

Chilean regime signs electoral pact with Communist Party

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2 October 2001

The Chilean Socialist Party—President Ricardo Lagos’ faction of the ruling Concertacion coalition—has signed an electoral pact to support Communist Party (PC) candidates in two of its safest seats for the December congressional elections. Under the terms of the August 1 agreement, the withdrawal of the Socialist Party (PS) candidates is likely to see the first PC members elected to the Chamber of Deputies since civilian rule was restored in 1990. In effect, the PC would become part of the ruling coalition for the first time since the Popular Unity government headed by Salvador Allende that was ousted in the 1973 military coup by General Augusto Pinochet.

At the last congressional election, in 1997, the PC polled nearly 400,000 votes and received some 20 percent of the vote in one of the two seats covered by its deal with the PS. If elected, the Communist Party candidates could provide Lagos’ PS with increased numbers within the governing coalition, at the expense of the Christian Democrats, who are currently the largest faction. In return for PS support, the PC agreed to withdraw six of its candidates for the December 16 election, essentially giving these seats to PS candidates.

In the first place, the pact is an attempt to counter growing popular resentment to worsening social conditions and mounting inequality, which have marked the decade since the end of military rule. The “Concertacion of parties for democracy” has suffered an ongoing electoral decline since winning office in a landslide in the 1990 elections. The Christian Democrat Party, whose candidates won the presidential elections with clear majorities in 1990 and 1993, has remained the strongest member of the coalition, which also includes the Radical Social Democratic Party and the Party for Democracy.

But at the 1997 election, the Christian Democrat share of the vote fell from 27 to 23 percent. While the Concertacion lost only one Senate seat and maintained its share of seats in the Chamber of Deputies in 1997, its total vote declined by over one million (in a population of around 15 million) and its share of the vote fell to 50 percent. Moreover, 1.24 million blank votes were cast—more than twice the 1993 figure.

The coalition attempted to offset this trend by bringing forward Ricardo Lagos, a former Socialist Party minister in Allende’s cabinet, as its presidential candidate in 1999. By

presenting himself as more socially progressive than the Christian Democrats, he just scraped into office. In a second round run-off, he obtained 51.31 percent of the vote, against the right-wing pro-military UDI/RN (Independent Democratic Union/National Renovation) candidate Joaquin Lavin, who took 48.69 percent. Lagos largely owed his victory to the PC, which called for a Lagos vote to prevent a right-wing victory.

The Concertacion had entered office in 1990 on a program of “Growth with Equity”. It claimed that it could modify the market economy to produce benefits for all, after Pinochet’s free-market policies had doubled the poverty rate from 20 to 44 percent. Chile’s economy grew at average rates of nearly 7 percent from 1990 to 1998. But most of this growth fell into the hands of the upper middle class, whose average incomes grew almost 18 percent in the first three years of civilian rule.

In reality, the Concertacion substantially continued Pinochet’s policies, combined with tax relief for business and international investors and one of the most far-reaching privatisation programs in the world, eliminating previous full-time jobs in state-run industry. According to official surveys, the poorest 10 percent of households receive only 1.5 percent of the national income, while those in the richest tenth receive between some 42 percent. Furthermore, in the bottom 10 percent, the proportion earning less than the minimum wage has grown from 48 to 67 percent, indicating a serious deterioration of the conditions of the working poor.

The recent shutting down of Pinochet’s trial on the grounds of his ill-health has also created deep disquiet among working people. Lagos and the Concertacion as a whole took office promising justice against the junta. Many workers regard Pinochet’s legal victory as the final straw in the government’s increasing concessions toward sections of business and the right wing.

The pact marks a certain shift for the PC as well. It has been seeking entry into the Concertacion since 1990, while claiming to support the coalition only critically. It now states that it remains critical of the coalition, but argues that its entry into the government is necessary to defeat the right-wing.

Although the party was legalised in 1990, it has been unable to obtain parliamentary representation due to a biased electoral system introduced under Pinochet and maintained by the

Concertacion. Under the so-called binomial system, parties outside the two major coalitions have little chance of winning seats.

The PC candidate for Illapel, Jorge Insunza, said the electoral pact would curb the binomial system. “We will withdraw candidates because our goal is to stop the right from taking advantage of the binomial system to over-represent itself and because we value the PS’s position to end our exclusion.” Nevertheless, the agreement does not end the binomial system, but secures a place for the PC within it.

The electoral pact has created disquiet and opened up rifts among Christian Democrat deputies, with former president Patricio Aylwin threatening to stand down as Concertacion coordinator. The badly-fractured Christian Democrats recognise that the deal is an attempt to sideline them. In recent years, the most right-wing Christian Democrats have increasingly blocked with the RN/UDI opposition, maintaining their support for the Pinochet coup and subsequent regime. They have also opposed the re-entry into electoral politics of the PC—which was banned by Pinochet.

By contrast, Christian Democrat “centre” and “left” groupings have tended to ally themselves with the PS and other coalition partners against Pinochet, basing themselves on sections of business not directly associated with Pinochet’s regime. The PS-PC deal is likely to deepen the schism.

The PS/PC pact may give the Lagos government the numbers to pass crucial legislation needed to meet the demands of the international markets. Since taking office last year, Lagos has faced opposition within the Concertacion, particularly from the Christian Democrats, on controversial labour reform laws.

Aimed at introducing a limited form of collective union bargaining, the laws have been continually blocked by sections of the Christian Democrats, who have sided with the opposition in upholding the current system of company-by-company negotiations. The laws have failed to gain approval in the 120-seat House of Deputies, but were recently passed in the Senate after significant modifications—including rejection of industry-wide bargaining.

According to the *Economist* magazine, Lagos is desperate to pass the full measures to obtain the union vote in the December elections. The trade union leadership has backed the laws, trying to present them simultaneously as an advance for workers and a boon for Chilean trade. Maria Rojas, legislator and former vice-president of Chile’s largest union, the Workers Central United, said the legislation had a “social label” that was essential for trade relations with the rest of the world.

The government’s underlying aim is to produce the “labour flexibility” long demanded by international investors to match technological developments and boost productivity. The International Monetary Fund dictated the tone of the labour reforms in an August 2000, in which it warned the government “to be watchful that the package of ... labour market reforms currently under discussion does not undermine the flexibility of

Chile’s labour markets”.

Since Chile entered an official recession in 1998—the first since 1982-83—the world banks have increasingly accused the Concertacion of baulking at further economic reform. A recent report on Chile by the Deutsche Bank stated: “Among all the larger Latin American countries Chile has obtained the best assessment from rating agencies. However, the drive for reform has abated. The recently negative development of the direct investment balance may suggest a lower attractiveness of Chile as a location for investment.”

By signing a pact with Lagos in this environment, the PC is seeking to provide him with a much-needed electoral boost. It is also legitimising the Concertacion’s rule as it prepares to deepen the assault on workers’ conditions. Its readiness to join the government indicates that its services may be needed to suppress the working class.

The PC’s history, particularly its participation in Allende’s Popular Unity government, provides a warning of its role. Allende took office amid an unprecedented wave of strikes and factory occupations. His government was a reformist regime that worked to contain the movement and keep workers tied to the capitalist order. Even after Allende appointed Pinochet to his cabinet, the PC insisted that the working class retain its faith in the government and the parliamentary process.

The PC leaders claimed that the military and the ruling elite would respect the sanctity of the Chilean constitution, paving the way for a unique, peaceful “Chilean road” to socialism. As late as June 1973, in response to an abortive coup attempt, workers seized the factories—demonstrating their determination to fight the right-wing forces and also their capacity to overthrow capitalism. The PC intervened to convince the workers to retreat, insisting that they place their faith in the mythical traditions of “Chilean democracy”.

Not only did the PC claim that workers had nothing to fear from the fascist military officers represented in the government by Pinochet. It continued to seek an alliance with the Christian Democrats, who backed the coup. When workers resisted Pinochet’s CIA-backed military takeover, the PC told its supporters to cease their actions, declaring that the coup would fail due to lack of Christian Democratic support.

Today, Lagos is using the pact with the PC to bolster the coalition’s “left” credentials. The PC is being brought forward to subordinate the Chilean masses to the same political forces—the PS and the Christian Democrats—which delivered them into the hands of the military in 1973.



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