	.5265	.49930	0	1
Age				
1990	2.5348	1.19552	1	4
1996	2.6060	1.17819	1	4
1998	2.6426	1.18378	1	4
2006	2.7374	1.20472	1	4
2013	2.8478	1.21047	1	4
Years of schooling				
1990	9.03	4.320	0	19
1996	9.48	4.292	0	21
1998	8.65	4.318	0	21
2006	10.14	4.196	0	22
2013	10.76	4.222	0	22
Rural				
1990	.1697	.37538	0	1
1996	.1485	.35558	0	1
1998	.2998	.45818	0	1
2006	.1285	.33469	0	1
2013	.1273	.33335	0	1

*Data source: CASEN

Table. Matrix of correlations between independent variables.

	Female	Age	Years of schooling	Rural
Female	1			
1990				
1996				
1998				
2006				
2013				
Age		1		
1990	.039			
1996	.030			
1998	.018			
2006	.039			
2013	.048			
Years of schooling			1	
1990	-.035	-.346		
1996	-.041	-.322		
1998	-.016	-.375		
2006	-.037	-.330		
2013	-.029	-.301		
Rural				1
1990	-.035	.001	-.290	
1996	-.027	.015	-.305	
1998	-.025	.027	-.294	
2006	-.015	.031	-.235	
2013	-.022	.042	-.228	

*Data source: CASEN

Appendix 13. Descriptive statistics and correlation matrix for the model different financial burden ratio of households

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Financial burden ratio				
2007a	1.773	.648	1	3
2011	1.773	.648	1	3
2014	1.8173	.644	1	3
<i>Independent variables</i>				
Age				
2007a	50.60	15.191	18	94
2011	51.91	16.119	18	97
2014	48.56	15.410	18	104
Years of schooling				
2007a	10.73	4.189	0	24
2011	10.76	4.318	0	24
2014	12.51	4.098	0	24
Number of individuals in the household				
2007a	3.35	1.602	1	15
2011	3.26	1.644	1	14
2014	3.28	1.609	1	19
Male				
2007a	.6177	.48594	0	1
2011	.6077	.48827	0	1
2014	.3853	.48666	0	1
Income (ln)				
2007a	12.9025	1.30389	0	17.77
2011	13.1188	1.24471	0	17.28
2014	13.7460	1.06363	0	17.97
Credit card debt (ln)				
2007a	6.3730	5.54272	0	16.22
2011	12.2097	1.21389	0	15.45
2014	.3560	2.09965	0	16.71
Automobile debt (ln)				
2007a	.2092	1.59185	0	14.91
2011	13.1504	.73912	0	14.51
2014	.3560	2.04274	0	14.01
Educational debt (ln)				
2007a	.4656	2.22929	0	14.40
2011	12.0936	1.17433	0	14.22
2014	.4041	2.09965	0	15.52
Housing debt (ln)				
2007a	1.6366	4.04602	0	14.48
2011	12.7611	.89237	0	15.15
2014	2.2895	2.2895	0	15.32

*Data source: EFH

Table. Matrix of correlations between independent variables.

	Age	Years of schooling	Number of individuals in the household	Male	Income	Credit card debt	Automobile debt	Educational debt	Housing debt
Age 2007a 2011 2014	1								
Years of schooling 2007a 2011 2014	-.382 -.385 -.312	1							
Number of individuals in the household 2007a 2011 2014	-.248 -.309 -.190	.075 .068 -.050	1						
Male 2007a 2011 2014	-.093 -.022 .014	.014 -.077 .115	.133 -.002 -.111	1					
Income 2007a 2011 2014	-.083 -.087 -.082	.351 .341 .394	.226 .250 .209	.104 -.106 .136	1				
Credit card debt 2007a 2011 2014	-.227 -.209 -.134	.199 .182 .159	.208 .233 .100	.072 .009 .038	.177 .154 .200	1			
Automobile debt 2007a 2011 2014	-.044 -.063 -.069	.085 .087 .092	.039 .016 .008	.026 -.039 .026	.095 .109 .113	.081 .081 .088	1		
Educational debt 2007a 2011 2014	-.070 -.114 -.070	.116 .122 .110	.080 .089 .044	-.015 .006 .024	.062 .078 .086	.091 .100 .029	.023 .057 .014	1	
Housing debt 2007a 2011 2014	-.151 -.177 -.119	.265 .256 .250	.071 .102 .083	.027 -.034 .068	.234 .237 .265	.155 .113 .126	.085 .075 .088	.047 .065 .016	1

*Data source: EFH

Appendix 14. Descriptive statistics and correlation matrix for the different financial burden ratio of households in 2007b model

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Financial burden ratio				
2007b	1.773	.64891	1	3
<i>Independent variables</i>				
Age				
2007b	50.60	15.191	18	94
Years of schooling				
2007b	10.73	4.189	0	24
Number of individuals in the household				
2007b	3.35	1.602	1	15
Male				
2007b	.6177	.48594	0	1
Income (ln)				
2007b	12.9025	1.30389	0	17.77
Credit card debt (ln)				
2007b	6.3730	5.54272	0	16.22
Automobile debt (ln)				
2007b	.2092	1.59185	0	14.91
Educational debt (ln)				
2007b	.4656	2.22929	0	14.40
Housing debt (ln)				
2007b	1.6366	4.04602	0	14.48
Utility services debt (ln)				
2007b	10.7387	1.20540	0	14.73
Transport debt (ln)				
2007b	7.9071	4.33226	0	13.49
Food and clothing debt (ln)				
2007b	11.6112	.61816	0	13.71
Domestic services and entertainment debt (ln)				
2007b	6.0806	5.15190	0	15.39

*Data source: EFH

Table. Matrix of correlations between independent variables

	Age	Years of schooling	Number of individuals in the household	Male	Income	Credit card debt	Automobile debts	Educational debt	Housing debt	Utility services debt	Transport debt	Food and clothing debt	Domestic services and entertainment debt
Age 2007b	1												
Years of schooling 2007b	-.382	1											
Number of individuals in the household 2007b	-.248	.075	1										
Male 2007b	-.093	.014	.133	1									
Income 2007b	-.083	.351	.226	.104	1								
Credit card debt 2007b	-.227	.199	.208	.072	.177	1							
Automobile debt 2007b	-.044	.085	.039	.026	.095	.081	1						
Educational debt 2007b	-.070	.116	.080	-.015	.062	.091	.023	1					
Housing debt 2007b	-.151	.265	.071	.027	.234	.155	.085	.047	1				
Utility services debt 2007b	.004	.266	.180	-.009	.240	.128	.079	.051	.147	1			
Transport debt 2007b	-.109	.300	.113	.037	.248	.181	.069	.074	.149	.244	1		
Food and clothing debt 2007b	-.088	.378	.334	.136	.356	.153	.071	.033	.194	.399	.288	1	
Domestic services and entertainment debt 2007b	-.026	.324	.017	.016	.223	.115	.039	.051	.161	.198	.216	.328	1

*Data source: EFH

Appendix 15. Descriptive statistics and correlation matrix for the individuals' feeling of social discrimination model

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Discrimination by social circumstances	.4070	.78293	0	3
<i>Independent variables</i>				
Years of schooling	3.9004	2.20005	1	9
Socioeconomic position	3.4171	1.15964	1	5
Male	.3732	.48376	0	1
Age	46.6015	17.3752	18	98
Place of residence allocated by socioeconomic position	4.5173	2.38018	1	8

*Data source: PNUD

Table. Matrix of correlations between independent variables.

	Years of schooling	Socioeconomic position	Male	Age	Place of residence allocated by socioeconomic position
Years of schooling	1				
Socioeconomic position	-.682	1			
Male	.111	-.072	1		
Age	-.334	.287	-.018	1	
Place of residence allocated by socioeconomic position	-.424	.494	-.005	-.036	1

*Data source: PNUD

Appendix 16. Descriptive statistics and correlation matrix for the interpersonal distrust model

Table. Descriptive statistics for dependent and independent variables

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Interpersonal distrust				
1998	.8386	.36804	0	1
2006	.9170	.9170	0	1
2010	.7649	.42418	0	1
2012	.7887	.40839	0	1
2015	.9382	.24083	0	1
<i>Independent variables</i>				
Male				
1998	.4205	.49380	0	1
2006	.4113	.49223	0	1
2010	.4159	.49304	0	1
2012	.3958	.48917	0	1
2015	.3937	.48873	0	1
Socioeconomic position				
1998	3.57	.762	1	5
2006	3.43	.841	1	5
2010	3.28	.838	1	5
2012	3.34	.835	1	5
2015	3.28	.762	1	5
Years of schooling				
1998	2.7397	.85427	1	5
2006	2.8719	.89181	1	5
2010	2.9795	.85975	1	5
2012	2.9065	.87070	1	5
2015	2.9736	.86294	1	5
Age				
1998	2.3041	1.03470	1	4
2006	2.4658	1.06019	1	4
2010	2.5158	1.07207	1	4
2012	2.6394	1.09095	1	4
2015	2.7056	1.09034	1	4
Urban				
1998	.8443	.36268	0	1
2006	.8605	.34662	0	1
2010	.8397	.36702	0	1
2012	.8373	.36920	0	1
2015	.8268	.37859	0	1

*Data source: CEP

Table. Matrix of correlations between independent variables.

	Male	Socioeconomic position	Years of schooling	Age	Urban
Male 1998 2006 2010 2012 2015	1				
Socioeconomic position 1998 2006 2010 2012 2015	.015 -.018 .005 -.027 -.018	1			
Years of schooling 1998 2006 2010 2012 2015	.049 .072 .047 .026 .069	-.485 -.506 -.533 -.537 -.418	1		
Age 1998 2006 2010 2012 2015	.005 -.045 .004 -.018 -.042	-.036 -.036 .005 .091 -.039	-.346 -.329 -.365 -.424 -.363	1	
Urban 1998 2006 2010 2012 2015	-.021 -.006 -.013 -.022 .041	-.258 -.275 -.228 -.208 -.268	.296 .276 .268 .270 .278	-.009 -.056 -.057 -.060 -.066	1

*Data source: CEP

Appendix 17. Descriptive statistics and correlation matrix for the different levels of overcrowding model

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Overcrowding				
2009	1.15	.387	1	3
2011	1.16	.402	1	3
2013	1.14	.39738	1	3
<i>Independent variables</i>				
Age				
2009	34.35	21.885	0	107
2011	34.83	22.091	0	105
2013	35.47	22.318	0	108
Years of schooling				
2009	10.38	4.247	0	20
2011	10.50	4.188	0	22
2013	10.76	4.222	0	22
Income (ln)				
2009	11.4398	2.08525	0	16.51
2011	11.6679	1.75153	0	17.65
2013	11.7136	1.67697	0	16.61
Urban				
2009	.8702	.33613	0	1
2011	.8725	.33354	0	1
2013	.8727	.3335	0	1
Male				
2009	.4818	.49967	0	1
2011	.4759	.49942	0	1
2013	.4735	.49930	0	1

*Data source: CASEN

Table. Matrix of correlations between independent variables.

	Age	Years of schooling	Income	Urban	Male
Age	1				
2009					
2011					
2013					
Years of schooling		1			
2009	-.387				
2011	-.402				
2013	-.393				
Income (ln)			1		
2009	-.002	.274			
2011	-.001	.287			
2013	-.009	.297			
Urban				1	
2009	-.018	.220	.111		
2011	-.028	.218	.105		
2013	-.036	.228	.122		
Male					1
2009	-.055	.034	.020	-.018	
2011	-.057	.031	.035	-.020	
2013	-.058	.029	.027	-.022	

*Data source: CASEN

Appendix 18. Descriptive statistics and correlation matrix for the financial insecurity perception model

Table. Descriptive statistics for dependent and independent variables.

Variables	Mean	SD	Min	Max
<i>Dependent variable</i>				
Losing jobs	2.1225	.78141	1	3
Fear about not being able to pay for health treatment	2.2834	.70196	1	3
Fear about not being able to pay for educational expenses	2.3801	.67649	1	3
<i>Independent variables</i>				
Male	.4898	.50007	0	1
Age	44.58	17.339	18	92
Years of schooling	3.1147	.84329	1	5
Socioeconomic position	2.8061	.82063	1	5
Marital status	2.5379	1.38166	1	4
Trade union membership	2.7822	.55582	1	3
Affiliation to health care system	1.4348	.87878	1	4
Trust in friends to help them to pay for health treatment	5.6946	2.76178	0	10
Trust in friends to help them to pay for educational expenses	5.2960	2.79613	0	10

*Data source: CEP 2015

Table. Matrix of correlations between independent variables.

	Male	Age	Years of schooling	Socioeconomic position	Marital status	Trade union membership	Affiliation to health care system	Trust in friends (Health treatment)	Trust in friends (Educational expenses)
Male	1								
Age	-.034	1							
Years of schooling	.058	-.348	1						
Socioeconomic position	.029	-.013	.542	1					
Marital status	.017	-.473	.123	-.094	1				
Trade union membership	-.128	-.019	-.16	-.147	.0200	1			
Affiliation to health care system	.068	-.022	.023	.075	.012	.018	1		
Trust in friends (Health treatment)	-.081	-.017	.084	.085	.020	.019	-.14	1	
Trust in friends (Educational expenses)	-.051	-.084	.088	-.002	.066	.078	.024	.714	1

*Data source: PNUD

Appendix 19. Logistic regression models for interpersonal distrust (different years)

	Model 1998	Model 2006	Model 2010	Model 2012	Model 2015
Constant	3.914*** (.706)	2.712*** (.618)	3.026*** (.714)	2.500*** (.590)	23.679 (10608)
Sex (male=1)	-.393** (.145)	-.152* (.201)	-.406** (.125)	-.365** (.130)	.068 (.236)
<i>Socio-economic position (E. ref)</i>					
ABC1	-1.994 (.714)	.743 (.642)	-1.180 (.694)	-.460 (.557)	-16.366 (10608)
C2	-1.323 (.673)	1.256 (.561)	-.794 (.657)	.091 (.520)	-17.567 (10608)
C3	-1.008 (.622)	.894 (.433)	-.528 (.631)	.119 (.475)	-17.996 (10608)
D	-1.108 (.606)	.844 (.339)	-.855 (.625)	.070 (.468)	-18.087 (10608)
Years of schooling	-.428 (.108)	-.449 (.148)	-.247 (.097)	-.361 (.099)	-.655 (.156)
Age	.128 (.078)	.131 (.103)	-.043 (.064)	-.022 (.065)	-.188 (.115)
Area (urban =1)	-.286 (.220)	-.386 (.298)	-.488 (.168)	.285 (.203)	-.393 (.307)
R ² Cox & Snell	.041	.016	.025	.032	.015
R ² Nagelkerke	.070	.036	.038	.049	.042
Model X ²	62.413	21.252	38.055	47.903	21.245
Overall	83.9	91.7	76.5	78.7	93.9

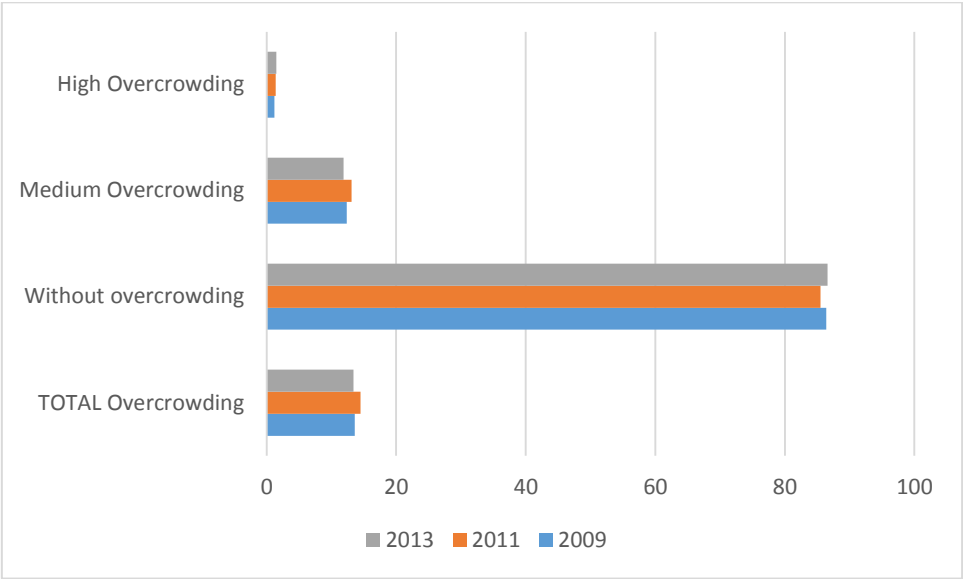
percentage					
N	1488	1331	1481	1492	1363

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

*See Appendix 17 for descriptive statistics and correlation matrix of the models.

*Data source: CEP 2015

Appendix 20. Evolution in the percentage of households with overcrowding



*2009 n: 16977395

2011 n: 16962515

2013 n: 17246950

*Data source: CASEN

Appendix 21. Multinomial logistic regression models for financial insecurity perception in 2015

	Model 1 Losing jobs	Model 2 Fear about not being able to pay for health treatment	Model 2 Fear about do not being able to pay for educational expenses
Worried vs not worried at all			
Constant	-1.683 (1.816)	.187 (1.540)	2.878 (1.662)
Sex (Male = 1)	.087 (.329)	-.368 (.297)	.662 (.347)
Age	.005 (.018)	.027 (.016)	-.005 (.017)
Years of schooling	-.001 (.055)	-.017 (.052)	-.091 (.056)
<i>Socio-economic position</i> (Upper class ref.)			
Underclass	21.949*** (1.989)	19.267*** (1.254)	20.461*** (1.880)
Working class	2.323** (.976)	-.068 (.871)	-.157 (.912)
Middle class (bottom)	2.029 (.890)*	.179 (.813)	-.130 (.838)
Middle class (top)	1.692 (.869)	.483 (.773)	.611 (.780)
<i>Marital status</i> (Single ref.)			
Married	.235 (.410)	-.581 (.358)	-.439 (.391)
Widow	18.653 (1.202)	16.766 (.795)	-.078 (1.641)
Divorced	-.445 (.867)	-.767 (.501)	.784 (.732)
<i>Trade union membership</i> (Not member ref.)			
Current member	-.767 (.448)	-.904 (.505)	-1.202 (.531)
Member in the past	-.535 (.543)	-.290 (.435)	-.045 (.542)
<i>Type of affiliation to health care system</i> (Do not have affiliation to any health care system ref.)			
Public	-.697 (.813)	-.231 (.536)	-.581 (.674)
Private	-.938 (.897)	.177 (.726)	-.265 (.849)
Other	-.411 (1.452)	-.448 (1.065)	-.1919 (1.054)
Level of trust in friends or relatives to help them to pay for health treatment	.027 (.076)	.014 (.071)	.000 (.076)
Level of trust in friends or relatives to help them to pay for educational expenses	.052 (.075)	.100 (.070)	.066 (.077)
Very worried vs not worried at all			

	Model 1 Losing jobs	Model 2 Fear about not being able to pay for health treatment	Model 2 Fear about do not being able to pay for educational expenses
Constant	-.895 (1.692)	-1.956 (1.511)	.378 (1.644)
Sex (Male = 1)	.213 (.313)	-.384 (.283)	.636 (.338)
Age	.002 (.017)	.031* (.015)	.006 (.016)
Years of schooling	.037 (.053)	.056 (.050)	-.029 (.055)
<i>Socio-economic position</i> (Upper class ref.)			
Underclass	20.992 (.000)	19.520 (.000)	18.670 (.000)
Working class	2.420** (.818)	1.603 (.870)	.997 (.898)
Middle class (bottom)	1.751* (.725)	1.775* (.817)	.782 (.828)
Middle class (top)	.923 (.695)	1.249 (.777)	.755 (.779)
<i>Marital status</i> (Single ref.)			
Married	-.475 (.368)	-.481 (.344)	-.771 (.377)
Widow	19.304 (.000)	17.459 (.000)	.290 (1.540)
Divorced	-.246 (.712)	-.505 (.639)	-.032 (.842)
<i>Trade union membership</i> (Not member ref.)	-	-	-
Current member	-.089 (.375)	-.013 (.423)	-.080 (.461)
Member in the past	-.504 (.515)	-.640 (.427)	.057 (.529)
<i>Type of affiliation to health care system</i> (Do not have affiliation to any health care system ref)			
Public	-.344 (.818)	-.009 (.533)	.356 (.696)
Private	-.333 (.890)	.945 (.180)	.848 (.859)
Other	-.993 (1.663)	-.345 (1.056)	-.611 (1.009)
Level of trust in friends or relatives to help them to pay for health treatment	-.015 (.071)	-.015 (.067)	-.024 (.074)
Level of trust in friends or relatives to help them to pay for educational expenses	-.036 (.070)	.054 (.066)	.076 (.075)
R ² Cox & Snell	.153	.088	.096
R ² Nagelkerke	.173	.102	.113
Model X ²	58.438	50.791	55.416
Overall percentage	51.1	50.8	55.1
N	453	552	548

*p< .05; **p< .01; ***p<.001; Numbers in parentheses are robust standard errors.

*See Appendix 19 for descriptive statistics and correlation matrix of the models.

*Data source: CEP 2015