

**The London School of Economics and Political Science**

**Unravelling the Policy-Making Process:  
The Case of Chilean Poverty-Alleviation Policy**

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## **DECLARATION**

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## **ABSTRACT**

The thesis investigates the policy-making process underpinning the poverty-alleviation programmes created in Chile during the 1990s and the first part of the 2000s. Three programmes developed by the governing Concertacion Alliance during this period are selected. The un-researched characteristic of this subject in Chile is the main reason for choosing this topic.

The thesis maps and explains the policy-making process of the three programmes, by identifying main events, actors and mechanisms behind the unfolding of events. Data is obtained from 32 interviews applied to key process actors to obtain their narratives of the processes. The Multiple Streams Model of the policy-making process is employed as theoretical framework.

Results highlight that the processes occur in a highly closed fashion inside government. The main actors involved are the President and his ministers who are able to command the events that lead to the creation of a new programme. The political stream plays a fundamental role in the process as the pro-equity approach of the governing coalition creates a window of opportunity for the introduction of poverty-alleviation programmes. The problems stream is also important, thanks to the availability of poverty statistics that are produced every two years by the Concertacion Alliance governments.

However, the processes differ from the Multiple Streams Model as no independent policy stream was found to exist. Instead, solutions are created by governments in a punctuated manner and during a short timeframe to accomplish political deadlines, when the government considers that the problem deserves to be addressed.

The absence of a policy stream is explained by the policy monopoly that the government enjoys in the poverty arena, where no policy contestants exist. In particular, Chilean social policy experts constitute a small and non-articulated group of individuals usually excluded from the policy-making process, enabling the government to ignore them.

**To Maria Eugenia**

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## CONTENTS

Declaration	2
Abstract	3
Acknowledgements	5
Contents	6
Detailed index	7
List of figures	14
List of tables	14
List of Abbreviations and Acronyms	15
<b>CHAPTER ONE</b> INTRODUCTION	17
<b>CHAPTER TWO</b> THEORETICAL FRAMEWORKS TO STUDY THE CHILEAN POVERTY-ALLEVIATION POLICY-MAKING PROCESS	31
<b>CHAPTER THREE</b> RESEARCH AIMS AND METHOD	96
<b>CHAPTER FOUR</b> THE EVOLUTION OF SOCIAL POLICY AND POVERTY- ALLEVIATION POLICIES IN CHILE	131
<b>CHAPTER FIVE</b> MAPPING THE POLICY-MAKING PROCESS OF CHILEAN POVERTY-ALLEVIATION PROGRAMMES	180
<b>CHAPTER SIX</b> UNDERSTANDING THE CHILEAN POVERTY-ALLEVIATION POLICY-MAKING PROCESS	270
<b>CHAPTER SEVEN</b> EXPLAINING THE ABSENCE OF A POVERTY-RELATED POLICY STREAM IN CHILE	333
<b>CHAPTER EIGHT</b> CONCLUSIONS	366
<b>BIBLIOGRAPHY</b>	383
<b>APPENDICES</b>	395

## DETAILED INDEX

Declaration	2
Abstract	3
Acknowledgements	5
Contents	6
Detailed index	7
List of figures	14
List of tables	14
List of abbreviations and acronyms	15
<b>CHAPTER ONE</b>	<b>17</b>
<b>INTRODUCTION</b>	
1.0 POLICY-MAKING IN CHILE DURING THE 1990s	17
1.1 THE POVERTY-ALLEVIATION POLICY-MAKING PROCESS: AN UNRESEARCHED TOPIC IN LATIN AMERICA	24
1.2 STRUCTURE OF THE THESIS	28
<b>CHAPTER TWO</b>	<b>31</b>
<b>THEORETICAL FRAMEWORKS TO STUDY THE CHILEAN POVERTY-ALLEVIATION POLICY-MAKING PROCESS</b>	
2.0 INTRODUCTION	31
2.1 BASIC CONCEPTS	33
2.1.1 Public policy	33
2.1.2 Policy process	34
2.1.3 Policy-making	41
2.2 POLICY-MAKING ACTORS	44
2.2.1 Actors inside government	44
2.2.1.1 Heads of state	44
2.2.1.2 Mid-level government officials	46
2.2.1.3 Career civil servants	49
2.2.2 Members of congress	50
2.2.3 Interest groups	53
2.2.4 International organisations	57
2.2.5 Policy experts	58
2.2.6 Policy networks and communities	60
2.2.7 The media	62
2.2.8 Public opinion	62
2.2.9 Institutions	64

2.3. POLICY-MAKING THEORIES	65
2.3.1 Advocacy Coalition framework	66
2.3.2 Punctuated-Equilibrium framework	69
2.3.3 Multiple-Streams model	75
2.3.4 Government's Policy-Elites approach	83
2.3.5 Transaction Cost approach	88
2.4 CONCLUSIONS	94
<b>CHAPTER THREE</b>	96
<b>RESEARCH AIMS AND METHOD</b>	
3.0 INTRODUCTION	96
3.1 AIMS AND RELATED QUESTIONS	96
3.2 METHOD	99
3.2.1 Qualitative approach	99
3.2.2 Case study	101
3.2.2.1 Case definition	103
3.2.2.2 Case selection	104
3.2.2.3 Description of cases	108
3.2.3 Data elicitation	114
3.2.3.1 Narrative interviewing	114
3.2.3.2 Description of fieldworks	116
3.2.3.3 Interview process features	119
3.2.3.4 Documents	121
3.2.4 Data analysis	121
3.2.5 Considerations related to being an insider	122
3.3 CONTRIBUTIONS AND LIMITATIONS OF THE RESEARCH	124
3.3.1 Contributions	124
3.3.2 Limitations	126
3.4 CONCLUSIONS	128
<b>CHAPTER FOUR</b>	131
<b>THE EVOLUTION OF SOCIAL POLICY AND POVERTY- ALLEVIATION POLICIES IN CHILE</b>	
4.0 INTRODUCTION	131
4.1 THE ORIGINS OF SOCIAL POLICY IN CHILE	135
4.2 THE 1920-1964 PERIOD: THE PROGRESSIVE CONSOLIDATION OF A WELFARE STATE IN CHILE	136
4.3 1964: THE INTRODUCTION OF A REDISTRIBUTIVE VIEW	139



TO FAVOUR THE POOR	
4.4 THE MILITARY REGIME NEO-LIBERAL APPROACH	141
4.5 THE CONCERTACION ALLIANCE SOCIAL POLICY APPROACH	149
4.5.1 The Patricio Aylwin government	149
4.5.2 The Eduardo Frei Ruiz-Tagle government	156
4.5.3 The Ricardo Lagos government	160
4.6 A BRIEF HISTORY OF THE MINISTRY OF PLANNING (MIDEPLAN)	163
4.7 THE CASEN SURVEY: A KEY INSTRUMENT IN THE CHILEAN POVERTY-ALLEVIATION POLICY	170
4.8 CONCLUSIONS	176
<b>CHAPTER FIVE</b>	180
<b>MAPPING THE POLICY-MAKING PROCESS OF CHILEAN POVERTY-ALLEVIATION PROGRAMMES</b>	
5.0 INTRODUCTION	180
5.1 FOSIS PROGRAMME POLICY-MAKING PROCESS	184
5.1.1 An economic recession affected Chile in 1982 (FO-PE1)	185
5.1.2 Poverty incidence increased to unprecedented levels in Chile during the second half of the 1980s (FO-PE2)	185
5.1.3 Social funds were created in Latin America during the 1980s to address the social costs of recessions (FO-PE3)	186
5.1.4 Chilean experts (Garcia and Flaño) contributed to the creation of social funds in Latin America (FO-PE4)	188
5.1.5 Chile returned to democracy and the Concertacion Alliance assumed power (FO-CE1)	189
5.1.6 An equity-enhancing socio-economic approach was introduced by the Concertacion Alliance (FO-EE1)	191
5.1.7 A consensual policy-making style characterized the Concertacion Alliance (FO-EE2)	193
5.1.8 Funds from external cooperation became available (FO-CE2)	196
5.1.9 Chilean experts (Garcia, Flaño and Molina) helped design the Concertacion Alliance programme, and contributed to the idea of introducing a social fund in Chile (FO-EE3)	196
5.1.10 New social policy institutions were created (AGCI, MIDEPLAN), both closely related to the FOSIS programme (FO-EE4)	200
5.1.11 The final FOSIS programme elements were	201

introduced (FO-EE5)	
5.1.12 The FOSIS programme was launched (FO-EE6)	204
5.1.13 The Congress passed the law creating FOSIS (FO-LE1)	205
5.1.14 Summary	205
<b>5.2 CHILE BARRIO PROGRAMME POLICY-MAKING PROCESS</b>	<b>209</b>
5.2.1 A continuous rural-urban migration occurred in Chile during the second half of the 20th century (CB-PE1)	210
5.2.2 Land invasions gave rise to <i>Campamentos</i> (shantytowns) (CB-PE2)	211
5.2.3 A second Concertacion Alliance government was elected (CB-PE3)	212
5.2.4 Fast economic growth occurred during the first half of the 1990s (CB-PE4)	213
5.2.5 Poverty levels dropped sharply during the first half of the 1990s (CB-PE5)	214
5.2.6 Problems surfaced in the housing policy for the poor (CB-PE6)	215
5.2.7 Eduardo Frei introduced his initial anti-poverty agenda (CB-PE6)	217
5.2.8 Eduardo Frei abandoned his initial anti-poverty agenda (CB-PE7)	219
5.2.9 Despite the failure of his initial anti-poverty approach Eduardo Frei continued committed to addressing poverty (CB-EE1)	221
5.2.10 Frei introduced a results-oriented anti-poverty strategy and asks his housing minister to create a new poverty-alleviation programme (CB-EE2)	222
5.2.11 The Ministry of Housing UDF unit considered that a multi-dimensional approach was required to address the housing needs of the poor (CB-CE1)	224
5.2.12 The Ministry of Housing DITEC unit was quantifying the number of <i>Campamentos</i> (CB-CE2)	225
5.2.13 Housing minister Herмосilla integrated the UDF and the DITEC views into the Chile Barrio design (CB-EE3)	226
5.2.14 Housing minister Herмосilla created a group of experts to design the Chile Barrio main characteristics (CB-EE4)	227
5.2.15 The group of experts introduced the final elements of the Chile Barrio programme (CB-EE5)	227
5.2.16 The pilot phase of the Chile Barrio programme was launched by President Frei (CB-EE6)	229
5.2.17 An office was created inside the Ministry of Housing to manage Chile Barrio at a national level (CB-LE1)	229
5.2.18 Summary	230

5.3 CHILE SOLIDARIO PROGRAMME POLICY-MAKING PROCESS	233
5.3.1 A third Concertacion Alliance government arrived (CS-PE1)	234
5.3.2 An economic slowdown occurred by the end of the 1990s (CS-PE2)	236
5.3.3 Extreme poverty levels stagnated by the end of the 1990s (CS-PE3)	236
5.3.4 The government's poverty-alleviation approach started being criticized (CS-PE4)	237
5.3.5 MIDEPLAN suffered a crisis (CS-PE5)	239
5.3.6 President Ricardo Lagos experienced a reduction in his approval ratings (CS-PE6)	240
5.3.7 The DIPRES office of the Ministry of Finance decided to address the problems of the poverty-alleviation system (CS-EE1)	241
5.3.8 A new MIDEPLAN minister was appointed (CS-CE1)	244
5.3.9 President Lagos instructed his new MIDEPLAN minister to start looking for new poverty-alleviation alternatives (CS-EE2)	245
5.3.10 FOSIS implemented programme Puente at the beginning of 2002 (CS-CE2)	247
5.3.11 DIPRES and MIDEPLAN suggested President Lagos a tentative poverty-alleviation policy alternative (CS-EE3)	248
5.3.12 President Lagos organized a meeting to validate and test the DIPRES-MIDEPLAN poverty-alleviation programme proposal (CS-EE4)	249
5.3.13 President Ricardo Lagos became convinced that a new poverty-alleviation programme was feasible (CS-EE5)	252
5.3.14 President Lagos commanded DIPRES to conclude the Chile Solidario policy-making process (CS-EE6)	254
5.3.15 President Lagos launched the Chile Solidario programme (CS-EE7)	258
5.3.16 The law creating the Chile Solidario programme was sent to Congress (CS-LE1)	259
5.3.17 Summary	260
5.4 CONCLUSIONS	263
<b>CHAPTER SIX</b>	270
<b>UNDERSTANDING THE CHILEAN POVERTY-ALLEVIATION POLICY-MAKING PROCESS</b>	
6.0 INTRODUCTION	270
6.1 A PROCESS THAT LACKS ADVOCACY	275

6.2 A PROCESS DRIVEN BY GOVERNMENT'S POLICY-ELITES	281
6.2.1 Presidents	281
6.2.2 Ministers	289
6.2.3 Career civil servants and government experts	291
6.2.4 Other actors	292
6.2.5 Revisiting the Grindle and Thomas model	293
6.3 THE MULTIPLE STREAMS MODEL: THE CASE OF A MISSING STREAM	295
6.3.1 The politics stream: A dominating force in the process	297
6.3.1.1 The Concertacion Alliance social policy principles	298
6.3.1.2 President's turnover	300
6.3.2 The problems stream: A permanent problem with sporadic visibility	302
6.3.2.1 The availability of poverty statistics	303
6.3.2.2 Feedback from existing programmes	309
6.3.2.3 Interpreting poverty as a problem	310
6.3.2.4 A poverty crisis	311
6.3.3 The policy stream: A missing stream	312
6.3.3.1 A poverty-related policy community?	313
6.3.3.2 A primeval soup?	317
6.3.4 Other model elements	320
6.3.4.1 Policy entrepreneurs	320
6.3.4.2 Policy windows	322
6.3.4.3 Streams coupling	326
6.4 CONCLUSIONS	329
<b>CHAPTER SEVEN</b>	333
<b>EXPLAINING THE ABSENCE OF A POVERTY-RELATED POLICY STREAM IN CHILE</b>	
7.0 INTRODUCTION	333
7.1 THE ABSENCE OF POLICY CONTESTANTS	336
7.1.1 A weak popular movement	337
7.1.2 The lack of interest groups	342
7.1.3 A complacent political opposition	347
7.1.4 A small group of social policy experts	353
7.2 THE LACK OF AN INSTITUTIONALIZED LINK BETWEEN POLICYMAKERS AND RESEARCHERS	361
7.3 CONCLUSIONS	364

<b>CHAPTER EIGHT CONCLUSIONS</b>	366
8.0 INTRODUCTION	366
8.1 THEORETICAL CONTRIBUTIONS	366
8.2 AREAS FOR FUTURE RESEARCH	375
8.3 POLICY RECOMMENDATIONS	378
<b>BIBLIOGRAPHY</b>	383
<b>APPENDICES</b>	395
APPENDIX 1: LIST OF INTERVIEWEES	396
APPENDIX 2: QUESTIONNAIRES	398

## List of figures

Figure 2.0	The System's Approach of the policy process	35
Figure 2.1	Stages Approach of the policy process	38
Figure 2.2	The Advocacy Coalition framework of policy change	67
Figure 2.3	The Punctuated Equilibrium framework	71
Figure 2.4	The Transaction Cost approach	89
Figure 3.0	Programmes' policy process according to year and President	108
Figure 5.0	Narrative structure	182
Figure 5.1	FOSIS policy-making process	184
Figure 5.2	Chile Barrio policy-making process	209
Figure 5.3	Chile Solidario policy-making process	233
Figure 6.1	FOSIS policy-making process	272
Figure 6.2	Chile Barrio policy-making process	273
Figure 6.3	Chile Solidario policy-making process	274
Figure 6.4	FOSIS policy-making process, Map of actors	283
Figure 6.5	Chile Barrio policy-making process, Map of actors	284
Figure 6.6	Chile Solidario policy-making process, Map of actors	285

## List of tables

Table 4.0	Chile: Public social expenditure, 1925-1972	138
Table 4.1	Chile: Real public social expenditure by sector, 1987-2000	153
Table 5.0	Chile: Poverty and extreme poverty incidence, 1987-2006	214
Table 6.0	Santiago: Extremely poor, poor, and non-poor households, 1969-89	304

### List of abbreviations and acronyms

AFP	<i>Administradoras de Fondos de Pensiones</i> (Pension Funds Administrators)
AGCI	<i>Agencia de Cooperación Internacional</i> (International Cooperation Agency)
AHC	<i>Academia de Humanismo Cristiano</i> (Human Christian Academy)
AUGE	<i>Programa de Garantías Explícitas en Salud</i> (Programme of Explicit Health Guarantees)
CASEN	<i>Encuesta de Caracterización Socioeconómica Nacional</i> (National Socioeconomic Characterization Survey)
CIS	<i>Comité Interministerial Social</i> (Multi-Ministers Social Committee)
CNSP	<i>Consejo Nacional para la Superación de la Pobreza</i> (National Board for the Overcoming of Poverty)
CONADIS	<i>Corporación Nacional de Desarrollo Indígena</i> (National Corporation for Indigenous Development)
CONAMA	<i>Comisión Nacional del Medio Ambiente</i> (National Commission for the Environment)
DIPRES	<i>Dirección de Presupuestos</i> (Budget Office)
DITEC	<i>Dirección Técnica del Ministerio de Vivienda</i> (Technical Direction of the Ministry of Housing)
ECLAC	United Nations' Economic Commission for Latin American and the Caribbean
Ficha CAS	<i>Ficha de Caracterización Social</i> (Social Stratification Card)
FLACSO	<i>Facultad Latinoamericana de Ciencias Sociales</i> (Latin American Faculty of Social Sciences)
FNSP	<i>Fundación Nacional para la Superación de la Pobreza</i> (National Charity for the Overcoming of Poverty)
FONADIS	<i>Fondo Nacional de la Discapacidad</i> (National Fund for the Disabled)
FOSIS	<i>Fondo de Solidaridad e Inversión Social</i> (Solidarity and Social Investment Fund)
GDP	Gross Domestic Product
IADB	Inter-American Development Bank
INJ	<i>Instituto Nacional de la Juventud</i> (National Office for Youngsters)
ISAPRES	<i>Instituciones de Salud Previsional</i> (Health Insurance Private Institutions)
MECE	<i>Programa de Mejoramiento de la Calidad de la Educación</i> (Programme to Improve Education's Quality)
MIDEPLAN	<i>Ministerio de Planificación</i> (Ministry of Planning)
ODEPLAN	<i>Oficina de Planificación Nacional</i> (National Planning Office)
PASIS	<i>Pensiones Asistenciales</i> (Assistance Pensions)

PEM	<i>Programa de Empleo Mnimo</i> (Minimum Employment Programme)
PNSP	<i>Programa Nacional de Superacion de la Pobreza</i> (National Programme to Overcome Poverty)
POJH	<i>Programa de Ocupacion para Jefes de Hogar</i> (Employment Programmes for Heads of Households)
PPD	<i>Partido por la Democracia</i> (Pro-Democracy Party)
PREALC	<i>Programa de Empleo para America Latina y el Caribe</i> (Employment Programme for Latin America and the Caribbean)
SEGPRES	<i>Secretaria General de la Presidencia</i> (General Secretary of the President).
SERNAM	<i>Servicio Nacional de la Mujer</i> (National Women’s Office)
SUF	<i>Subsidio Unico Familiar</i> (Family Subsidy)
UDF	<i>Unidad de Difusion y Fomento del Ministerio de Vivienda</i> (Promotion and Dissemination Unit of the Ministry of Housing)



# Chapter One

## Introduction

*"At that time, the concern inside government was what to do to regain political capital amid an economic crisis and the government's political discredit . . . the idea (of creating a poverty-alleviation programme) appealed as an inexpensive nation-wide programme that was easy to embark with, ruthlessly speaking"*  
(Egaña, interview, January 2007)

### 1.0 POLICY-MAKING IN CHILE DURING THE 1990s

After sixteen years of military rule, Chile returned to democracy in 1990. A feeling of excitement was palpable in the country as democracy was like a mirage amid the harsh reality of the military regime. The phrase *La alegría ya viene!* (Happiness is about to arrive!) was the motto used by the democratic opposition during the 1989 elections to express this feeling. The opposition was grouped in the *Concertacion de Partidos por la Democracia* (Agreement of Parties for Democracy), from now on referred to as the Concertacion Alliance, formed by parties of centre-left views.

While it may be argued that a confluence of a range of events facilitated the emergence of democracy in the country, such as the attrition of the military government, the pressure from the international community and the impact of a recent economic collapse, one should not ignore the

importance of the struggle that ordinary Chileans undertook to regain democracy, under the wise guidance of Concertacion Alliance politicians.

With the emergence of democracy, a highly motivated political establishment assumed power with new ideas and proposals. They were the Concertacion Alliance politicians, the heroes of the fight against the military to establish democracy. In his book *El reencuentro de los demócratas* (the reunion of democrats) Patricio Aylwin (1988), the first Concertacion Alliance president, provides a detailed account of the way in which the Concertacion Alliance was born in the mid 1980s by uniting forces and adopting a concensual approach to assemble the democratic opposition. They did this without knowing at that time, that they were building the foundations of one of the most successful political alliances in Chilean history, at least in terms of their permanence in power<sup>1</sup>.

Of significant importance in the new government's agenda was an emphasis on extending social equity in the country, a goal that was at the heart of the Concertacion Alliance and that was pursued by all its successive administrations. As a centre-left political alliance, the Concertacion Alliance was naturally inclined to introduce equity enhancing policies, especially in response to the neo-liberal socioeconomic approach followed by the military, which considered economic growth as the single most important goal of the government.

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<sup>1</sup> The four consecutive Concertacion Alliance governments will complete twenty years in power by 2010.

The Concertacion Alliance was confronting huge social challenges, in addition to securing a smooth transition to democracy. The socio-economic situation of the country was precarious and basic social services such as health and education were in a mediocre condition. On top of that, by the end of the 1990s unprecedented levels of poverty existed, with near 38% of the total population living under the poverty line<sup>2</sup>.

As a result, addressing poverty became a fixed item in each Concertacion Alliance government's agenda. A number of nation-wide programmes purposely designed to confront poverty were created during the 1990s and early 2000s, starting in 1990 under the Patricio Aylwin administration with Programme FOSIS, a social fund to finance projects with high social impact. In 1996, the Eduardo Frei second Concertacion Alliance government introduced the programme Chile Barrio (Chile Neighbourhood) to address deprivations faced by the inhabitants of poor settlements. And in 2002, Ricardo Lagos, the third Concertacion Alliance president launched programme Chile Solidario (Chile Solidarity), an initiative defined as a social protection system to help extremely poor families to overcome their vulnerability<sup>3</sup>.

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<sup>2</sup> See: Chapter Five, Table 5.0.

<sup>3</sup> For simplicity along the thesis these three poverty-alleviation initiatives are referred as programmes. More generally they correspond to policy innovations of different nature according to the way in which they were defined by Chilean authorities. In effect, FOSIS was defined as a social fund to finance projects and programmes, Chile Barrio was characterized as a programme, and Chile Solidario was described as a social protection system. See Appendix 1 for a detailed description of each programme.

All these innovations were 'flagship' programmes of each Concertacion Alliance administration. From their launch, which usually occurred in the solemn presidential *Mensaje a la Nacion* (Address to the nation) ceremony, presidents draw attention to these programmes. In addition, presidents and ministers publicly accompanied the implementation and progress of their respective trademark programmes. The *Mensaje a la Nacion* ceremony deserves special attention. This annual presidential address to congress and the nation allows presidents to report their government's progress during the previous year, and to look ahead and present their plans for the following one. More importantly, Chilean presidents use this opportunity to take an ace from their sleeve and 'surprise' the entire nation with some unexpected announcement. As mentioned, a poverty-alleviation initiative often was one such unexpected announcement. After the *Mensaje a la Nacion*, it was common to see the press anxiously looking for the relevant ministers to explain in detail the innovations announced by the president.

Cecilia Perez, Minister of Planning during Ricardo Lagos' third Concertacion Alliance administration, provides a direct account of the interest this event produced (interview, January 2007):

“On the 22<sup>nd</sup> of May [the President] asked the minister of finance, the minister of health, the budget office director and me to give a press conference at *La Moneda*<sup>4</sup> to explain what the President had announced, and on the 24<sup>th</sup> of May, I gave a conference to NGOs”.

After graduating in economics at the beginning of the 1990s, I began working in the Ministry of Planning of Chile (MIDEPLAN) Social Studies Department. My duties centred on elaborating and analysing poverty and income statistics from the nation-wide CASEN socioeconomic surveys<sup>5</sup>. This post as a mid-level government official gave me a privileged position to witness the Concertacion Alliance social policy approach, particularly the efforts made in the area of poverty alleviation. However, being an insider did not present a great advantage in understanding or obtaining even informal knowledge of the policy-making process in the area of poverty alleviation as no prior information about the poverty-alleviation innovations were circulated inside the ministry before their public launch. In particular, no deliberation or discussion between poverty experts inside

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<sup>4</sup> The *Palacio de La Moneda* (Palace of the Coin), is the seat of the President of the Republic of Chile.

<sup>5</sup> MIDEPLAN is the institution in charge of overseeing social policy in the country. Appendix 2 describes the history of MIDEPLAN while Appendix 3 explains the importance of the CASEN surveys in Chilean social policy.

the ministry had taken place regarding the most appropriate approach for addressing the different stages of poverty alleviation.

Was the policy-making process of these poverty-alleviation programmes reserved for top-level MIDEPLAN officials? Or was it a process driven by experts from other government institutions? In any case, the process resembled a 'black box' that was inaccessible not only to ordinary citizens but also to mid-level government officials involved in dealing with the issue of poverty. Identifying the actors involved in the process and the forces and events driving it, thereby transforming the black box into a transparent glass box, constituted the main motivation of the present research.

Hand in hand with the introduction of these poverty-alleviation programmes, the Concertacion Alliance launched important reforms in other social policy areas, especially health and education - reforms that spanned more than one ruling Concertacion Alliance administration. For instance, the reform of education was officially launched by Eduardo Frei, the second Concertacion Alliance president, entailing important changes to improve the quality of public education. The reform continued as part of the agenda of the third Concertacion Alliance government, when additional measures were introduced. Some authors view the education reform as a process whose roots are found in the first Concertacion Alliance government, when a law improving teacher's benefits was

introduced (Schiefelbein and Schiefelbein, 2002). A similar story can be found in the health sector<sup>6</sup>.

While the creation of poverty-alleviation programmes was fairly smooth, as Chapter Five will demonstrate, these other policy innovations were filled with discussions, conflicts and obstacles from a variety of actors and events. Chapter Seven describes the conflicts between the government, the political opposition and labour and professional unions that occurred during the policy-making process of health and education reforms. An anecdote that reflects the intensity of these disagreements was the resignation of the first health minister of the Concertacion Alliance due to the pressure from the medical doctors' union which forced him to leave soon after he was in post (Lenz, 2005:300). Why was the poverty-related policy area such a peaceful arena, while these other social policy sectors were conflictual? What features of the poverty-alleviation policy-making process may help to explain this difference? This dissertation aims to explain the way in which the poverty-alleviation process unfolded, therefore contributing not only to a description of the process but also to making sense of it by understanding its inner mechanisms and dynamics.

All the questions posed in this introduction are addressed in this thesis by entering the inaccessible arena of the Chilean poverty-alleviation policy-making process. A previously undocumented process is researched by

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<sup>6</sup> Chapter Four describes in detail these reforms.

identifying, contacting and interviewing key actors in order to map and explain the process. The resulting data collected constitutes a unique qualitative verification of a phenomenon that escapes the reach of a quantitative research, due to the complexities and variety of events, actors and political circumstances that characterise the poverty alleviation policy-making process in Chile. The selection of a research framework that considers multiple actors and forces and one which precisely specifies the mechanics of the process, in addition to the choice of a limited set of relevant cases to include in the research, enables the unravelling of the complexities involved in researching the poverty alleviation policy-making process.

### **1.1 THE POVERTY-ALLEVIATION POLICY-MAKING PROCESS: AN UNRESEARCHED TOPIC IN LATIN AMERICA**

Since the 1950s, the policy-making process has been continuously researched in the developed world, with the works of authors such as Laswell (1956), Easton (1965), Dror (1986), Lindblom (1993) and Kingdon (1995). These investigations, focussing mainly on the US, have considered the role of multiple policy actors in the process, such as heads of the state, the congress, interest groups, think tanks and so on. Hence, it is not a surprise to find that advocacy, competition and policy discussion between these actors has been a prominent feature of many of these studies.



On the contrary, in the developing world the study of the policy-making process has remained much more absent from the attention of researchers. Works such as Grindle (1980) and Grindle and Thomas (1991) are seminal in addressing the policy process in the developing world, which is radically different from the one that occurs in developed countries. These studies show that government policy-elites appear to be central. The relevance of policy advocacy from multiple actors is minimal compared to the overwhelming powers that governmental elites have in commanding and controlling the process. The president and his ministers emerge as top actors due to their privileged hierarchical position.

In the Latin American region, the literature about the policy-making process focuses mainly on health, education, pensions and economic policies. For instance, Grindle (2002) analyses social policy innovations applied during the 1990s in the region. She confirms the central position that the executive has in a process that generally lacks the participation of other non-government actors. IADB (2006) studies the policy-making process in Latin America, with an emphasis in economic policies, such as tax, budget, and privatization policies. In the area of social policy, education reforms are also analysed. By applying a multiple-actors game theory approach, the study finds that the centrality of the executive in the policy-making processes is attenuated by the participation of other players such as the legislature, political parties, interest groups or think tanks, which can display different levels of cooperation during the process. The

legislature usually acts as a veto player by blocking or amending government proposals. In the case of education, this blocking activity is performed by labour unions, which traditionally have opposed education reforms aimed at improving the efficiency and quality of educational systems.

Some publications have focused on specific features of policy reforms applied to Latin America during the 1980s and 1990s. For example, Kaufman and Nelson (2004) study the politics of reforms applied to education and health services in Latin America in the 1990s. They conclude that in pursuing reforms, policymakers confront the opposition of a variety of stakeholders such as teachers and health unions, politicians and private insurers and providers. As a result, reforms in these areas tend to be more extensive in countries where these stakeholders are relatively weak. Sometimes, the opposition of some of these groups results in the dilution of reforms or in the possibility of obtaining concessions (Kaufman and Nelson (2004:501). In the same vein, Gonzalez-Rosetti and Bossert (2000) examine health reforms applied in Chile, Colombia, and Mexico, focusing on the strategies that policymakers followed to confront the obstacles that emerged when introducing reforms. The authors propose that the degree to which reforms are successful is related to the capacity of the different actors involved to influence the process and to the strategies that reformers use to pursue their reform agenda. Maceira and Murillo (2001) focus on the reaction of teachers' and

doctors' unions to social sector reforms applied in Latin America. They conclude that the reaction of unions to social sector reforms is determined by features of health and education markets, such as their size, level of development and competition, and by variables associated with the historical evolution of unions, which influences their ability to collude and confront reforms.

Weyland (2005, 2006) concentrates his attention on the diffusion of policy innovations that occurred in Latin America during the 1980s and 1990s, such as the Bolivia's pension reform which followed the Chilean pension model introduced during the 1980s. The author explains political decision-making by cognitive psychology mechanisms, where bounded rationality prevails. The author proposes that the diffusion of policies was not the result of a rational selection and evaluation of relevant alternatives, but rather that policymakers used cognitive shortcuts which generated systematic distortions and deviations from the ideal-typical postulates of rationality.

In the case of Chile, there are some studies of the policy-making process in the areas of pensions and economic policies. Piñera (1991) examines the process of introducing the pension reform applied in Chile during the 1980s under the Pinochet regime. As minister of social security and main promoter of the reform, Piñera explains the difficulties and events that led to one of the biggest social sector reforms that occurred in Chile under

Pinochet. Aninat et al (2006) and Montecinos (2003) concentrate on the legislative phase of the policy-making process when the laws required to implement economic policies are discussed. They confirm the role of congress as a 'veto player' that confronts the significant powers that the president enjoys in Chile. It is argued that this balance of power prompts negotiations and concessions between policy actors to approve legislation.

It may be concluded that the poverty-alleviation policy-making process remains an unresearched topic in the Latin America region, as compared to the analysis of the policy-making process for pensions, health, education and economic policies. Hence, the present research aims to contribute to the literature that studies the policy-making process in Latin America, by concentrating on the particular features of this process in the case of poverty-alleviation initiatives.

## **1.2 STRUCTURE OF THE THESIS**

Chapter One introduced the rationale for analysing the poverty-alleviation policy-making process in Chile, and the way in which the thesis is structured.

Chapter Two provides a literature review about the policy process and policy-making. Basic concepts and theories of the policy process are introduced and explored. The main theories explaining policy-making are

set out in detail, outlining the advantages and disadvantages of applying each of them to the theoretical frameworks of the thesis.

Chapter Three presents and justifies the aims of this thesis and their related research questions. The methodology employed is also described, validating the selection of a qualitative case study approach and a narrative interviewing technique to gather data. The selection criterion for the three cases to study is also presented here.

Chapter Four presents the context for the thesis by describing the evolution of social policy in Chile, particularly the way in which pro-poor policies and poverty-alleviation programmes have materialised.

Chapter Five addresses the first aim of the thesis by mapping the policy-making process of each of the three poverty-alleviation programmes selected. This is done by presenting descriptions of the processes provided by the interviewees. A detailed account of the actors and events involved in each process is included here, describing the temporal occurrence of events and the circumstances in which each relevant actor participated in the processes. The concluding section of this Chapter highlights the commonalities found between the three cases.

Chapter Six addresses the second aim of the thesis by explaining the way in which the processes unfolded. This is accomplished by contrasting the

policy-making theories presented in Chapter Two with the mapping of the processes introduced in Chapter Five. This comparison allows for the selection of the most appropriate model to be used as theoretical framework for the thesis by identifying the advantages and limitations of each framework considered. Next, the predictions of the selected framework are contrasted in detail with the evidence provided by the cases, which allows finding coincidences and divergences between theory and data.

Chapter Seven addresses the differences found between the processes and the predictions of the preferred explanatory framework. Relevant literature and the opinions of key interviewees constitute the material used to explain these divergences.

Finally, Chapter Eight summarises the main conclusions of the thesis. The Chapter advances the areas for future research that can be derived from the thesis as well as the policy recommendations that follow the results.

## **Chapter Two**

# **Theoretical frameworks to study the Chilean poverty-alleviation policy-making process**

*"Adopting promised policies is far more important and politically beneficial than actually solving any problems"*  
(Zahariadis, 1999)

*"Policy-making generally satisfies the participants and few others care"*  
(Jones, 1994:218)

### **2.0 INTRODUCTION**

The aim of this chapter is twofold. First, to present main concepts, actors and forces related to the policy-making processes. These elements will help to map the Chilean poverty-alleviation policy-making process, by identifying relevant actors and forces involved in the process. The mapping itself is provided in Chapter Five. Second, to present the main theories developed to study the policy-making process. This will allow choosing the most appropriate theory to use as theoretical framework.

No theoretical framework was selected a-priori to analyse the cases. Instead, the process of continuously contrasting theories with data allowed determining which theoretical framework was most appropriate. Hence, data analysis has guided the selection of a particular theoretical framework. However, it must be recognised that the Kingdon's (1995)

Multiple Streams Model of policy-making that is presented in this chapter has, in retrospect, 'informed' the entire research process. This was the case because among the variety of models available to use as theoretical frameworks, Kingdon's model was considered a rich, clear and detailed one, a characteristic that made it very suitable to describe and explore the processes of policy-making under study.

In any case, and as Sigurgeirsdottir (2005) has confirmed in a recent investigation of the policy-making process in Iceland and the United Kingdom, the complexities of the policy-making process, where intricate mechanisms and dynamics may be at work in different countries and policy areas, makes the use of many theoretical views an almost inevitable route to properly understand this phenomenon. Chapter Six will discuss in detail the applicability to the Chilean poverty-alleviation case of the different frameworks presented here and will conclude which one is the most apt for this research.

This chapter starts with a section that outlines basic concepts that illustrates the approaches developed to analyse the policy process. The following section describes policy-making process actors identified by the literature. Then, the main theoretical frameworks developed to study the policy-making process are presented. The final section provides the conclusions of the chapter.



## **2.1 BASIC CONCEPTS**

### **2.1.1 Public policy**

Public policy corresponds to initiatives addressing subjects that are outside the sphere of private issue (Parsons, 2001). These are areas that require some public regulation or intervention as they affect society.

An elaborated and rich definition of public policy is provided by Jenkins (1978) who claims that it is,

“a set of interrelated decisions taken by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation” (cited in Hill, 1997a:7).

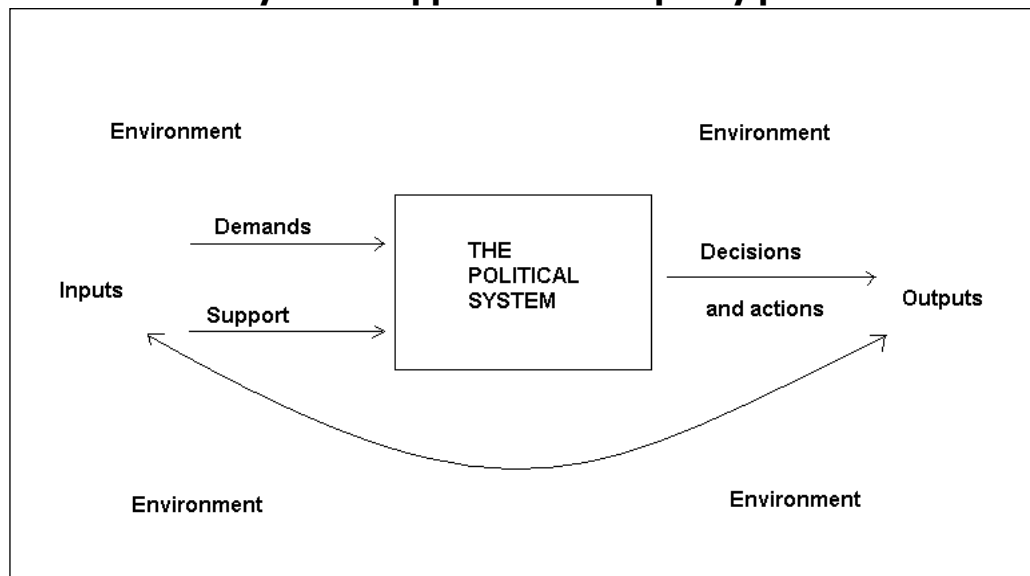
The virtue of this definition is that it includes a series of relevant features of public policy, i.e. that it is not one but a group of interrelated decisions, that they are decisions rather than actions (leaving space for the possibility of inactions) and that they may be under the influence of many different actors.

### **2.1.2 Policy process**

The literature on the policy process presents a rather misty description of this process. At times it is described as a 'black box' (Hill, 1997a), for others the policy process is mainly what decision makers do (Grindle and Thomas, 1991). In some cases, there even exists a pessimistic view about the possibility of understanding a phenomenon characterized by being a "complexly interactive process without beginning nor end" (Lindblom, 1993:11).

The idea of the policy process as a black box comes from the systems approach of the policy process outlined by Easton (1965). He applies a biological perspective to political activity, as it may be understood as taking place in an environment that contains a variety of other systems, including social and economic ones. The political system receives inputs, in the form of demands and support, and the outputs are the decisions and policies taken by authorities (Figure 2.0).

**Figure 2.0**  
**The System's Approach of the policy process**



Source: Easton (1965:32).

An interesting concept in Easton's approach is the environment where the political system is located. He divides it into two parts: the intra-societal and the extra-societal environments. The first one includes forces related to the economy and social structures that belong to the same society as the political system. The extra-societal environment includes all those systems that lay outside domestic society, such as the international political system, the international economy and the international cultural system.

Another illuminating element of this theory is the idea of a continuous feedback during the policy process. The double-sided arrow in figure 2.0 represents this.

As Easton notes,

“the outputs are able to modify the influences that continue to operate on the inputs and thereby the next round of inputs themselves” (Easton, 1965:32).

This idea highlights the influence of past policies in the present policy process. Past policies define a policy space, which limits the scope of present policies. There are policy traditions reflecting consensus that can make the development of new policy approaches difficult to achieve. Furthermore, there may be inherited policies and agendas that structure or limit present policies. Hence, the systems approach views the policy process ultimately as a circular process, highlighting that its apparent linearity is only an analytical tool (Easton, 1965:27-29).

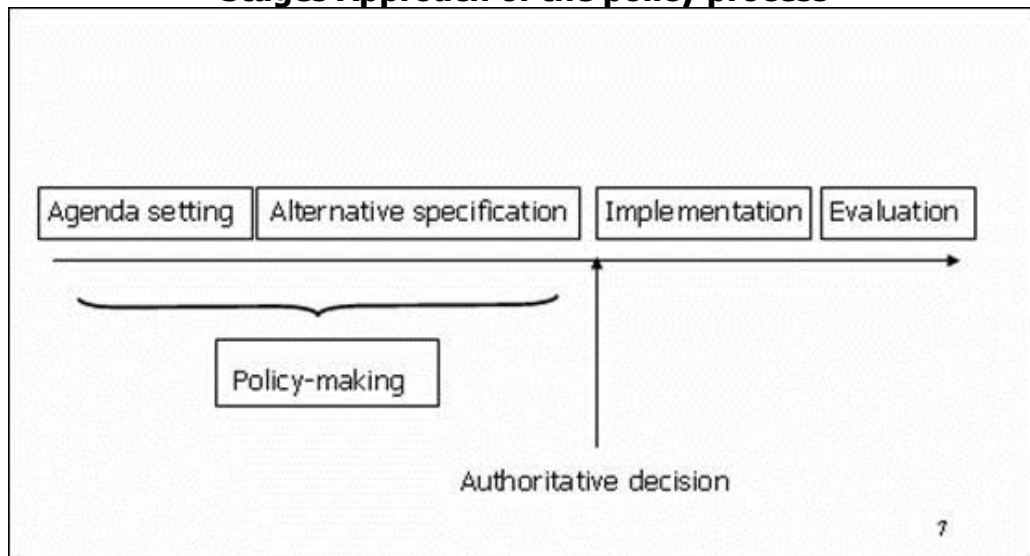
The systems approach has been subject to some criticisms. First, it may oversimplify reality as policy making rarely occurs in such a simple way as the model describes. For instance, policy-makers themselves may be the sources of demands, or the manufacturers of such demands. Second, it may overemphasise the importance of inputs and outputs in the policy process, giving less attention to the central political process, which remains a black box in terms of the inner mechanisms that drive it. And third, the whole system itself may be the object of political action (Hill, 1997a:20-22).

In defence of Eason's theory, it must be stated that his objective was mainly focused on explaining the persistence of the political system in relation to the environment where it happens. In other words, he explicitly focused his analysis on the relationship between the political system and the external forces that exist within the 'environment' (Easton, 1965).

The study of the policy process involves analyzing the unfolding of events and decisions that may culminate in an authoritative decision. More precisely, when studying the policy process, attention is focused on the stages through which issues pass, and attempts are made to identify the influence of different elements on the development of the issue (Hill, 1997a:4).

A framework that has been highly influential in the analysis of the policy process is the Stages Approach. Outlined initially by Laswell (1956), it visualizes the policy process as a series of stages or phases that a particular government policy or programme would go through during its life. The stages approach describes the progressive concretisation of policies, from the initial stage when a problem is recognized to the final ones when policies are implemented and evaluated (Figure 2.1).

**Figure 2.1**  
**Stages Approach of the policy process**



Source: Adapted from Laswell (1957) and Kingdon (1995).

The stages approach is an example of what Sutton (1999) identifies as 'linear models' of the policy process, also referred to as 'rational models'. Linear models assume that decisions are made in a series of sequential steps, starting with the identification of a problem or issue, and ending with a set of activities to solve or deal with it. They also assume that policy makers approach the issue rationally, taking into consideration each logical step that makes up the process, and analysing all the relevant information available.

The main advantage of the stages approach is that it highlights important phases and elements of the policy process, as well as the different policy actors involved in each stage. As a methodological procedure it resembles the way in which natural sciences analyse many complex phenomena. For

instance, in biology the different parts and systems of the body are studied separately, abstracting momentarily from analysing the connections that exist between the different systems. Sadly, social sciences lack the easy isolation and identification of parts found in this example, thus making it a more risky procedure in terms of distorting reality for the sake of simplifying the analysis. In any case, this approach has remained the preferred and most widely used in the studies of the policy process, representing a common language in the field. The justification for this procedure lies on the grounds of practicality, as it allows the study of a complex subject in a manageable form (Parsons, 2001).

The original Laswell's view of the process included seven stages: intelligence, promotion, prescription, invocation, application, termination and appraisal. After this novel classification, different ways of separating the policy process have been postulated. For instance, Sutton (1999:9) includes the following stages: recognizing and defining the nature of the issue to be dealt with, identifying possible courses of action to deal with the issue (options analysis), weighing up the advantages and disadvantages of each of these alternatives, choosing the option offering the best solution, implementing the policy and evaluation of the outcome. Kingdon (1995) provides another example by dividing the policy process into four stages: agenda setting, alternative specification, authoritative decision and implementation. Similarly, Parsons distinguishes between

problem definition, agenda setting, policy specification, decision-making, policy implementation and evaluation (Parsons, 2001: xvi).

The literature describes the following limitations of the stages approach: first, it provides no causal force that governs the whole process. Instead, each stage may be viewed and analysed independently without reference to the other stages. Second, the sequence of the proposed stages is often inaccurate as some stages may influence and shape previous ones. For instance, the evaluation of existing programmes may influence the implementation procedures applied. Third, it assumes that stages are clearly demarcated and isolated from each other while in fact there may be feedbacks and recursive loops between various policy stages (Hill, 1997a:24; Deleon, 1999:23; Sabatier, 1999:7). In particular, studies focusing their attention on one specific stage of the policy process may neglect from the analysis the interactions that can occur with other stages, as long as it is assumed that the stage under analysis is a well-bounded and independent part of the process.

Some authors highlight that the separation between policy-making and policy implementation presents specific problems (Sutton, 1999:22). In particular, policies do often change as they go through the implementation process, as they move through bureaucracies to the local level where they are implemented. Policies may change at any point of the process when being subject to pressures and reactions from implementers. In particular,



street level bureaucracies (Lipsky, 1980) and administrative considerations may change policies during the implementation stage. Hence, policies may be 'in the making' even after being already implemented. Besides, the separation between policy-making and implementation may allow policy makers to avoid responsibility on the final outcomes of policies, as policy-making can be endorsed to policy makers, while implementation may be assigned to administrative staff (Sutton, 1999:23).

Policy process studies must be differentiated from policy content studies. Policy content corresponds to the substance of policy, while policy process refers to the unfolding of events leading to that policy. It is very likely that the policy content and the policy process may influence each other, as the particularities of a policy may affect the related policy process, and the features of the policy process may also shape the final policy content. Despite this interdependence, the prominent role of the policy process on policy outcomes makes it a fundamental piece of study by itself (Hill, 1997a:5).

### **2.1.3 Policy-making**

Policy-making is the moment of the policy process when policies are created and designed but not yet implemented nor evaluated. Policy-making studies also divide the process into different stages. The initial

phase of the policy-making process has been defined as agenda-setting.

Kingdon (1995) defines agenda as,

“the list of subjects or problems to which government officials, and people outside of government closely associated with those officials, are paying some serious attention at any given time” (Kingdon, 1995:3).

Hence, studies of agenda-setting seek to understand why the government’s agenda is composed as it is at any point in time, and also why it changes from time to time. Kingdon highlights the main questions that agenda-setting studies try to answer:

“how do subjects come to official’s attention? How are the alternatives from which they choose generated? How is the governmental agenda set? Why does an idea’s time come when it does?” (Kingdon, 1995:xi).

Later he adds another relevant question: “why do items that deserve attention never receive it?” (Kingdon, 1995:14).

Alternative specification (equivalent to policy formulation) is the second phase of policy-making. It comes after the agenda-setting phase, when a

particular problem was recognized and entered the government's agenda. Kingdon refers to alternative specification as,

“the process of specifying alternatives [that] narrows the set of conceivable alternatives to the set that is seriously considered” (Kingdon, 1995:2).

He stresses the convenience of making this distinction on the grounds that different actors may govern these two phases of the policy-making process. In effect, he argues that the president and other top-level government officials are more important in setting the agenda while experts and career civil servants are more relevant in the process of generating policy alternatives.

Grindle (2002) partially confirms this separation of the policy-making process when analysing Latin American cases. While she corroborates that political leaders (usually presidents and ministers) control the agenda setting phase, she finds that the stage of alternative specification was also controlled by the executive with the difference that in addition to political leaders, mid-level officials also participate (Grindle, 2002:103-105). As a result, the division of the policy-making process into different stages

where different actors participate may not be appropriated in the context of developing countries, particularly for the Latin American area.<sup>7</sup>

## **2.2 POLICY-MAKING ACTORS**

Having explored the position and critiques of the main concepts related to the policy-making process, a review of the main policy-making actors contained in the literature is now presented.

### **2.2.1 Actors inside government**

Clear candidates for key players in the policy-making process are actors inside the government. At the end of the day, the government has the formal decision-making authority to respond to the electorate by proposing, designing and implementing policies to address their needs and problems. This is not to say that actors inside the government are the only relevant policy-making actors, but that given their duties and resources they figure very prominently in the process.

#### **2.2.1.1 Heads of state**

In many countries, it is frequent to find political systems where the head of the state (president or prime minister according to the political system)

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<sup>7</sup> This consideration sustains the option of not introducing a separation of the policy-making process into sub-stages in the present research. See Chapter Three.

has a great deal of power to affect and dominate the policy process. This is the case of most developing countries (Grindle and Thomas, 1991:59), and particularly the Latin American region (Mainwaring and Soberg, 1997).

Among their resources to influence the policy-making process, heads of state have supporting staff, departments, political authority and political support from their party and electorate (Smith, 1999). Besides, they have special resources such as the prerogative to contract and remove key policy staff and the ability to attract public attention in order to set particular issues on the agenda (Kingdon, 1995:24-25). Heads of state pre-eminence in the policy-making process may be more relevant in the initial agenda-setting stage of the process compared with later stages that may be more under the control of middle and low ranking officials (Kingdon, 1995).

Grindle (2002:102) provides evidence that in the Latin American region presidents are the main influencers of the social policy agenda-setting process. This result may be linked to the highly 'presidentialistic' political system that prevails in the region (Mainwaring and Soberg, 1997). In effect, in these countries presidents enjoy significant formal powers to enact new legislation by influencing the congress (Mainwaring and Soberg, 1997:395). However, IADB (2006:57) indicates that in Latin America there are countries with different degrees of presidentialism, arguing that those countries where the president has greater constitutional and partisan

support are more likely to display a presidentialistic policy-making process. A good example of presidentialism is the Argentinean government that has been labelled as a case of 'hiperpresidentialism' (Grindle, 2000). As Grindle (2000:163) notes, in this country the constitution allows presidents to,

“appoint cabinet and other officials without congressional approval, to rule by decree in a broad range of circumstances, and to declare states of siege under certain circumstances . . . the constitution also gave presidents veto power over legislation”.

As a result, many policy innovations in Argentina, such as the transformations introduced by President Carlos Menem after 1989, were carried out mainly through presidential decrees.

#### **2.2.1.2 Mid-level government officials**

The group of officials appointed by the head of the state such as ministers, under-ministers, heads of departments, and so on, may also play a relevant role in policy-making, affecting the process by raising items from their own agencies or by generating policy alternatives to fulfil the president's interests (Kingdon, 1995:29). They may hold the same type of resources as heads of state but at a lower scale, such as political authority and resources linked to their related office, particularly the assistance of

civil servant. Their power may be significantly enhanced if they have the support of the head of the state (Smith, 1999:35) and if they have knowledge and access to policy networks (Smith, 1999:32). Besides, if appointed government officials are experts in their fields, if they have good managerial skills, and if they are good in advocating government's policies it will be more likely that they will influence the characteristics and outcomes of policies (IADB, 2006:65).

Given their transitory character, mid-level officials may be particularly motivated to raise some issue to the government policy agenda to 'make their mark' or to gain political prestige that may be valuable in their future career (Kingdon, 1995:30). Besides, it may also lead them to accelerate the policy-making process to arrive to a new programme while they are still in office. As a result, the turnover of ministers and vice-ministers may result in a changing ministerial agenda as a new set of policy proposals is raised at the beginning of each new ministerial administration. This situation may be more likely to occur when ministers and their related staff can act in relative isolation from the rest of the administration and other political forces (Grindle and Thomas, 1991:30-32; Sutton, 1999:26-27).

The relevance of ministers during the policy-process is confirmed by Kingdom (1995), in his study of US health and transportation policies. According to him, their participation in the process is related mainly to

generating policy alternatives to fulfil the priorities of the president. In Latin America, Grindle (2000) studied cases of democratizing reforms applied in some countries during the 90s where she finds that teams of individuals appointed by the president were, in the main, responsible for designing reforms and their related institutional setting. These appointees were given ample space "to explore ideas for political reform and build consensus around them" (Grindle, 2000:205). However, she stresses that while these teams were central in designing the reforms, the backing of political leaders was fundamental for the materialization of the reforms.

Regarding the transitory character of appointed officials, IADB (2006:62) shows that in Latin American countries cabinet stability tends to be low. This study presents data indicating that during the 1990s, 22% of ministers from 12 Latin American countries remained in their posts for less than six months, while 75% stayed for less than two years, still a short period considering that for these countries the presidential term lasted between four and six years. As a result, it is argued that ministers in the region are likely to have a short term view and that policies will vary frequently. In any case, the data presented in this investigation shows a high variation in cabinet stability across the region (IADB, 2006:62). For example, the average number of ministers who served in a given ministry between 1988 and 2000 in Ecuador was near 8, while in Uruguay this number was close to 3 (IADB, 2006:63).



### **2.2.1.3 Career civil servants**

Career civil servants may play a relevant role in the policy-making process, although less important than the role played by ministers and other political appointees. Their main resources they draw upon to influence the policy-making process are linked to their permanence, knowledge, control over information, availability of time and access to networks of experts (Smith, 1999:32). Their longevity and expertise make them valuable for higher-level policy-making actors at the moment of designing, implementing and evaluating policies. Hence, they may be more significant in the process of alternative specification and in the final steps of the policy process than in the initial stage of agenda-setting (Kingdon, 1995:31). Kingdon points out that,

“it is quite common for the higher-level appointees to define an agenda item and then to solicit the advice of careerists in drafting the proposals” (Kingdon, 1995:32).

However, it is possible that civil servants may also play a significant role in the agenda-setting process if they can influence higher-ranking political appointees, a situation that is described as the ‘capture’ of political appointees by civil servants (Kingdon, 1995:33).

A 'meritocratic' bureaucracy, characterized by having high autonomy and capacity is expected to have a stronger participation in the policy-making process, compared to less autonomous or capable bureaucracies (IADB, 2006:71). In this last case, civil servants will be more susceptible to be captured by politicians and interest groups to fulfil their particular interests. IADB (2006) provides data to measure the level of professionalism and independence of bureaucracies across Latin America showing a mixed scenario. Particularly, three groups of countries exist in terms of the development of their bureaucracies. The first and most important one is composed by countries where bureaucracies show low levels of development and professionalism, including Panama, El Salvador, Nicaragua, Honduras, Peru, Guatemala, Ecuador, The Dominican Republic, Paraguay and Bolivia. The second group is formed by countries presenting bureaucracies with an intermediate level of development, including Venezuela, Mexico, Colombia, Uruguay, Argentina and Costa Rica. The third group corresponds to countries with well developed and professional bureaucracies, formed only by Brazil and Chile.

### **2.2.2 Members of Congress**

Top members of Congress may also play a relevant role in the policy-making process (Kingdon, 1995:34). In addition to their role as makers of the legislation required to introduce policy changes, they can attract significant media attention and use it as a vehicle to influence the policy

process. Their participation in the promotion of new policies may serve to satisfy the expectations of their constituents and to raise their reputation as key actors in specific policy issues.

In the Latin American context, the legislature shows a limited role in the policy-making process of social policies, which tends to be entirely under the control of the executive (Grindle, 2002:103). However, congress members participate in the final decision stage of the policy-making process by approving or rejecting policy reforms (acting as veto players), and by introducing changes to modify the final form of policies (Grindle, 2002:106; IADB, 2006:42-43).

IADB (2006) presents data about the importance of Congress in the policy-making process in Latin America, showing a diverse scenario across countries. For instance, the rate of approval in congress of executive legislation initiatives varies from a low 41% in Costa Rica to a 96% in Mexico (IADB, 2006:43). These differences are explained by the different balance of power between the president and congress that constitutions provide in different countries. IADB (2006:54) suggests that a congress composed by experienced legislators, organized around committees to perform their duties and well supported by staff will be more likely to perform a constructive and pro-active role in the policy-making process.

Gershberg (1999) studied decentralizing education reforms introduced in Mexico and Nicaragua during the 1980s and 1990s. He mentions that some governments start reforms with the creation of the required legislation setting, as was the case in Mexico. In contrast, Nicaragua implemented a ministry-led non-legislative reform, where the government created and implemented the reform without pursuing any legislation. He concludes that both strategies may be successful in introducing educational reforms, although each one may have pitfalls and advantages. In particular, when the government starts the reform by obtaining legislation, the reform tends to be implemented at a slower pace. However, having the legislation approved from the beginning makes unlikely that the reform will be abandoned later. On the other hand, a reform carried out without involving congress to accomplish legislation has the advantage of being faster to implement but at the same time, more exposed to the risk of being abandoned in the future. He concludes that,

“the right recipe for reform in most countries is likely to be a combination of both strategies, even if one or the other dominates” (Gershberg, 1999:77).

### **2.2.3 Interest groups**

Groups related to different sectors such as business and industry, professional and labour unions and social movements can influence the policy-making process. Their role may differ according to the importance of each group in a specific sector and their activity may affect different moments of the policy process, such as agenda-setting, the process of selecting policy alternatives and implementation. Furthermore, their role may be positive, in terms of proposing new policies, or negative, such as when they block or veto specific public policies. It has been suggested that most interest group's activities in the policy-making process are related to this negative role (Kingdon, 1995).

Grindle (2000) shows that pressure groups have only a limited role in the policy-making process in the Latin American region. She confirms that, while mobilized groups were present during democratizing reforms applied in some Latin American countries (Venezuela, Bolivia and Argentina) during the 1990s, their pressure did not explain the introduction of these reforms.

Instead, she notes that,

“the reform agenda is best explained as the result of elite projects, in which the elites were called together –in each case by political leaders- to make recommendations about how best to respond to problems of governance” (Grindle, 2000:202).

Contrary to the previous study, IADB (2006) presents evidence indicating that different pressure groups may have influenced the policy-making process in the Latin American region. Regarding the participation of business interests in the process, IADB (2006:92-97) states that it may vary considerably by country, policy arena and over time. In general terms, they will be more willing to participate if a policy is perceived as costly or damaging to the business sector, and if these costs are immediate and certain. Besides, business organisations will be more inclined to participate in the process if a policy affects business interests in the short time, such as a proposal to change the regulatory framework of a sector. On the contrary, business will be more reluctant to participate in the process if policies have a broad scope, such as changes in tax policies affecting different types of businesses.

This study also indicates that the level of involvement of business-related interest groups in policy-making in Latin America varies in relation to the

form in which business participate in the process, such as interactions between business associations and politicians, lobbying, election and campaign contributions, use of personal networks and corruption. Guatemala is mentioned as the Latin American country where business interests have the greatest engagement in the policy-making process in the region (IADB, 2006:97). In this country, the business sector is highly organized compared to other groups, such as labour unions, peasant and indigenous movements, as well as the state, which allows business interests to have an uncontested influence in the policy-making process.

Social movements have increased their political influence in Latin America since the 1990s, playing an important role in the policy-making process of different policies (IADB, 2006: 112). This strength has been explained by the mixed effect of weak states, weak democratic systems, and a lack of a strong national identity in some Latin American countries. If social movements pose specific demands and display a proactive and constructive role they can put a subject into the government's agenda. This was the case of the anti-crime social pressure group in Argentina, which started mobilizing and protesting after the kidnap and murder of a child, forcing president Kirshner to reform the anti-crime code (IADB, 2006:118). Evidence on the impact of unstructured and reactive movements on the policy-making process is less clear, as these types of movements have contributed to policy instability and occasionally to the forced resignation of presidents (IADB, 2006:113-114).

In relation to the influence of labour unions on the policy making process, IADB (2006:112) mentions that they will be relevant in the policy-making process if labour-based parties are in government, if they are public sector workers, if they have the ability to protest or disrupt labour relations and if they are able to create alliances with consumers or international groups. This study indicates that in Latin America, labour unions' actions have been focused on blocking reforms with high costs for labour union members, such as when the risk of job losses is present. However, in some examples labour unions have accepted these costs in exchange for compensations, as when the Argentinean government compensated workers of privatized firms with shares of these firms, or when the Mexican government provided teachers with salary benefits to materialize a decentralizing reform affecting them (IADB, 2006:110). The confrontation of public sector workers to reforms has been particularly relevant in Latin America since the 90s. For instance, the Costa Rican Electricity Institute failed to be privatized as a result of the mobilization and opposition of organized public sector workers, after a bill authorizing the privatization was passed by Congress.

The previous considerations present contrasting evidence about the levels of participation of social movements in the Latin American policy-making process. Chapter Five will clarify their relevance during the poverty-alleviation policy-making process that occurred in Chile during the 1990s.



#### **2.2.4 International organisations**

International organisations, such as the World Bank, the IMF, USAID and other multilateral agencies proved very relevant in the policy-making process in developing countries during the 1980s and 1990s (Grindle and Thomas, 1991; Grindle, 2002). According to Grindle and Thomas (1991) international institutions were fundamental during the 1980s, as their participation was tied to the survival of the current governments. In many cases these institutions promoted reform packages as a condition to the provision of financial assistance to government that were in a very delicate financial situation (Grindle and Thomas, 1991:168). For instance, these authors provide the example of Gambia that applied macroeconomic reforms in 1985 under the pressure of the IMF and other donors to modify existing economic policies. In this case, the government paid close attention to the opinion of international organisations mainly to secure its political survival (Grindle and Thomas, 1991:168). In other cases, such as in Indonesia at the beginning of the 1980s, international organisations prevented (unintentionally) the adoption of a particular policy reform. Here, the publication of a World Bank study just when the government was planning to introduce a new policy that was congruent with the World Bank's views stopped the government from doing it to avoid giving the impression that it was responding to outside pressure (Grindle and Thomas, 1991:170).

Grindle (2002) confirms that international organisations were important actors in the Latin American policy-making process during the 1990s. However, she mentions that in this period their influence was limited to particular policy arenas such as pension's reforms. Besides, she observes that during the 1990s international organisations frequently assisted design teams in charge of introducing social policy reforms (Grindle, 2002:104). IADB (2006:120) suggests that international organisations have acted as knowledge mediators in Latin America by transferring experiences that they have acquired in other countries and by contributing to generate capacities for policy analysis, diagnosis and dialogue.

### **2.2.5 Policy experts**

Another relevant group of actors in the policy-making process are academics, researchers, consultants, professionals and other experts, usually located in academic institutions or think tanks, involved in the generation, dissemination and evaluation of policy ideas (Sabatier and Jenkins-Smith, 1999:119). It has been suggested that they tend to be more relevant in the process of alternative specification than in the agenda-setting phase, which is more likely to be under the control of politicians (Kingdon, 1995:55).

Experts may have a higher effect in the policy-making process if they are aware of the interests of politicians and the government. This 'attuning' process may be optimised if experts are inside government, or if they have a career where they mix academic activities with government responsibilities (Kingdon, 1995:56).

In the Latin American context, Grindle (2002) finds that the design of policies is under the control of design teams formed by experts from the government. She stresses that,

"most social sector reform proposals were generated by small groups of policy planners that met, debated, designed and introduced new initiatives with relatively little public discussion or involvement" (Grindle, 2002:104).

IADB (2006:119) argues that in most Latin American countries the limited development of bureaucracies has weakened the institutionalization of knowledge in governments. As a result, the executive has delegated analytical functions to technocrats that have shielded the process from the broader public, thus weakening the legitimacy of policies, contributing to separate the technical domain from the political arena. In parallel to this weakness, new knowledge actors have recently emerged in the region, such as legislative advisory units, think tanks, research units from NGO's, and so on. Of particular relevance appears to be the role that legislative

advisory units can play in the policy-making process, as they have contributed to create a more rigorous discussion of laws in congress, to enrich the debate between the executive and the legislative powers and to prompt the media to offer a more technically informed coverage of the legislative process (IADB, 2006:120).

### **2.2.6 Policy networks and communities**

Other policy-making potential actors are policy communities and policy networks. Sutton (1999:7) defines them as,

“groups of individuals and organisations who share similar belief systems, codes of conduct and established patterns of behaviour”.

Policy communities are characterized by being closed and insulated, presenting restrictive membership and by being highly connected to the policy-making process.

Policy communities vary according to a series of variables, including the number of participants, their type of interests, the frequency of interactions, the degree of consensus and the type and distribution of resources and power of the participants (Smith, 1997:80). Interest groups in the private sector, government actors and experts from universities or

think tanks may compose them. Members show strong links, autonomy and a mutually benefiting relationship that may represent an 'iron triangle' (Kingdon, 1997:33; Smith, 1997:79; Sutton, 1999:12). In addition, they show restricted access with entry criteria such as expert knowledge or occupancy of a senior position in a relevant organization (Smith, 1997:80).

Policy communities may neglect the interests of significant social groups who lack the resources needed to access the policy community. This may be especially relevant in developing countries where governments usually respond to the groups that are most closely tied to it or to those whose support is essential. Besides, even if the poor or the excluded are able to voice their needs, government officials may find little personal or political benefit by attending and responding to them (Grindle, 1980). For instance, Temple and Temple (1980) find that in developing countries low-income groups of the population cannot access government housing programmes due to their inability to finance the houses, repay the loans or because they lack political resources. Hence, the government housing policies end up benefiting only middle and high-income groups. Temple and Temple (1980) conclude that in developing countries the poor lack effective channels to affect the formulation and implementation of housing policies, while individuals of higher income have a disproportionate capacity to influence them.

### **2.2.7 The media**

Another potential policy-making actor identified in the literature is the media. It may have a similar role to Easton's (1965) 'gatekeepers' but in the opposite direction, by creating or amplifying issues and social problems thus contributing to the acceleration of the policy-making process (Parsons, 2001:107; IADB, 2006:99). Sometimes problems are monopolized by particular groups such as professionals and experts inside and outside government, keeping the issue 'submerged' and away from public opinion. In this sense, the media may be regarded as playing a positive role in the policy-making process as it may increase the visibility of problems that require government's attention. On the negative side, the media may be functional to the interests of the dominant groups in society, adopting their own set of values and bringing to the attention of the public only those problems that are in line with these groups' agenda.

### **2.2.8 Public opinion**

It is likely that policy-makers consider public opinion during the policy-making process. The public mood and views may have both a positive and negative influence in the emergence of specific agenda issues, as they may direct the government toward or away from addressing them. In this sense, public policy may be ultimately regarded as the response of public opinion (Parsons, 2001:110). For example, Grindle cites the cases of some

Latin American countries such as Argentina, Venezuela and Bolivia, where a widespread negative public opinion existed about the condition of the educational and health systems during the 1990s. As a result, there was no public support to labour unions' resistance to the introduction of health and education reforms in these countries during the 1990s (Grindle, 2002:94).

However, public opinion may have only a limited role in the policy-making process as it can be relevant only in relation to visible issues that are part of the public domain. Besides, its influence may be limited to the consideration of an issue in the agenda and not to the discussion of specific policy alternatives to address it (Kingdon, 1995:66).

Apart from the possibility of public opinion affecting the government's agenda, it is possible that public opinion may become influenced by the agenda of top government officials that may be interested in gaining public support for a specific course of action. Furthermore, a similar relationship of double causality between public opinion and the media may exist, where both actors may influence each other on different issues and occasions (Parsons, 2001:113).

### **2.2.9 Institutions**

Institutions are mentioned by the literature as a very general element influencing policy-making. The term is used in an open sense without a particular definition, often visualized as 'organized contexts'. They add complexity to the economic and social 'environment' where policies are formed, shaping this setting and leading to a particular dynamic of the policy-making process. These contexts include established norms, constitutions, values, relationships, power structures and standard operating procedures (Hill, 1997a:86).

An approach that highlights the importance of institutions in the policy-making process is the 'state-centred' model that focuses on the role that state institutions play in the process (Sutton, 1999:26). This view argues that the state, or institutions inside it, can be relatively insulated from social or economic forces thus being able to manage the policy-making process autonomously. As a result, this approach contradicts views of the state as an actor reproducing society's forces, and diminishes the significance of institutions outside the state in the policy-making process.

At the end of the day, the importance of institutions in the policy-making process is contingent upon the social, economic and political conditions of a specific country. In particular, in the case of developing countries, evidence demonstrates that policy elites inside the government have



considerable power to control the policy-making process (Grindle and Thomas, 1991; Grindle, 2002). As an example, Grindle mentions the case of Bolivia during the 1980s, when institutions facilitated the introduction of reforms by the government. Bolivia was able to create effective governing pacts among diverse political parties and across different administrations, which provided a political institutional setting that was critical to facilitate the introduction of education and pension reforms in the country (Grindle, 2002:97).

### **2.3 POLICY-MAKING THEORIES**

Here, five theoretical frameworks are analysed: the Advocacy Coalition Framework, the Punctuated-Equilibrium Framework, the Multiple Streams Model, the Government's Policy-Elites Approach and the Transaction Cost Approach. The first three have been described as among the most promising theoretical frameworks developed to study the policy-making process (Sabatier, 1999:7-12). The Government's Policy-Elites Framework has been proposed to explain the policy-making process in developing countries (Grindle and Thomas, 1991). The Transaction Cost Approach has been applied to study the policy-making process in Latin American countries, with an emphasis on economic policies (IADB, 2006).

### **2.3.1 Advocacy Coalition framework**

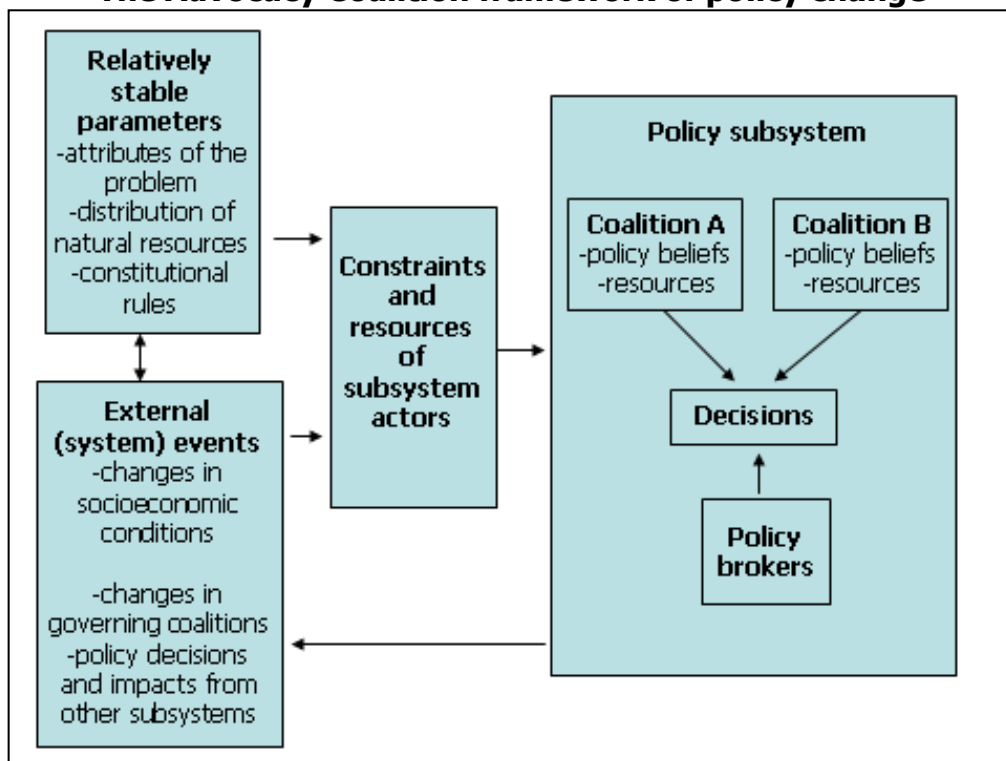
Sabatier and Jenkins-Smith (1993) argue that the policy process may be understood in the context of policy networks and communities. Inside these networks different policy sub-systems exist, composed by all actors involved in the discussion, generation, dissemination and evaluation of particular policies. These actors include pressure groups, bureaucracy, politicians, academics, think-tanks, researchers, journalist, etc. They are related to different coalitions according to their particular beliefs and resources. These coalitions are describes as 'advocacy coalitions' as they compete to influence the policy-making process. Advocacy coalitions are defined as,

“people from various governmental and private organisations that both (1) share a set of normative and causal beliefs and (2) engage in a non-trivial degree of coordinated activity over time” (Sabatier, 1999:120).

The theory explains policy change as a result of two different elements. First, policy-oriented learning that allows an increased understanding of a problem and the factors that affect it (Sabatier and Jenkins-Smith, 1999:123). According to these authors, policy-oriented learning is a long-term process, as alteration of thoughts and behaviours results from experience and/or the availability of new information related to policies.

Second, changes in relevant socio-economic conditions, public opinion or in the governing coalition. These changes generate policy changes by modifying the resources available to the different coalitions within policy subsystems. A turnover in government's personnel may also change the resources of the different coalitions. Figure 2.2 presents the basic structure of the framework.

**Figure 2.2**  
**The Advocacy Coalition framework of policy change**



Source: Adapted from Sabatier, P. and Jenkins-Smith, H. (1993:18)

The framework includes two sets of exogenous variables that differ in their level of stability over time. These variables represent the constraints and resources of actors, and in this sense they affect actor's behaviours (stable parameters) or constitute a prerequisite for policy change (external

events) (Sabatier and Jenkins-Smith, 1999:120). Actors belong to a number of advocacy coalitions. Each coalition has certain policy beliefs and resources that they use to affect government institutions to grasp their policy objectives (Sabatier and Jenkins-Smith, 1999:122). Conflicts between coalitions are mediated by another type of actors, the 'policy brokers'. Thanks to their mediating role a decision is obtained regarding a particular governmental programme.

The existence of a mature policy sub-system is a necessary condition for this model to be applicable to any particular case. The authors highlight that a long period of time is required for policy sub-systems to reach maturity and being able to produce meaningful policy analysis and advocacy (Sabatier and Jenkins-Smith, 1999:136). This requirement, as well as the need for a minimum number of policy sub-systems and advocacy coalitions, may limit the applicability of this theory to less developed nations. In particular, the framework may not be applicable in countries where advocacy coalitions are not present or where decision-making is not pluralistic but of a more closed nature. Hence, countries characterized by a centralized political system, both in territorial and administrative terms, are less suitable for the application of this model (Parsons, 2001:201). The main features of the Chilean poverty-alleviation policy sub-system which may validate or invalidate the use of this model as theoretical framework for the research are discussed in Chapter Six.

### **2.3.2 Punctuated-Equilibrium framework**

Baumgartner and Jones (1993) develop the punctuated-equilibrium framework to study the policy-making process in the United States. They detect that in this case the policy process is characterized by long periods of stability, with policies changing only marginally or incrementally. During these moments a wide agreement exists regarding a particular policy issue, which allows the core content of policies to remain unchanged. They also find that from time to time, large policy changes occur. Hence, policy change happens in a punctuated way, triggering also changes in institutions.

The punctuated-equilibrium model explains this pattern by focusing on the role of a) policy subsystems, b) issue definition and image and c) political institutions. Most of the time, the policy process is under the monopoly of a particular policy subsystem or issue network. It controls a particular policy area and avoids the introduction of policy changes by keeping the issue submerged and away from the general public and from macro-politics actors (the presidency and the congress). As one of the authors explains,

“so long as general attention is low in a policy area, the area tends to be dominated by experts and directly affected groups” (Jones, 1994:26).

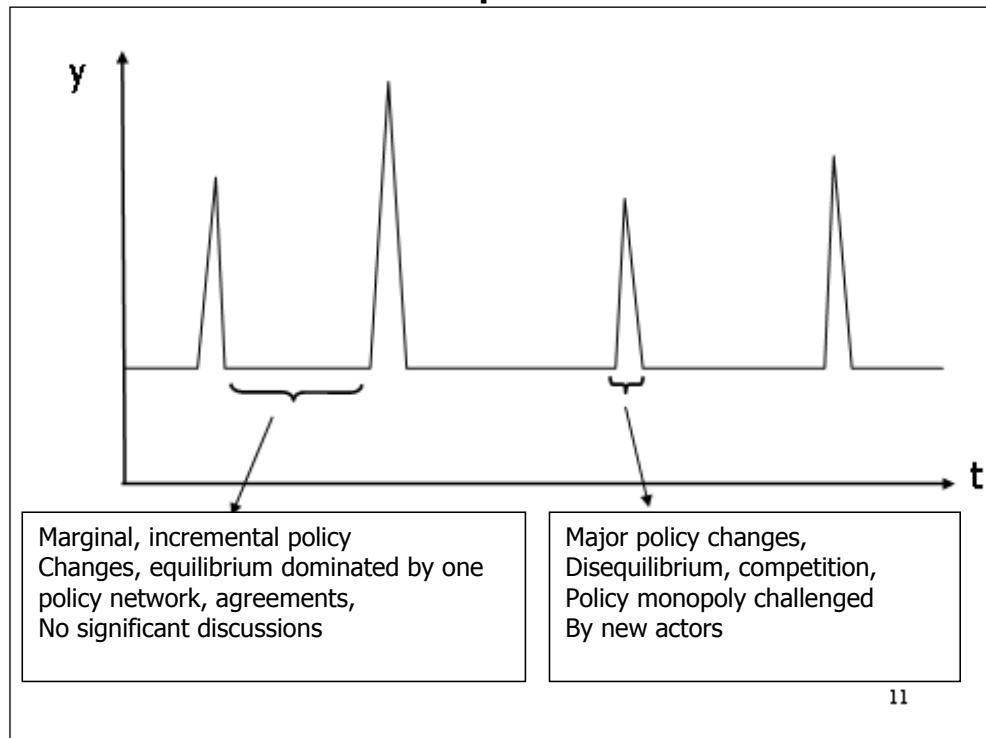
These issue networks are embedded in institutions that support this phase of stability. Periods of stability are reinforced by the existence of a general agreement between experts regarding the image and definition of the issue.

The break up of equilibrium and the emergence of sudden policy changes are related to modifications in the definition and image of the issue introduced by competing policy subsystems. External policy entrepreneurs or other actors challenge the prevailing policy monopoly by introducing new understandings of the nature and image of the issue. Hence, by re-defining an issue they destabilize the previous equilibrium. This issue redefinition has the potential to attract attention and mobilize previously disinterested individuals (Baumgartner and Jones, 1993). Changes in policy image play a critical role in the expansion of an issue from the limited scope of a policy subsystem to a broader audience, allowing the development of policy discussion at the macro level. Without a change in issue image, the issue will hardly be considered as part of the government agenda. In Jones' words,

“when attention is broadened, almost invariably through issue redefinition, the macro political institution intervenes in subsystem politics, fundamentally altering them” (Jones, 1994:26).

Figure 2.3 summarizes the basic elements of the punctuated equilibrium model.

**Figure 2.3**  
**The Punctuated Equilibrium framework**



Source: Author's interpretation based on: Baumgartner and Jones (1993).

More recently, the authors have refined the model (Baumgartner and Jones, 2002). They have reinterpreted the driving forces of the model as negative and positive feedback systems. Negative feedback helps to explain the equilibrium phases where no major policy change occurs. A negative feedback system includes a homeostatic process or a self-correcting mechanism that allows equilibrium, and that in the case of institutional behaviour corresponds to the existence of diminishing returns

and incremental decision-making, as policymakers are focused on stabilizing policy outcomes (Baumgartner and Jones, 2002:8).

A policy scenario where negative feedback prevails results in the predominance of 'iron triangles', 'systems of limited participation' or 'policy monopolies' that obtain their power from the autonomy that they enjoy in relation to the broader political system (Baumgartner and Jones, 2002:11).

A stable institutional venue of policy-making involved in a policy that displays a positive image generates stable policy outcomes (Baumgartner and Jones, 2002:12). If the policy image remains unchanged then there are no reasons to change the existing policy. Besides, if institutional structures supporting this policy are well defined then a status quo is likely to exist. As the authors state,

“powerful government institutions operating with autonomy and according to standard operating procedures that limit participation only to those granted authority can be further sources of negative feedback” (Baumgartner and Jones, 2002:13).

Disequilibrium and a punctuated policy change are explained by positive feedback. It corresponds to a self-reinforcing process that accentuates



rather than counterbalances a trend. In the case of politics, the authors postulate that participants display 'serial information processes', as they pay attention to a limited set of issues at any given moment. In their words,

"in most complex decision making settings, there are many more dimensions of choice than people can pay attention to at any given time . . . when faced with a complex decision that may have many underlying dimensions, people focus on one or just a few dimensions in making their choice . . . if at some later point, new dimensions of the issue are shown to be important, then people may shift their attention towards that dimension of the issue" (Baumgartner and Jones, 2002:15).

Hence, a sudden redefinition or new image of the issue triggers a change of attention towards this new dimension leading to a disequilibrium stage where policy (and its related policy monopoly and institutional setting) must change to respond to the new problem image.

The punctuated equilibrium model presents some limitations. First, it assumes the existence of competition between different policy-makers, policy entrepreneurs and other actors interested in a particular policy arena. To achieve policy change, these actors push for a particular issue

definition according to their interests, and try to enlarge or limit the scope of the debate to include or exclude groups that may be in favour or against their position. Hence, advocacy and policy competition between different interest groups is key in the dynamics of this model. This assumption may be appropriate for the United States but not necessarily for other less developed countries. It is an open question to be confirmed in Chapter Five if the policy-making process of poverty-alleviation policies in Chile does display such policy competition and advocacy. Second, as the authors recognize, the model cannot predict the timing of the punctuations, as the changes in issue image and perception are unpredictable. Hence, they recognize that,

“punctuated-equilibrium theory predicts a form of system level stability, but it will not help us to make specific predictions for particular policy issues” (True, Jones and Baumgartner, 1999:111-112).

Notwithstanding, this is not a limitation for the applicability of this model to the present research as it is focused on explaining the processes rather than on developing predictions about it.

### **2.3.3 Multiple-Streams model**

Kingdon (1995) develops the multiple streams model to explain the policy-making process of health and transportation policies in the United States. He describes this process as the result of the interaction of forces and actors belonging to three different 'streams': problems, policies and politics. These streams operate independently except when a 'window of opportunity' allows an interception of the three streams. During these episodes 'policy entrepreneurs' have an active role advocating for the introduction of a new policy and, if they are successful, an item can reach the top of the decision agenda and a policy change may occur.

The model is inspired on the 'garbage can' model of organizational behaviour, proposed by Cohen, March and Olsen (1972). They stress the anarchical nature of organisations, which they term 'organized anarchies'. This view is based on the notion that people address some issue only when a particular combination of problems, solutions and participants make it possible. As Parsons (2001:302) stresses,

"what the garbage can idea graphically suggests is that issues, problems and solutions are messy, untidy sorts of things, whose mode of identification by policy-makers will depend on the time it was picked up, and the availability of cans to put them in".

As mentioned, Kingdon identifies three independent streams flowing through the policy-making process: problems, policies and politics streams. The problems stream is composed by those issues on which policy-makers fix their attention. Problems may come to their attention by the use of indicators, through feedback from existing programs and from the emergence of a crisis. Indicators allow policy-makers to assess the magnitude of problems and to be aware of changes in their condition. The visibility of a problem makes it a recognizable and focusing phenomenon to the government and to the public. Kingdon highlights the importance of studies and indicators in the policy-making process by mentioning that,

“problems come to the attention of governmental decision makers not through some sort of political pressure or perceptual slight of hand but because some more or less systematic indicator simply shows that there is a problem out there” (Kingdon, 1995:90).

Feedback from the operation of existing programmes such as systematic monitoring, complaints, and bureaucratic experience allows policy-makers to discover if a programme is not working properly or some unanticipated consequences of a programme (Kingdon, 1995:100). According to Kingdon, this feedback is not a homogeneous phenomenon, but a diverse channel of information. He states that in some cases the feedback arrives through

systematic monitoring while in others it appears via more informal channels such as citizen's complaints or congressmen awareness. Bureaucrats themselves may provide this feedback as long as they are aware of the administrations of programmes,

"quite often, feedback comes to governmental officials more informally . . . complaints and casework lead to awareness of problems" (Kingdon, 1995:101).

A crisis acts as a powerful focusing event that calls policy-makers' attention to address a particular problem. Kingdon (1995:95) finds that the occurrence of a crisis is a fundamental focusing event in the transportation area, while no similar result is observed in the health sector. As a result, he argues that a crisis is more relevant the less visible is the policy domain, as in the US health has a greater public visibility than transportation. Besides, he claims that a crisis may be more relevant in policy areas where it may affect more people simultaneously, as when a catastrophe occurs in transportation.

The policies stream is conceptualised as a 'primeval soup' where policy-related ideas float, evolve and recombine. Actors such as bureaucrats, think tanks and researchers generate ideas. They form policy communities of individuals with common concerns and with frequent interactions.

Policy communities are defined as,

“networks that include bureaucrats, congressional staff members, academics, and researchers in think tanks who share a common concern in a single policy area” (Zahariadis, 1999:76).

Ideas that present technical feasibility, value acceptability, tolerable costs, anticipated public acquiescence and good receptivity from elected decision makers will be more acceptable and will receive more attention (Kingdon, 1995:131). In any case, the most acceptable ideas and policy proposals will result from the recombination of previously existing elements, as they have been going through a long process of consideration and discussion inside the policy community (Kingdon, 1995:141).

The politics stream is related to electoral, partisan or pressure group elements. In particular, the model focuses its attention in the national mood, organized political forces and government-related events. The national mood corresponds to common lines of thinking among wide sectors of the population. It can produce a higher agenda status for some item thus making viable particular policy proposals. Organized political forces, such as interest group pressure, political mobilization and the behaviour of political elites provide support for policy-makers to move in some specific direction. These political forces can also prevent policy

changes, as they may involve a clientele for existing programmes. Main government-related elements affecting the politics stream are changes in administration or changes in the priorities of existing officials. A turnover of administration allows changing major government participants and bringing in their new priorities (Kingdon, 1995:153). While these elements highlight the relevance of prominent actors in the policy process, the driving force of change may be of a more structural nature, as changes in national mood may be behind changes in administration.

Central elements in the dynamic of the model are policy windows. They are episodes that provide the opportunity for a specific policy to emerge. In other words, according to the multiple streams model, no new policy will be created unless a policy window is already open. In Kingdon words a policy window,

“is an opportunity for advocates of proposals to push their pet solutions or to push attention to their special problem”  
(Kingdon, 1995:165).

This opening may be predictable, as when a programme needs to be renewed, or unpredictable, triggered by compelling problems or by a crisis. According to Kingdon, a window opening will result from one of the following events: a change in the political streams, such as a change of administration or in the national mood, or by changes in the problems

stream, if a new problem captures the attention of government officials (Kingdon, 1995:168). He highlights that policy windows are brief by nature, as they stay open for short periods of time and that they are sporadic, as they occur only from time to time (Kingdon, 1995:166).

In Kingdon's opinion, a window closes if participants feel that a problem has been addressed or some action taken; if participants fail to take some action as when a bill addressing a problem is rejected in congress; if the event that opened the window passes from the scene as when a crisis recedes; if the personnel that opened a window when they arrived leave their posts and finally, if there is no available alternative to address a problem (Kingdon, 1995:169).

The theory explains that the occurrence of a policy window is necessary but not sufficient for a new policy to emerge. The additional requirement is that the three streams come together, a process labelled as streams coupling. According to the model, if any stream is missing then the chances for a particular issue to be considered in the government's agenda are diminished. For instance, a lack of interest from the government, the absence of a crisis or a pressing problem, or the unavailability of feasible solutions to address the problem may all explain the absence of a policy initiative to address a particular subject, despite the existence of a policy window. According to Kingdon,



“proposals, alternatives, and solutions float . . . in and near government, searching for problems to which to become attached, or political events that increase their likelihood of adoption” (Kingdon, 1995:172).

Besides, he concludes that,

“the probability of an item rising on the decision agenda is dramatically increased if all three streams are joined [but] if one of the three elements is missing . . . then the subject’s place on the decision agenda is fleeting” (Kingdon, 1995:178).

The likelihood for the occurrence of a streams coupling is increased if an actor recognizes the existence of a policy window and pushes a particular policy alternative. These actors are defined as policy entrepreneurs whose main feature is that they are willing to invest personal resources, such as time and money to promote a policy, usually their preferred or ‘pet’ policy alternative. Policy entrepreneurs may be located in a variety of arenas, such as the government, the congress, universities, think tanks, etc. as their placement is irrelevant for their entrepreneurial activities (Kingdon, 1995:180). What really matters is the energy that they devote to move a subject up on the agenda. This energy depends on their resources, which include their expertise, their formal position in a relevant organization,

their political connections or negotiating skills and their persistence (Kingdon, 1995:181). This persistence is reflected in their willingness to invest large quantities of personal resources to achieve their goals.

As with any theoretical view, the multiple streams approach has been subjected to criticisms. For instance, it has been mentioned that the streams may not be independent but interrelated. Also, that the generation of policy alternatives may not involve a process of gradual policy development but that an entirely new proposal may also emerge. Besides, it has been argued that in some cases policy windows may not be temporary but permanent, as some issues may be continuously activated. In relation to this last point, Zahariadis poses the following questions: if certain windows are not fleeting but permanently open, what is the effect on coupling over time? Do these permanent policy windows lead to greater partisan conflict, more symbolic action, or more problem solving? (Zahariadis, 1999:83-84). Finally, it has been mentioned that the model is a 'heuristic' device, i.e., a lens that can help to describe and explain how and why policies are made, but not to predict and forecast future policies (Zahariadis, 1999:81-87). In any case, the model has demonstrated to be highly useful to analyze the policy-making process in different countries (Zahariadis, 1995, 2003, 2005).

As Sabatier states,

“although the multiple-streams framework is not always as clear and internally consistent as one might like, it appears to be applicable to a wide variety of policy arenas” (Sabatier, 1999:9).

This fact represents a possibility for its applicability to the present research. Chapter Six will elucidate if this framework is the most appropriate one to employ as a theoretical framework.

#### **2.3.4 Government’s Policy-Elites approach**

Grindle and Thomas (1991) have formulated the policy-elites approach to study the policy-making process in developing countries. They analyse twelve cases of policy change that occurred during the 1980s in a number of developing countries from Africa, Latin America and Asia. The approach aims to address general features of the policy process in the developing world (Grindle and Thomas, 1991:10). Besides, case studies cover a variety of policy arenas, such as macroeconomic policies (devaluation, structural adjustment), agrarian reform, primary health care, public water supply, etc.

The common feature of the cases is that all constitute reforms, defined as,

“deliberate efforts on the part of government to redress perceived errors in prior and existing policy and institutional arrangements” (Grindle and Thomas, 1991:4).

The framework is inspired in state-centred models of policy choice (Allison, 1971; Sutton, 1999). The authors argue that in third world countries it is frequent that state-related actors and institutions act in relative isolation from the social context and therefore are able to generate policies autonomously (Grindle and Thomas, 1991:32). In particular, the model states that government’s policy-elites are able to initiate reforms by placing issues on the government’s agenda. Their activities are partially constrained by political, economic and historical contexts, an idea that resembles the ‘environment’ from Easton’s systems approach. Hence, the model considers policy-elites inside government as the only actor involved in policy-making, with a set of contexts and constraints having an indirect effect in the process by limiting policy-elite’s room for manoeuvre.

Government’s policy-elites bring their personal perceptions, commitments and resources to the policy process. Individuals’ values, experiences, political skills and training may be decisive in the policy-making process. The hierarchical position and power available to them is also a key

element in the development of a policy reform. Besides, their political and institutional commitments and loyalties may also shape how they perceive particular issues (Grindle and Thomas, 1991:36-37).

Contexts constraining policy-elites are classified as societal, historical, international, economic and administrative (Grindle and Thomas, 1991:37-40). These contexts shape the perceptions, options and actions of policy-elites. Societal pressures and organized interests are viewed as mechanisms through which society penetrates the state and shapes the activities of policy-elites. Historical contexts, such as the legacy of colonialisms, wars, revolutions, coups and economic depressions, limit the set of policies that policy-elites consider to be appropriate. International contexts, such as dependency relationships with international and multilateral institutions, also condition the policy agenda in a particular way. Government's administrative capacity confines the set of policy options that elites consider, as the limitations of the administrative system may restrict the introduction and implementation of particular policy reforms.

The government's policy-elites model distinguishes between a crisis-ridden and a politics-as-usual policy change. Under a crisis, the stakes involved in the change are high, the decision makers participating are those occupying the higher posts inside government, the changes to be introduced to existing policies may be major, and the reform may be

treated as urgent (Grindle and Thomas, 1991:76). The authors argue that when policy-elites perceive a situation as a crisis an opportunity exists for the introduction of significant changes in public policy, or using Kingdon's terminology, a window of opportunity opens. Under these circumstances, policy-elites can overcome society's forces and the power and interest of dominant groups to introduce significant policy reforms. Besides, when introducing a crisis-ridden reform, policy-elites focus their attention on macro political issues, such as national welfare, political stability and political support.

On the contrary, when no perceived crisis exists and the government acts in a politics-as-usual manner, there is less impetus for reforms. Elites tend to concentrate more on micro political considerations, such as bureaucratic and clientelistic relationships, without affecting major societal interests. In these cases, changes tend to be incremental, as opposed to the introduction of significant policy innovations. Problems addressed tend to be chosen rather than being pressing ones, as elites have the chance to decide on taking up an issue or not (Grindle and Thomas, 1991:86). Hence, it may be argued that the model supports the idea that in developing countries, when there is no crisis affecting a particular issue, a policy window may remain open for a significant time for policy-makers to introduce a new policy.

The authors refer the case of Colombia, which undertook a reform in its planning policy under politics-as-usual circumstances. They note that,

“[policy-makers] strategy clearly depended on the availability of time and their own capacity to select appropriate moments for pushing for reform or lowering its salience” (Grindle and Thomas 1991:89).

The government’s policy-elites model is subject to some criticisms. In particular, it may be argued that it lacks a causal mechanism to explain policy change. Instead, it focuses on mapping the characteristics of policy-elites and the contexts or environment where they operate. This limitation is partly recognized by the authors, who mention that,

“the framework we have developed is principally analytic. It is an effort to map out a process and to identify critical factors or junctures that influence the outcome of reform initiatives . . . [the framework] is potentially a map of the boundaries of policy space and the actions that can fruitfully be undertaken to expand the societal and bureaucratic tolerance for change” (Grindle and Thomas, 1991:193).

As a result, it may be argued that while being a very accurate framework to identify some central actors and forces that affect policy-making in

developing countries, such as government's policy-elites confronting a crisis, the model lacks a precise description of the mechanisms behind the dynamics of the process. This proposition will be further sustained in Chapter Six, when the processes studied in the research are explained.

### **2.3.5 Transaction Cost approach**

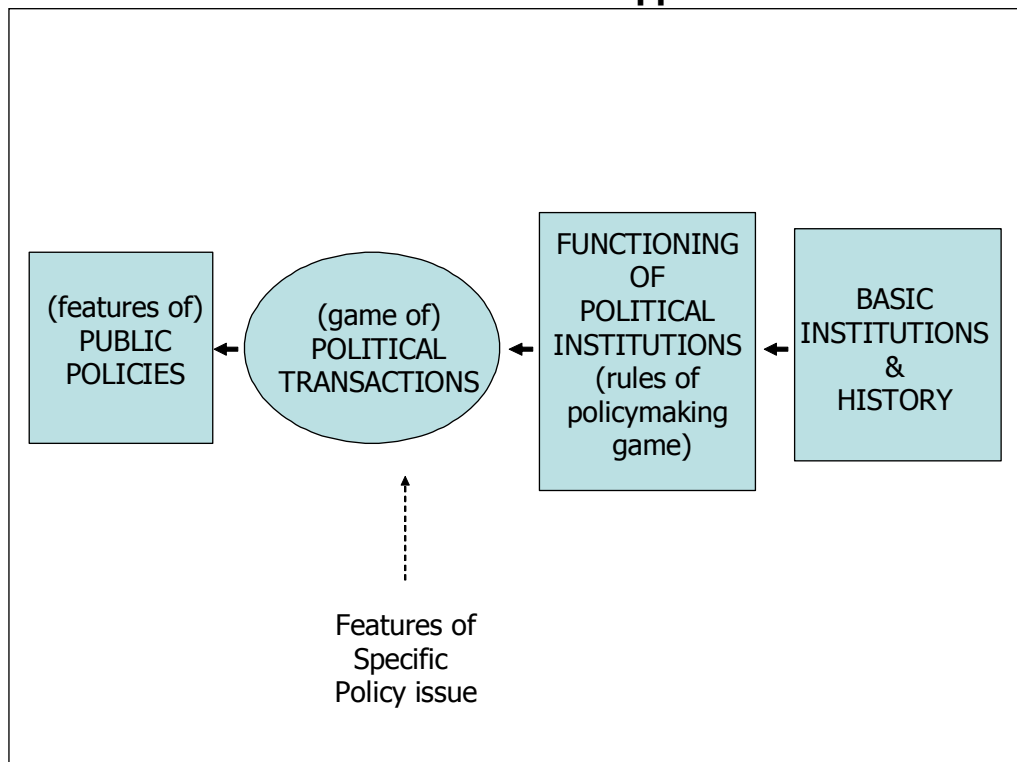
A framework that has been applied recently to analyze the policy-making process in Latin America is the transaction cost approach developed by Spiller and Tomassi (2003) who were interested in developing a model able to explain the quality of public policies. The model emphasizes,

“the degree to which political institutions induce policymaking games leading to more or less cooperative inter-temporal political transactions” (Spiller, Stein and Tomassi, 2003:12).

Figure 2.4 presents the main parts of the model.



**Figure 2.4**  
**The Transaction Cost approach**



Source: Spiller and Tomassi (2003:3).

Main model elements are transaction cost analysis and game theory. According to the authors, public policies are the outcome of intertemporal political transactions among political actors (Spiller, Stein and Tomassi, 2003:13). Transaction cost analysis is based on transaction cost economics, where different attributes that affect the cost of an economic exchange are assessed. These attributes may be related to a variety of considerations such as the frequency with which similar transactions occur or the complexity of the transaction. The authors argue that the cost of transactions that happen among politicians during the policy-making process are affected by elements such as the number and cohesiveness of

relevant political actors, the duration of the policy exchange and the inter-temporal pattern of payoffs to different actors (Spiller, Stein and Tomassi, 2003:14).

Game theory was first introduced by Neumann and Morgenstern (1944) to study optimal strategies of players that seek to maximize their payoffs in a setting of interdependence between strategies. Spiller and Tomassi (2003) apply this theory to policy-making by characterizing the policy-making process as a game of intertemporal cooperation. They state that when developing a policy, policymakers may opt between developing a policy that responds to the common interest or to take an 'individual' policy action (Spiller and Tomassi, 2003:15). They state that arriving at a policy that results from cooperation between players will depend on characteristics of the institutional environment, such as the availability of enforcing mechanisms and the degree of observability and verifiability of the various actions and payoffs. When an institution that enforces political contracts is absent or weak, or if player's actions are hard to observe and verify, then a 'bad transaction environment' exist, and poor quality policies are likely to be generated (Spiller and Tomassi, 2003:17).

The authors identify different features of political institutions that are conducive to more or less cooperation during the policy-making process. They conclude that political cooperation is more likely if the short run payoffs from non-cooperation are low, if the number of political actors is

small, if these actors have strong inter-temporal linkages, if policy and political moves are widely observable, if good delegation and enforcement technologies are available (such as autonomous institutions) and if key political exchanges take place in arenas where cooperation is easier to occur (such as formal and transparent settings) (Spiller and Tomassi, 2003:20).

The transaction cost approach has been useful to understand general features of the policy-making process that occurs in different Latin American countries (AIDB, 2006). This exercise has allowed obtaining general 'messages' about policy-making in Latin America, such as the relevance of the policy-making process in the quality of public policies, the complexity of policy-making which invalidates a simplistic approach to study the process, the importance of political actors that are able to cooperate over time to have good quality public policies, and the fact that processes and policies are more effective if political parties are institutionalized and programmatic, if legislatures have sound policy-making capabilities, if judiciaries are independent and if bureaucracies are strong (IADB, 2006:9).

Aninat et al (2006) apply the transaction cost model to analyze the policy-making process in Chile. The authors analyse the legislative process of four economic-related policies (legislative approval of access to the Mercosur treaty; legislation on price bands for traditional agriculture; the

legislation process to privatize water works; and the budget process)<sup>8</sup>. The authors highlight the particularities of the Chilean political system, such as a powerful executive, the existence of two long lived coalitions (the Concertacion and the Alianza) and the electoral system that tends to perpetuate the life of the two coalitions as it prevents individual parties to unilaterally leave its alliance (Aninat et al, 2006:6). Under this scenario, the high power that the Chilean executive enjoys is balanced by a series of 'veto players', particularly the legislative institutions, providing a system of checks and balances that generates good policies in areas of relative consensus. As the authors highlight,

“the combined effect of a de facto agenda setting President who has effective negotiating tools but is confronted with several checks and balances produces a policymaking process in which legislation is not easily approved” (Aninat et al, 2006:35-36).

Different types of economic policies such as macroeconomic, monetary and trade policies are presented as examples of good quality policies, thanks to their stable policymaking process and the successful results obtained (Aninat et al, 2006:8-12).

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<sup>8</sup> Chilean legislation requires that most economic innovations should be a matter of law. In this respect the budget policy-making process, referred by the authors as one of the most successful areas of policy-making in Chile is a good example as each year the executive needs to discuss the budget law with the Congress' Special Budget Committee. While it is recognized that the executive has strong powers to define the budget, it is also acknowledged that the approval of Congress provides a balance to these powers (Aninat et al, 2006:52-60).

While the model has allowed analysing the policy-making process of economic policies in Chile, it may be stated that it may be less applicable to study the policy-making process of policies where the variety of players that the transaction cost model assumes is missing. In effect, the creators of the model presume that policy arenas are populated by politicians who are able to debate about a particular policy issue in legislatures or in less formal arenas, "the model we sketched assumes that policies are always collective choices" (Spiller and Tomassi, 2003:288). Hence, if a particular policy-making process is not the result of collective choices taken strategically during the legislative policy-making 'game', then it will not be properly explained by using the transaction costs model. Chapter Six discusses the applicability of this model to explain the particular case of the poverty-alleviation policy-making process.

## **2.4 CONCLUSIONS**

This Chapter has presented the main concepts, actors and theoretical views relevant to the policy-making process. In particular, a group of theoretical frameworks that study the policy-making process was presented in detail. The section that revised these frameworks demonstrated that they differ significantly in a variety of elements, such as the main forces that drive the process, the number and type of actors who participate, the degree of competition and advocacy that prevails, and so on.

As mentioned in Chapter One, the literature about the policy-making process that exists in Chile and Latin America has focused mainly on health, education, social security and economic policies, while little research exists on the poverty alleviation policy-making process.

Given this lack of relevant literature, it is considered inadequate for the present research to select a particular theoretical framework before gathering and analysing the research data, as no evidence exists about the features of this subject in the case of Chile. On the contrary, it is concluded that the most appropriate way to accomplish the research is by adopting a grounded approach, where theory is contrasted with data to select the most appropriate theoretical framework to employ.

Accordingly, the theoretical framework that will be used in the research will be selected in Chapter Six, after contrasting the mapping of the processes that are presented in Chapter Five with the theoretical frameworks included here.

# **Chapter Three**

## **Research Aims and Method**

### **3.0 INTRODUCTION**

This Chapter presents the thesis objectives and the methodological approach. It starts by introducing the aims of the thesis and the related research questions. Next, the method employed is presented clarifying its advantages and limitations in relation to alternative methods. In particular, this section supports the use of a case study qualitative approach and of a narrative interviewing technique to gather data. The following section presents the main contributions and limitations of the research. The final section provides a conclusion to the chapter.

### **3.1 AIMS AND RELATED QUESTIONS**

**Aim 1: To map the Chilean poverty-alleviation policy-making process**

The research studies the policy-making process of three poverty-alleviation programmes created in Chile during the 1990s and the beginning of the 2000s. As explained in Chapter One, this is a subject scarcely researched in developing countries, with Chile being no exception. In effect, up to this date no research has addressed this issue in Chile.



The study seeks to fill this literature gap by describing and understanding the poverty-alleviation policy-making process in Chile.

This first aim involves identifying and mapping all events and actors influencing the policy-making process of the Chilean poverty-alleviation programmes under study. Describing the process is considered an important goal on its own, given the lack of documentation that exists in this area of Chilean social policy.

**Aim 1 related questions:**

1.1) What are the main events that constitute the poverty-alleviation policy-making process?

Sub-questions:

1.1.1) What are the events that constitute the episodes under study?

1.1.2) What is the temporal sequence of the events linked to the episodes under study?

1.2) Who are the main actors participating in the poverty-alleviation policy-making process?

Sub-questions:

1.2.1) What was their specific role in the process?

1.2.2) At what stage of the policy-making process did they participate?

**Aim 2: To explain the Chilean poverty-alleviation policy-making process, assessing the relative relevance of events and actors involved, and defining the causal relationships between them.**

This is an explanatory aim that seeks to go one step further from the mapping of the process to understand the causal relationships between the events and actors already identified. It requires identifying the channels through which actors and events influenced the policy-making process.

The data collected will be contrasted with the theoretical frameworks reviewed in the literature to identify which one fits best. This procedure will allow grounding the theoretical framework on the data gathered for the research, which is considered necessary given the un-researched character of the Chilean poverty-alleviation policy-making process.

**Aim 2 related questions:**

2.1) What is the relative relevance of the different events and actors identified in the mapping?

2.2) What are the channels by which events and actors influenced the process?

2.3) What are the main discrepancies that exist between the Chilean poverty-alleviation policy-making process and the theoretical framework

most appropriate for understanding the process and explaining the discrepancies?

## **3.2 METHOD**

### **3.2.1 Qualitative approach**

The research employs a qualitative approach. According to Strauss and Corbin (1998:10) a qualitative research is, "any type of research that produces findings not arrived at by statistical procedures or other means of quantification". The approach employs nonmathematical interpretative methods to analyse different types of data, such as interviews, observations, texts, records and images.

The rationale for using this approach is dictated by practical considerations. In effect, the only option to gather data to study the subject is by interviewing relevant process actors<sup>9</sup>. This results from the lack of documentation and data addressing the policy-making process that exist in Chile, making unfeasible the use of a quantitative method of research. The lack of documentation is noticeable when reviewing the relevant literature for the Latin American region.

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<sup>9</sup> Section 3.2.3.1 in this Chapter describes the specific interviewing technique employed.

For instance, when presenting a framework and methodology to research public management in Latin America, Barzelay et al (2003:35) note that,

“public management reforms are not usually well-documented experiences . . . [besides] the bibliography of public management reforms in Latin America is unstructured, frequently insufficient, laudatory, superficial and judgmental”.

This data limitation turns out to be an advantage for the present research. In effect, the policy-making process presents characteristics that make a qualitative methodology an ideal technique to study this phenomenon. In fact, key elements of the process such as the process actor’s behaviours, preferences and values may be captured only by a qualitative method based on interviews. As Hakim confirms, a qualitative approach

“is concerned with individuals own accounts of their attitudes, motivations and behaviour. It offers richly descriptive reports of individuals’ perceptions, attitudes, beliefs, views and feelings, the meaning and interpretations given to events and things, as well as their behaviour” (Hakim, 2000:34).

Additionally, the method allows considering the holistic nature of the policy-making process and all the complexities that it involves. The literature addressing the policy-making process characterizes it as a highly complex and unclear phenomenon (Hill, 1997a; John, 2000; Parsons, 2001). It includes many informal and subjective aspects, linked to the interaction of different actors in the process. Accordingly, a qualitative method allows discovering the various elements and considerations influencing the process, and not only those that can be measured or systematized in a quantitative manner.

### **3.2.2 Case study**

The research uses a case study approach. This method analyses a phenomenon by focusing on a limited number of episodes of interest, bounded by place and time, which constitute comparable observations of the same general phenomenon (Ragin, 1992a:1-5). For example, and as explained later in this chapter, the present research analyses the policy-making process of Chilean poverty-alleviation policies by focusing on three specific cases that occurred in the country during the 1990s and the beginning of the 2000s and that share a set of characteristics of interest.

Case studies present a number of advantages when compared to other methods of qualitative research. According to Yin (2003), while case studies may be of an exploratory, descriptive or explanatory nature, they

are more appropriate to answer how and why research questions, i.e. questions that seek to explain a certain phenomenon. This is sustained because this type of research is more suitable to determine the links and causal relationships that exist in a particular phenomenon. On the contrary, surveys and archival analysis are qualitative research strategies more apt to describe a phenomenon. Moreover, case studies are appropriate to research situations where no control exists over the events under study as opposed to a research strategy based on experiments. Besides, case studies are applicable when contemporary events are studied, i.e. when direct observations of events or interviews with participants are feasible (Yin, 2003:8). Other research strategies such as archival analysis or historical analysis are more apt to study a non-contemporary phenomenon. In addition, case studies allow considering all the variables that influence a certain phenomenon, including contextual elements as well as subjective factors linked to the motivations and perceptions of individuals (Ragin, 1987). As Yin states,

“the case study method allows investigators to retain the holistic and meaningful characteristics of real-life events – such as individual life cycles, organizational and managerial processes, neighbourhood change, international relations, and the maturation of industries” (Yin, 2003:13).

In this sense, a case study permits investigating a phenomenon without divorcing it from its context, as occurs when an experimental approach is employed.

Case studies are not free from certain limitations. Particularly, the method is not appropriate to generalize results to populations or universes (Yin, 2003:10). More than a limitation this feature constitutes a misunderstanding of the method. Effectively, like experiments, case studies are empirical enquires that help confirm theoretical propositions rather than population features. As a result, a case study research can contribute to theoretical developments since existing theories are verified or new ones are developed to incorporate the research findings.

### **3.2.2.1 Case definition**

To clarify the boundaries and content of policy-making cases, the definition of a policy-making case provided by Barzelay et al (2003) will be employed. They state that,

“cases refer to experiences in which events involve policy making that could lead to changes in public management policies. Normally, a case refers to a network of events (or an episode) within a limited period” (Barzelay et al, 2003:23).

Thus, in the present research a case corresponds to all the events related to the policy-making process of a poverty-alleviation programme. The outcome or result of the cases (Ragin, 1987; Barzelay et al, 2003) corresponds to the implementation of these programmes.

As anticipated in Chapter Two, the entire policy-making process is investigated without introducing a clear-cut demarcation between the agenda-setting and the alternative specification phases proposed by Kingdon (1995), as evidence from Latin American countries suggests that similar actors may be at work in both sub-phases of the process (Grindle, 2002:101-103) .

### **3.2.2.2 Cases selection**

Having decided to use a case study approach it is necessary to decide about the number of cases to study, a process defined a casing strategy (Ragin, 1992b). While a single-case study may allow discovering the underlying mechanisms that explain the phenomenon under study, a multiple-case approach has the advantage that it permits finding common narratives across many cases. From this the investigator can sustain the idea that the cases are displaying a universal-narrative (Abbott, 1992) reflecting theoretical elements of general applicability.



Case study experts agree that, ultimately, cases are selected and studied according to their theoretical relevance and to the degree in which their findings can be generalized to theory (Ragin, 1992b; Yin, 2003:38). This view excludes the notion that cases should be selected to obtain a representative set of observations. Instead, the researcher focuses on particular cases because they are decisive for theoretical development (Ragin, 1992b)<sup>10</sup>.

Following this view, the present research studies the policy-making process of poverty-alleviation programmes by focusing on three policy innovations introduced in Chile under the Concertacion Alliance series of governments. They are Programme FOSIS, Programme Chile Barrio, and Programme Chile Solidario<sup>11</sup>.

The rationale for selecting these cases comes from the following considerations:

- They are the main 'flagship' programmes in the poverty-alleviation agenda of each of the three Concertacion administrations that led the country after the military regime. In particular, these programmes were considered 'pet' programmes of the different Concertacion Presidents.

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<sup>10</sup> It is acknowledged that this procedure implies a degree of arbitrariness in the same way as the choice of " $p < .05$ " as a significance level is an arbitrary decision (Yin, 2003:51).

<sup>11</sup> A description of each programme is presented in this Chapter.

- Each of them embody the new social policy principles introduced by the Concertacion governing alliance, such as addressing poverty using a multi-dimensional approach and emphasizing participation by encouraging beneficiaries to have an active role in the search for solutions to their problems<sup>12</sup>,
- They are big-scale, nation wide programmes directed to the poor.

These three conditions constitute the casing strategy for the research. In effect, these are the only Chilean poverty-alleviation programmes fulfilling them. Other poverty-alleviation programmes created in this period were not preferred programmes of the president, and/or did not embody the Concertacion social policy principles, and/or were of small or medium scale<sup>13</sup>.

The opinion of key interviewees was fundamental to support the selection of these programmes as case studies, particularly to confirm their prominence as 'flagship' poverty-alleviation programmes of the Concertacion Alliance era (Calderon, interview, August 2002). This fact is also sustained by relevant literature. Raczynski and Serrano (2005) include these three programmes in their recount of emblematic innovations introduced by the Concertacion Alliance<sup>14</sup>. Programme FOSIS is also listed

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<sup>12</sup> Chapter Four explains in more detail these principles.

<sup>13</sup> See Chapter Four.

<sup>14</sup> In addition to the three programmes selected for the research, these authors include in this category programme *Chile Joven* (Young Chile) and programme *Mujeres Jefas de Hogar* (Women Heads of Household), both created under the Patricio Aylwin second Concertacion Alliance administration and directed to youngsters and women respectively.

by Graham (1994) as a significant poverty-related innovation of the Concertacion Alliance. Besides, International organisations frequently include programme Chile Solidario among the significant innovations introduced in Latin America to address extreme poverty (ECLAC, 2005). Additionally, Concertacion Alliance presidents highlighted these programmes in different discourses along their presidencies (Aylwin, 1990, 1991, 1992; Frei, 1997, 1998, 1999; Lagos, 2002, 2003, 2004).

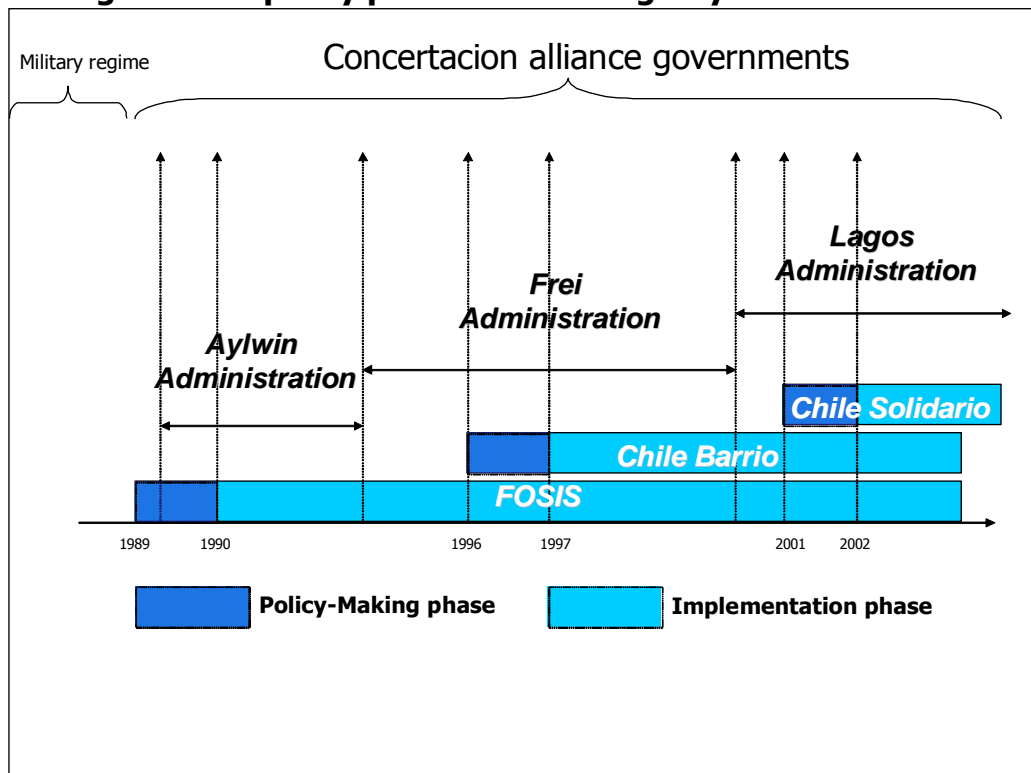
The programmes selected cover the three Concertacion Alliance governments that have governed the country after the military regime. This fact allows comparing the policy-making process across different government and political styles, particularly in relation to the influence of top-level government actors in the three processes.

Figure 3.0 displays the years and administration in which the policy-making process of the three programmes evolved.

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They also incorporate programme *Origenes* (Origins), introduced under the Lagos administration and directed to Chilean indigenous ethnic minorities, which in 2003 represented 5.4% of total population.

**Figure 3.0**  
**Programmes' policy process according to year and President**



Source: Author's elaboration.

### 3.2.2.3 Description of cases

#### **Fondo de Solidaridad e Inversion Social (FOSIS) (Solidarity and Social Investment Fund)**

Programme FOSIS finances plans, programs, projects and special activities that contribute to alleviate poverty. These actions should contribute to increase income levels, to improve the quality of life or to strengthen the capacities and skills of the poor population.

FOSIS distributes resources by creating funds linked to a particular line of projects to which interested group can apply. Funds are allocated in all regions of the country. Once the territories and amounts to be invested are agreed with local authorities, a Territorial Work Group is constituted to implement the fund. The municipality representatives, other public agencies and community organisations participate in this group. Population living in targeted areas is informed about the opportunities they have to apply for funds to finance their projects and initiatives and about the amount of funds that can be accessed. A special program team accompanies them during the application phase. The process considers a period of time to review the projects allowing the participation of beneficiaries. The final selection of projects is carried out by the Municipal Advisory Board, which makes this decision during a public session.

The fund was created in 1990. The first years of implementation allowed FOSIS to consolidate its methodology to allocate funds. In 1994 the fund started financing a line of projects with a clear focus on increasing the productivity levels of small firms in rural areas. In the social development area, the fund developed a line of projects that were self-managed by organized groups of poor communities. Hence, by 1995 the fund was financing two types of projects: those directed to generate productive development in the poor population and those with the goal of deepening social promotion and integration in these groups. By 2000 in conjunction with MIDEPLAN, the fund started developing a methodology to address

the problems of families living in extreme poverty. In 2002 the methodology materialized in programme Puente, which by May 2002 was integrated to programme Chile Solidario, to become the entrance door to the system of benefits and monetary transfers that the state directs to the extremely poor. At present (2009) FOSIS devotes a significant part of its resources to implement programme Puente, which covers the entire country.

### **Chile Barrio (Chile Neighbourhood)**

The Chile Barrio programme aims to address the problems affecting the population living in all *campamentos* (shanty towns) that existed in Chile by 1996. A survey applied by that time identified a total of 972 *campamentos* in the country, with a population of near 500,000 individuals.

The programme provides physical and human capital to inhabitants of *campamentos*. On the one hand, it provides houses, basic public infrastructure and services, such as electricity, drinking water, sewerage and street pavements. On the other hand, the programme provides educational alternatives for *campamentos* inhabitants, such as courses to complete formal education and training opportunities to help them obtain a job or create their own small business.

The programme is a joint effort of a set of different government institutions working under the supervision of the Ministry of Housing. Participant institutions are the National Goods Ministry, the Ministry of Planning, the Regional Development Agency (SUBDERE), the Solidarity and Social Investment Fund (FOSIS) and the National Employment Service (SENCE). Besides, the programme works with the municipalities where *campamentos* are located as well as with regional governments.

The programme promotes the participation of beneficiaries during the implementation of the programme. Beneficiaries can participate in the design of their houses and of the neighbourhood's basic infrastructure. Besides, they must contribute with saving to obtain their basic house, which is supplemented with funds from the municipality and the government. In some cases, the programme considers the use of the local labour force to build basic infrastructure.

The programme was created in 1997. It started working as a pilot programme by covering 20 *campamentos*. In 1998 the programme begun working in full scale by incorporating 120 extra *campamentos* distributed along the country. By 2004, 57% of the 972 *campamentos* initially surveyed had been covered by the programme (Saborido, 2005:23).

## **Chile Solidario (Chile Solidarity)**

Chile Solidario aims to support all families that live in extreme poverty in the country. In 2002, 225,000 families were in this condition, which were expected to be covered by the programme by the end of 2005.

The programme is managed by the Ministry of Planning, through a special executive secretary, which coordinates the actions of the existing safety net at the national and local level. The programme provides multi-dimensional support to families as well as a preferential access to social benefits.

Beneficiary families are selected according to their *Ficha CAS* score, which ranks families according to their levels of deprivation. Once identified, families are invited to participate in the programme. This feature represents a sharp difference with respect to the previous programmes to address extreme poverty, as the government takes the initiative and invites the family to participate in the programme while prior programmes require beneficiary families to take the initiative and apply for programmes.

A distinctive characteristic of the programme is the provision of psychosocial assistance, through programme Puente, which is managed by FOSIS. At this stage, beneficiary families firm a 'contract' with the government, represented by the *Apoyo Familiar* (Family Supporter). The



*Apoyo Familiar* is a professional that accompanies the family during two years providing support and tools to overcome their poverty. Besides, the programme provides a cash transfers to families as a stimulus for their participation in the programme. After the two years, families leave the programme and continue receiving a cash bonus for three years.

The contract establishes that the family should assume an active role to overcome its problems. In particular, the family should be proactive to access the government social safety nets, taking advantage of the government programmes available. The *Apoyo familiar* is helpful in this aim by facilitating information about all the government benefits available to them in the areas of health, education, housing and social security.

The programme started its implementation in 2002. By July 2006 230,000 families were invited to participate, with 93% of them accepting the invitation. Besides, by that date 93,000 families had completed two years in the programme (Baeza, 2006). By the end of 2006 the programme expected to have 268,000 families incorporated, as well as 7,000 homeless individuals participating in the programme.

### **3.2.3 Data elicitation**

#### **3.2.3.1 Narrative interviewing**

Research data was obtained from interviews applied to process actors. Specifically, 32 interviews were applied during three fieldwork periods in 2002, 2003 and 2006<sup>15</sup>.

In particular, data was gathered using a narrative interviewing procedure (Dexter, 1970; Jovchelovitch and Bauer, 2000). This approach corresponds to a semi-structured, in-depth interview where interviewees provide a free recollection of how events developed, with minimum interference from the interviewer. As Jovchelovitch and Bauer note,

“by telling, people recall what has happened, put experience into sequence, find possible explanations for it, and play with the chain of events that shape individual and social life . . . the narration reconstructs actions and context in the most adequate way: it reveals place, time, motivation and the actor’s symbolic system of orientations” (Jovchelovitch and Bauer, 2000:58).

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<sup>15</sup>Appendix 1 lists the interviewees. All interviewees were asked permission to use their names when presenting their opinions in this thesis. When this permission was not granted their views were cited under anonymity.

The narrative interviewing technique presents particular researching advantages. It allows interviewees to narrate the events according to their own perspective, minimizing potential interferences from the interviewer as he/she adopts a listening attitude while the interviewee 'story-tells' the process. This approach avoids a question-response type of interview where the interviewer may influence the interviewee by selecting topics, ordering questions and wording question in a particular manner (Jovchelovitch and Bauer, 2000:61). In addition, the method provides a basic structure to compare across individuals, thus facilitating the analysis of the cases (May, 2001:93).

Despite the previous strengths, narrative interviewing presents some weaknesses. It has been mentioned that, despite the minimum interference of the interviewer, some expectations from the interviewee may bias the narration. In effect, it is likely that the interviewee may present the narration in a strategic way to please the interviewer or to be consistent with a specific political view, particularly if the narrator is a politician (Jovchelovitch and Bauer, 2000:65).

Another potential problem of this technique is that it is unlikely that the interviewer may be able to induce the interviewee to freely narrate all relevant events. As a result, the interviewer is recommended to apply some questioning to elicit extra information from the interviewee (Jovchelovitch and Bauer, 2000:67). Consequently, narrative interviewing

is best described as a semi-structured type of interview, where the interviewee narrates a story and the interviewer applies some standardized questions if necessary to complete the story and to compare narrations across different persons<sup>16</sup>.

### **3.2.3.2 Description of fieldworks**

#### **Fieldwork 1**

Fieldwork 1 was carried out at the end of the first year of the research, between August and September 2002 in Santiago and Concepcion, the capital and the second largest city of Chile, respectively.

Main goals of this fieldwork were to explore on terrain the feasibility of the investigation, to analyze the suitability of the cases selected initially for the study, to identify the actors (individuals, institutions, etc.) that were relevant in the policy-making process of the programmes, and to elaborate an initial map of the events linked to the policy-making process of the programmes.

To achieve these goals, a total of 13 interviews were applied to different actors related to the Chilean social policy policy-making process. As a first step to accomplish these interviews, e-mails were sent to previously

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<sup>16</sup> Appendix 2 presents the questionnaires applied.

known informants to arrange meetings in Santiago. This process allowed contacting key informants whose help resulted crucial to start the interviewing process. They provided initial descriptions of process' events and identified process' actors to interview. The majority of interviewees were public servants, which was a natural consequence of the aims of fieldwork 1, where an initial description of the policy-making process of the programmes was pursued.

The Ministry of Planning of Chile (MIDEPLAN) provided support during fieldwork 1. Office space and a computer were supplied to accomplish the fieldwork. Besides, MIDEPLAN's institutional links with some of the programmes under study allowed an expedite access to many relevant process actors. Interviews were recorded and most of them were personally transcribed during fieldwork 1.

## **Fieldwork 2**

The second and main fieldwork of the investigation was carried out between May and September 2003 in Santiago.

This fieldwork was planned to gather the majority of the data for the research. A total of 15 interviews were applied to different process actors from a varied spectrum of sectors. This allowed obtaining a more complete and balanced description of the processes than the one obtained

during fieldwork 1 which was attained mainly from public servants. Instead, fieldwork 2 included interviews to public servants such as ex-ministers, heads of departments and career public servants, but also to NGO-related actors, and experts from the academic sector.

Again, significant logistic support was provided by MIDEPLAN, including computer and office space. This facilitated the transcription and analysis of interviews. Previous contacts with MIDEPLAN officials made during fieldwork 1 were helpful to identify further process actors. Interviews were recorded and all of them were personally transcribed during fieldwork.

### **Fieldwork 3**

Fieldwork 3 was accomplished during the final phase of the research between December 2006 and January 2007. It was carried out to elucidate questions that emerged after mapping and explaining the processes, and particularly to help explain the lack of certain theoretical aspects that were absent from case studies. Four interviewees were selected according to their potential to fulfil the aims of the fieldwork. All interviews were recorded and personally transcribed.

### **3.2.3.3 Interview process features**

Some features of the interview process are described here. They relate to the type of interviewees selected, those that were easier to access, the kind of information that was possible to obtain and the type of programme that was easier to research.

Most interviewees were public servants and Concertacion Alliance related politicians<sup>17</sup>. Only a few were actors from NGOs or linked to the right wing opposition. This profile of interviewees was a consequence of the type of process under analysis, as the poverty-alleviation policy-making process occurred inside the government in a very closed and isolated way, mainly under the control of top level government officials and civil servants<sup>18</sup>. Hence, the process of selecting people who participated in the poverty-alleviation policy-making process or who had a good understanding of it resulted in a group of interviewees who were partial to the position of government related actors.

In any case, this set of interviewees was appropriate in terms of fulfilling the first aims of the research, as they were able to provide the information necessary to map the processes. Furthermore, the information gathered from non-government interviewees tended to be more general than the one obtained from government related interviewees.

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<sup>17</sup> See Appendix 1.

<sup>18</sup> See Chapter Five.

In general terms, mid-rank officials resulted easier to access and to interview than top-rank officials. They presented a less restricted agenda and were more willing to provide detailed information about the processes. On the other hand, top officials such as ministers, tended to supply information about the broad policy-making process, usually related more to the political sphere of the process than to technical issues. Hence, the information obtained from public officers varied according to their position inside government.

As a general trend, the interviewing process was easier the older the programme being addressed. Particularly, a greater number of individuals were willing to speak about the policy process of older programmes, and those interviewees addressing older programmes were willing to provide more information. To explain this result, it may be argued that if the policy-making process of a programme is more distant in time, it is less probable that process participants are still politically linked to the programme. Second, recently created programmes are more present in public opinion and debates. Consequently, interviewees involved in recent policy-making processes may feel more exposed if any particular information about the process is leaked to the public.



### **3.2.3.4 Documents**

Although there are no documents or studies on the Chilean poverty-alleviation policy-making process, a limited set of documents describing the programmes' contents are available. Some of them transcribe presidents' discourses where the rationale for creating these programmes is presented, while others evaluate the programmes under study. All these documents were consulted to supplement the information gathered from interviews.

### **3.2.4 Data analysis**

All the interviews were recorded and transcribed by the author. This process led to data familiarisation, helping ultimately to analyze and understand the cases (May, 2001:106).

The approach employed to analyze the data was to build a single history from the diverse narrations obtained from interviews. This involved, first, a detailed analysis of each interview, identifying the elements of the case to which it referred and the subjects that it covered. Next, all the interviews addressing the same case were contrasted, to find commonalities and triangulate information provided by different actors. This process enabled a description and understanding of the processes that was considered accurate and convincing.

Finally, a narrative of each policy-making process was constructed, including all relevant events and actors, as well as the contextual elements that interviewees mentioned as relevant in the process<sup>19</sup>. These final narrations were presented to key interviewees to check the plausibility of the processes' mapping.

### **3.2.5 Considerations related to being an insider**

As mentioned in Chapter One, at the beginning of the 1990s I started working at the Ministry of Planning of Chile (MIDEPLAN) analysing poverty and income statistics. This civil servant post allowed me to witness the efforts made by the Concertacion Alliance in the area of poverty-alleviation during the 1990s.

It may be argued that being an insider presented methodological advantages and disadvantages for the research. A direct and preeminent advantage was that as an insider I was able to identify and access relevant process actors who provided the research data. It is likely that a non-government researcher may have found more difficult to collect a similar data set, and ultimately to accomplish the research.

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<sup>19</sup> Chapter Five presents these narratives.

A methodological disadvantage of being an insider resides in the risk of introducing a bias into the research, either in favour or against government depending on my personal views.

To control for this potential bias I contrasted the results of the research with the opinions of a group of interviewees and experts. In particular, during fieldwork 3 I presented the research findings to 4 interviewees and discussed these results with them. These interviewees represent a balanced group in terms of their affiliation to government, academia and NGOs<sup>20</sup>.

All these interviewees considered that the research findings were reasonable as they showed results that corresponded to their understanding of the Chilean poverty-alleviation policy-making process. As an example, Chapter Seven presents the opinion of Cecilia Perez, the minister of MIDEPLAN during the policy-making process of one of the research cases. Her views provide strong confirmation that the poverty-alleviation policy-making process was a secretive process monopolized by government politician and experts, with no participation of external actors<sup>21</sup>.

In summary, being a civil servant at an institution linked to the research topic was an advantage for the research, as it helped accomplish the goals

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<sup>20</sup> See appendix 1.

<sup>21</sup> See Chapter Seven, section 7.1.4.

of the research. Furthermore, the risk of introducing a personal bias into the research was controlled by contrasting the results obtained with the opinions of a relevant group of government and non-government actors and policy experts.

### **3.3 CONTRIBUTIONS AND LIMITATIONS OF THE RESEARCH**

#### **3.3.1 Contributions**

##### **1) To contribute to fill a gap in Chilean literature**

As already mentioned, one aim of the study is to contribute to fill a gap in Chilean literature. As highlighted in Chapter One, the study of the policy-making process is less frequent in developing countries (Mooij and de Vos, 2003). In effect, most of the literature about the policy process has focused on the experience of developed countries and the US in particular (Lindblom, 1993; Kingdon, 1995; Hill, 1997; Sabatier, 1999; Parsons, 2001). As a result, the present research contributes to increase the understanding of the policy-making process in the particular setting of a developing or 'emerging' country. In the case of Chile, social policy studies tend to concentrate on the policy content leaving unexplored the policy process (MIDEPLAN 1991, 1992, 2004). As a result, the understanding of the poverty-alleviation policy-making process in the Chilean case will contribute to have a clearer understanding of why and how poverty-

alleviation policies are as they are, as well as to illuminate the policy process in other developing countries where the same type of policy formation structures could be present.

## **2) To provide theoretical developments related to the policy-making process in developing countries**

By adopting and contrasting theories about policy-making the research provides theoretical developments related to the policy-making process in developing countries. On the one hand, by explaining the particularities of the poverty alleviation policy-making process in Chile, the study allows rejecting the applicability to the Chilean case of theories created to explain the process that occurs in develop countries. On the other hand, by finding differences between the Chilean cases under study and the selected theoretical framework, and by posing tentative explanations to these differences, the research improves the applicability of this framework to developing (or emerging) countries.

### **3.3.2 Limitations**

#### **1) The method employed is not appropriate to generalize to populations**

As already mentioned, the method employed to research the Chilean poverty-alleviation policy-making process is not appropriate to generalize to populations. In this sense, the research is not trying to be representative of a particular population, such as all social policy processes occurring in Chile or in Latin America, but to confirm theoretical propositions linked to the research framework and to check if these propositions are applicable for the particular case of Chilean anti-poverty policy.

#### **2) The research does not explore the entire policy process**

It is important to stress that the scope of the present research is the initial phase of the policy process, leaving unexplored the implementation stage. While the rationale to focus only on policy-making has already been established –a lack of research on this area in the country-, it must be recognized that this option may limit the understanding of the phenomenon under study as a whole. In effect, some literature (Sutton, 1999) as well as the opinions of a number of interviewees highlights the continuity of the policy process, where no clear boundaries exist between

different phases of the process and where no definitive linear order exists between the stages in which the process is divided. For instance, it may occur that policies continue to change significantly during the implementation stage. As a result, a full understanding of the Chilean poverty-alleviation policy-making process requires complementing the findings of the present research with evidence and studies about the implementation stage of the process.

### **3.4 CONCLUSIONS**

The present Chapter has explained the methodology employed in the research. The lack of documentation or data sets about the poverty-alleviation policy-making process prevented the use of a quantitative methodology and led to the selection of a qualitative approach. In effect, the only available sources of information about the way in which the processes evolved were the opinions of individuals that participated directly in the processes, or who were able to have a good understanding of the processes thanks to their proximity to policy makers.

The Chapter also emphasized that using a qualitative approach may be viewed as an advantage for the research, given that this methodological approach has been praised for capturing the complexity and contextual elements of an intricate phenomenon like the policy-making process.

In addition, it may be argued that a qualitative description of the Chilean poverty-alleviation policy-making process may provide a novel view of an area of Chilean social policy that has been widely regarded as a successful one, thanks to the analysis of the quantitative outcomes of policies in terms of poverty reduction. As Chapters Five, Six and Seven will explain, while the poverty-alleviation policy outcomes in Chile have been satisfactory, the process to arrive to these outcomes appears less acceptable in terms of the openness of the process, the levels of



participation of non-government actors, and the degree to which technical considerations were included in the process, compared to political elements.

The Chapter argued that having a set of interviewees composed mainly by government related actors was a necessary result of the type of policy-making process researched, namely a government dominated one. As a qualitative research where data was gathered from interviewee accounts, having the proper set of interviewees was crucial. They needed to provide data about an undocumented process which most of the times occurred inside ministries in a way that resembled the “black box” of policy-making. The process of selecting interviewees led to a group of people belonging mainly to some of the three Concertacion Alliance governments, either top level political appointees or mid level civil servants. They were able to provide the core of the data employed in the research, i.e. detailed accounts of the three cases under analysis. Non-governmental interviewees, such as NGO executives or social policy experts linked to the political opposition, tended to provide more general opinions about these processes or to confirm particular elements of the processes.

The Chapter argued that being an insider, as a civil servant working at the Ministry of Planning, was beneficial for the research as it helped to carry out the research. It was also explained that the risk of introducing a bias linked to my personal views as a member of the governing Concertacion

Alliance, was minimized by contrasting the research findings with the opinions of government and non-governmental policy process actors and policy experts.

As explained in the Chapter, a case study-based research requires selecting and focusing on a number of cases of interest that represent comparable observations of the same phenomenon. In other words, by using a case study approach the research applies a “vertical view” of the poverty-alleviation policy-making process, rather than a “horizontal” one, where an emphasis is given to the process in which the different events interconnect. Chapter Four provides an account of the evolution of social policy and poverty-alleviation policies in Chile, in order to have a better view of the context in which the cases selected were created.

## **Chapter Four**

# **The evolution of social policy and poverty-alleviation policies in Chile**

*The [Chilean Welfare State] system was established in a rather uncoordinated fashion after decades of bargaining between certain groups of organized workers and the state”  
(Graham, 1994:27)*

### **4.0 INTRODUCTION**

In 2000 Ricardo Lagos, the third president of the Concertacion Alliance described the wide-reaching achievements of the Alliance during the 1990s by saying that,

“during the 1990s we made the historic step from authoritarianism to democracy. In addition, we doubled the size of our economy, creating more jobs than ever in our history for a ten-year period, we expanded communications, democratized municipalities, improved wages, applied a deep reform to education, confronted the truth in human rights violations, built houses and parks, and transformed the infrastructure of the country, with new highways, ports and airports” (Lagos, 2000:3).

Two years later, when launching the Chile Solidario programme he said,

“in 1990 almost 40% of Chileans, of Chilean families, were living in poverty. In 2000 this proportion dropped to 20.6%. Chile has halved poverty in just 10 years. No other Latin American country can show such an advance in recent history . . .” (Lagos, 2002:29).

There exists a wide consensus between local and international experts that Chile showed outstanding socio-economic results during the 1990s, when compared to the outcomes of other Latin American countries. The Concertacion Alliance goal of reaching economic growth while improving equity was materialized, particularly in terms of the fast reduction in poverty that was achieved, contrasting with the meagre result that most Latin American countries showed during this decade. For instance, in its executive summary, World Bank (2000) states that,

“Chile remains as one of the outstanding countries in Latin America in terms of its record in reducing poverty. A combination of strong [economic] growth and well directed social programs have combined to reduce the poverty rate in half during a period of just eleven years”.

Likewise, De Ferranti et al (1994:15) state that,

“Chile is the best example in the [Latin American] region of a case in which the combination of programmatic parties and bureaucratic competency helped support important shifts to a more effective and redistributive state following the transition to democracy”.

The present Chapter will show that the previous achievements resulted from a long process of social policy evolution that spans many decades and that involved a series of democratic and non-democratic governments. To better understand this development the present Chapter provides an historic recount of the origin and evolution of social policy in Chile, highlighting the way in which poverty has appeared in different government’s agenda as an issue that deserves attention and a policy response.

By doing this, the chapter contextualizes Chapter Five, where the policy making processes of the three poverty-alleviation programmes selected are described. It will be demonstrated that these programmes were part of the Concertacion Alliance governments broader agenda for the social policy area, and that they represented particular cases of a group of innovations and reforms introduced into social policy after 1990. Hand in hand with the goal of addressing poverty, the Concertacion Alliance

governments seek to strengthen the traditional social sectors, such as health and education, areas that resulted seriously affected under the military regime.

The chapter highlights how Chilean social policy has emerged and evolved under the constraints that were imposed on the social policy programmes and institutions created by previous administrations. This situation has occurred even with completely opposed governments in terms of their ideology, a fact that supports the view that Chilean social policy institutions are highly resilient and persistent and that the environment where social policy occurs limits the space for new developments to happen, a characteristic that is consistent with the system's approach of the policy process (Easton, 1965)<sup>22</sup>.

Besides, as already mentioned in Chapter One, it will be emphasized that the process of change that occurred in the poverty-alleviation policy area differed from what happened in other social sectors, mainly health and education, where big reform were introduced instead of incremental changes, as was the case in the poverty area.

The Chapter starts by tracing back the origins of social policy in the country. Then, it highlights the way in which a welfare state system was created, and particularly the circumstances under which pro-poor policies

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<sup>22</sup> See: Chapter Two, section 2.1.2.

appeared. Next, the social policy approach of the military regime is described. The following section presents the Concertacion Alliance social policy approach, describing the social policy innovations that occurred under the three Concertacion Alliance administrations. The final section provides the main conclusions of the Chapter.

#### **4.1 THE ORIGINS OF SOCIAL POLICY IN CHILE**

There is agreement that the first social policy governmental initiatives were implemented in the country during the 1920s (Hakim and Solimano, 1978; Foxley, Aninat and Arellano, 1980; Graham, 1994). In 1924 the *Leyes Sociales* (Social Laws) to improve the social conditions of workers, were proposed by the Jorge Alessandri's right-wing government and approved by Congress. These laws created a basic social security system in the country, which included pensions, medical services, unemployment and disability insurance and family allowances (Hakim and Solimano, 1978:21). In addition, a number of institutions related to these laws were created, such as the *Cajas de Prevision* (Pensions Offices).

By introducing these policies, Alessandri was responding to pressure from *asalariados* (wage-earner workers) to improve their working conditions (Foxley, Aninat and Arellano, 1980:19). In effect, at the beginning of the 1920s a wave of labour strikes and violent street protests made evident the power of labour unions and forced the government to respond to their

demands (Arellano, 1988:23). Furthermore, the concept of *cuestion social* (social issues) appeared for the first time in the government's agenda, reflecting a change in the government's view of its social responsibilities, from a purely charity-motivated policy to a social justice role (Arellano, 1988:28).

The fact that initial social policies responded to the demands of workers resulted in a social policy framework that benefited mainly middle income groups of the population, and a small fraction of all workers (Foxley, Aninat and Arellano, 1980:19). They were organized workers, mainly white-collar employees. In contrast, the poor, formed principally by rural peasants, the unemployed and informal and unorganized workers remained outside the social system of benefits due to their lack of political representation (Hakim and Solimano, 1978:21).

#### **4.2 THE 1920-1964 PERIOD: THE PROGRESSIVE CONSOLIDATION OF A WELFARE STATE IN CHILE**

The Chilean welfare state system that started developing in the 1920s, consolidated in the 1950s and 1960s. The first social policy measures of the 1920s represented the initial steps in a continuous process of expansion of public participation in social issues that included social security, health, education and housing (Hakim and Solimano, 1978:21; Raczinsky, 2000). During this period new institutions were created, such



as the *Caja de Habitación Popular* (Popular Housing Office) (in 1936) to help workers to build their houses; the *Servicio Nacional de Salud* (National Health Service), created in 1952 to provide health attention to workers, mothers and children, and the *Junta Nacional de Auxilio Escolar* (National Union to Help Students), created in 1953 to provide food and studying materials to low-income students (Arellano, 1988:32). Other measures implemented during these years included minimum wage policies and subsidies to essential goods (Foxley, Aninat and Arellano, 1980:20).

Between the 1920s and the 1960s public social spending showed a continuous growth, allowing significant percentages of the population to receive primary education and health services. This growth was financed by increases in tax rates, which represented an expansion in the size and relevance of the public sector in the economy. Social welfare spending grew faster than national income, representing near 15% of GDP by 1955 (Table 4.0).

**Table 4.0**  
**Chile: Public social expenditure, 1925-1972**  
**(Selected years)**

<b>Year</b>	<b>Billion Chilean pesos (of 1981)</b>	<b>% GDP</b>
1925	3.1	2.1
1935	12.3	5.2
1945	23.3	8.0
1955	55.1	14.9
1961	85.4	17.0
1970	206.9	19.9
1972	226.2	25.8

Source: Arellano (1988:33).

This increase in public involvement in social issues responded to a rapid expansion in middle-income groups, which demanded more social benefits from the state (Arellano, 1988:35). They were mainly urban industrial workers, organized in labour unions that received reasonable salaries and social benefit thanks to their political influence (Hakim and Solimano, 1978:21).

However, authors agree that, by focusing in the middle-income groups of the population, the welfare system that emerged in Chile was excluding the poor. For instance, Hakim and Solimano, (1978:21,23) note that,

"social security covered only 70% of the economically active population with most of the excluded belonging to lower-income strata-rural workers, recent migrants to cities, persons without a stable job or working in marginal jobs where social security as well as minimum wages could be avoided . . . one can conclude that the government-provided

social services tended to reinforce and perpetuate, rather than alleviate, inequalities among different socioeconomic groups in Chile”.

#### **4.3 1964: THE INTRODUCTION OF A REDISTRIBUTIVE VIEW TO FAVOUR THE POOR**

1964 marks a turning point in Chilean social policy as a clear emphasis in redistributive policies arrived when Eduardo Frei Montalva, a Christian Democrat, assumed power. It may be stated that for the first time the government developed policies that did not respond to organized pressures, but that explicitly tried to include the entire population, particularly aimed at those living in poverty who lacked any political representation or organized power to put forward their demands. In his discourses, Frei Montalva put the overcoming of social exclusion and injustice as central objectives of his government (Boeninger, 1998:125).

Important reforms were introduced in the agricultural, educational, labour and housing areas following a gradualist approach intended to avoid the emergence of social tensions (Boeninger, 1998:127). Frei Montalva’s goal was to incorporate peasants and the urban poor into the health, housing and education systems. His policies included a land reform to address the high level of land concentration existing in Chile. This concentration placed landless wage labourers and tenant farmers at the bottom of the

socioeconomic scale. The land reform redistributed 15% of agricultural land and benefited mainly tenant farmers, while the living conditions of landless workers remained practically unchanged (Hakim and Solimano, 1978:20).

During Frei Montalva's administration, social expenditure continued to grow steadily, with a 125% increase in real terms during the second half of the 1960s (Foxley, Aninat and Arellano, 1980:23). As a result, Chile showed significant socio-economic advances by the end of the 1960s. For instance, near 90% of all children between 7 and 14 years old were enrolled in school and 38% of those between fifteen and eighteen years old were enrolled in secondary education. The illiteracy rate dropped to 15% of the population (Hakim and Solimano, 1978:23). Besides, 80% of all births received professional help and a similar percentage of children under six years of age took part in the preventive health check ups that the public health system provided (Raczinsky, 2000:122). As a result, by 1970 the level of social development in Chile was considered one of the highest among Latin American countries (Ffrench-Davis, 2002:187).

The arrival of socialist president Salvador Allende to power in 1970 accentuated the redistributive emphasis that Frei Montalva started. His government programme was focussed on developing a socialist system in Chile, by putting assets under state control to create a governmental economic area. Between 1970 and 1973 the government-controlled

economic sector reached near 70% of all industrial capital (Arellano, 1980:44). Allende also expanded Frei's land reform by deepening the redistribution of agricultural land. As a result, by the beginning of 1973 near 60% of all agricultural land had been redistributed (Boeninger, 1998:174). The redistributive policy package included also a strong increase in nominal wages and the establishment of prices control of basic goods.

Social spending grew strongly, representing near 25% of GDP by 1972 (See Table 4.0). This allowed the governments to extend housing, food, educational and health assistance (Cardoso and Helwege, 1995:211; Martinez and Palacios, 1996).

#### **4.4 THE MILITARY REGIME NEO-LIBERAL APPROACH**

The fall of Allende in 1973 in a coup d'état led by general Augusto Pinochet, apart from representing an end to a long tradition of democracy in the country, was the conclusion of a five-decades period of continuous expansion of the state's involvement in social issues, and the beginning of what has been labelled as a 'state's retreat' from the economic and social policy arenas (Arellano, 1980:45).

Allende's policies directed to strengthen the state's role in the economy were almost entirely reversed<sup>23</sup>. For instance, most previously nationalized firms and assets were devolved to their previous owners. In the case of land reform, the military returned one third of the expropriated land to previous owners, and privately auctioned another third (Cardoso and Helwege, 1995:262).

This new agenda was introduced in a swift and expedite way thanks to a strong repression of labour unions, and to the abolition of any political parties and of any form of democratic deliberation in the country (Boeninger, 1998:268). By 1977, most of the left wing political representatives were exiled and the social movements as well as the Christian Democrat and Social Democrat political parties, were effectively silenced (Boeninger, 1998:270).

The military regime's economic approach was neo-liberal, promoting a free market economy and reducing the size and scope of the state (Raczinsky, 2000:122). New economic policies introduced included the elimination of price controls and the lessening of trade barriers to open the economy to international trade. Capital movements were also liberalized. The state was viewed as an inefficient actor, especially in its redistributive role, while economic growth was considered the main tool to achieve development and improve individual's quality of life. Hence, the

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<sup>23</sup> One notable exception was the copper industry nationalized by Allende, which Pinochet decided to keep under state's control.

state's role was considered subsidiary to the market, limiting its influence to those areas where private actors were unwilling or unable to participate.

New principles were introduced into social policy. These principles included: to decentralize the provision of social transfers and health and education services to the municipality level; to privatize all or some parts of the delivery process of social services, such as financing or production; to subsidize the demand for social services, instead of providing transfers directly; to target social benefits to the poor and extremely poor, while asking middle and high-income groups to pay for the social benefits that they received; and to introduce market mechanisms into the education, health, social security and housing public systems (Martinez and Palacios, 1996).

To materialize these new principles, sharp reforms were applied into different social areas. In 1981, an education reform decentralized the management of public schools to the Municipality level. Funds were transferred to schools via a per-student voucher instead of a budget allocation. Families were able to use the school voucher in Municipal schools and in *Escuelas Particulares Subvencionadas* (Subsidized Private Schools), privately managed schools that were allowed to top-up the voucher. The reform was aimed to improve the quality of education under the assumption that a decentralized management would deliver higher

quality standards. Also, it was considered that allowing parents to decide where to enrol their children would improve quality via markets mechanisms. At the end of the day, the success of the reform in achieving its goals was dubious as no clear improvement in the quality of public education was evident, while an increase in the inequality of the educational system occurred, with municipal schools performing much below private schools (MIDEPLAN, 1996:114).

In the area of health, the military introduced a reform in 1979, applying principles similar to those of the educational reform. The National Health System was decentralized into 26 independent and autonomous services, while the Ministry of Health maintained the responsibility of overseeing and regulating the system. In 1981, another reform that encompassed the pensions and health systems obliged workers to pay 7% of their salary to finance health. The reform allowed workers to choose between the public health system or the newly created *Instituciones de Salud Previsional* (ISAPRES) (Private Institutions of Health Insurance), by deciding where to deposit their health contribution. At the end of the day, ISAPRES focused their business mainly to high-income individuals, while middle-to-low-income families remained in the public system (MIDEPLAN, 1996:146).

The military policy approach applied to the housing sector included the provision of basic housing 'solutions' that were focused on the poor. These were public developments of serviced plots of land or basic houses or flats.



Besides, a set of housing subsidies was provided to middle-income families. Another reform deregulated the use of land in the country, leaving its allocation to market forces. Besides, the limits of urban areas were abolished. The result was an expansion of big cities as well as the development of ghettos of poor citizens in the outskirts of cities where the cost of land was lower and most public basic housing projects were allocated (MIDEPLAN, 1996:166-168).

Probably the widest social reform launched by the military was the pension's reform, introduced in 1981. The existing state-controlled pay-as-you-go system was replaced by an individual capitalization fund system, where workers saved part of their wages for retirement. A fixed and mandatory contribution for retirement equivalent to 10% of gross wages was established. To manage these funds the reform created the privately run *Administradoras de Fondos de Pensiones* (AFP) (Pension Funds Administrators). The system allowed individuals to choose the AFP where to deposit their savings. The role of the state was limited to oversee the system, and to finance the pensions of those workers with insufficient savings to cover a minimum pension set by law. Besides, the state continued paying the pensions of those individuals that retired under the old system. Resources related to this last point plus the funds required to finance the minimum pension amounted to a substantial part of the state's total expenditure in social areas, representing near 50% of total public social expenditure by 1989 (MIDEPLAN, 1996:206).

In addition to these reforms, a group of subsidies directed specifically to the poor was created, representing an effort to focus social transfers to the least well off. Programmes were means tested monetary transfers linked to particular household or individual characteristics such as unemployment, number of children, the existence of elders, disabled and pregnant women. Municipalities allocated these subsidies at the local level by using a standardized national screening instrument to select and target beneficiaries, called *Ficha CAS* (Social Stratification Card) that surveyed households to identify their socioeconomic condition.

These subsidies included the *Pensiones Asistenciales* (PASIS) (Assistance Pensions), created in 1975 as a monetary transfer directed to the elderly and the disabled living in poverty and who were not receiving a pension. The *Subsidio Unico Familiar* (SUF) (Family Subsidy), was created in 1981 as a monetary transfer to poor families according to the number of children under the age of five living in the household. In addition, the military created in 1975 the *Programa de Empleo Minimo* (PEM) (Minimum Employment Programme), to provide basic jobs to the unemployed. Jobs provided were low-skill activities, such as streets and parks cleaning. In 1982, a similar programme was introduced, the *Programa de Ocupacion para Jefes de Hogar* (POJH) (Employment Programmes for Heads of Households). These two programmes were emergency employment responses to the acute levels of unemployment that existed during periods

of economic crisis (1975-76 and 1982-83). For instance, in 1982, amid the debt crisis that affected Latin America, the PEM programmes provided jobs to 336,000 individuals, equivalent to 9.2 percent of the Chilean labour force (Graham, 1994:34).

Graham (1994:52) analyzes these monetary transfers for the poor created by the military. She concludes that these instruments had mixed results as,

“on the one hand, they provided for the basic needs of Chile’s poorest people during a severe economic crisis . . . [while] on the other hand . . . those who entered the government’s programmes became an underclass of sort, since they grew heavily dependent on government subsidies”.

During its 16 years in power, the regime reduced social expenditure in per capita terms, while as a percentage of GDP it remained almost unchanged compared to the levels that existed in 1973 (Graham, 1994:28). This is explained by the regime’s principle of reducing the role of the state in the economy, which at the end of the day requires reducing or freezing the size of the state as a percentage of GDP. Besides, after the 1982 economic crisis, public expenditure was reduced to balance the fiscal budget. This decrease deteriorated public services, particularly, health and

education. The long-term effect of this deterioration was a strong discontent among the beneficiaries of these systems, mainly poor and middle-income families, as well as among workers of these sectors.

In any case, despite all the efforts of the military to reduce the role of the state in social policy, by 1989 social policy was still being provided and financed mainly by the state. By that date, about 60% of total population received health care in the public system and 90% of registered students in elementary schools received state subsidies or attended a public school (Raczinsky, 2000:126). Hence, despite being in power for sixteen years and being able to freely impose its policies (thanks to its non-democratic mandate), the military government was unable to completely modify a social policy system that had been developing in Chile during most part of the 20<sup>th</sup> century.

As a result, by the end of the military administration in 1989, the social policy system prevailing in Chile corresponded to the sum of a welfare state universal public system, and of a privately run social system focused mainly on the upper-level income groups of the population. The system resulted from the accumulation of successive programmes and institutions, and their embedded theoretical approaches, developed by different governments.

## **4.5 THE CONCERTACION ALLIANCE SOCIAL POLICY APPROACH**

### **4.5.1 The Patricio Aylwin government**

With the return of democracy to the country in 1990, the centre-left Concertacion Alliance assumed power highlighting the ineludibly responsibilities that the state has in a country like Chile.

Contrary to the military view that economic growth was the main tool to achieve development and to overcome poverty, the Concertacion Alliance viewed growth as a necessary but not sufficient condition for development. They considered that the state should have an active role in social policy issues. This role was regarded especially important given the deterioration of the social scenario during the previous government. The Concertacion Alliance summarized this fact by stating that the military policies created a 'social debt' that required being urgently addressed (Calderon, Etchegaray, interviews, September 2003).

According to the Concertacion Alliance government programme:

“long-lasting social welfare for all society sectors can only be secured by a sustained and continuous process of economic growth...[while] a stable democracy requires securing equality of access to opportunities and to the benefits of development” (Concertacion Alliance Government Programme, cited in Boeninger, 1998:357).

Hence, the main principle followed by the Patricio Aylwin’s first Concertacion Alliance government was to achieve ‘growth with equity’, where both economic growth and social equity were considered desirable goals for the government. In his first *Mensaje a la Nacion* (Message to the Nation) <sup>24</sup>, president Aylwin presented his agenda, which included,

“promoting social justice, correcting the deep inequalities and insufficiencies affecting many Chileans [and] stimulating economic growth, development and modernization in the country” (Boeninger, 1998:388) <sup>25</sup>.

In particular, the social policy principles outlined by the Concertacion Alliance included that social policy should promote solidarity and equity,

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<sup>24</sup> Every 21<sup>st</sup> of May the Chilean president presents an account of last year’s government achievements and also announces the plans for the following year.

<sup>25</sup> Other goals in the Aylwin’s government agenda were: achieving truth and justice in human rights issues, democratizing institutions, and repositioning Chile in the international community (Boeninger, 1998:388).

stressing the nation's responsibility to eradicate social disadvantage; that social policy should be integral, meaning that it should act over all the areas that may help improve population's quality of life; that social policy should promote participation and self-help approaches, as opposed to the non-participatory and paternalistic approach applied by the military; that social policy should be efficient, focusing programmes to those individuals in the most precarious conditions; and that social policy should promote social investment, to help those living in poverty with a potential to self-develop and achieve social and economic inclusion, rather than providing only palliative solutions (Martinez and Palacios, 1996:14).

The Aylwin administration main social policy focus was to recover all social areas from the miserable state in which they were put by the previous military regime. Hence, the main focus of the Aylwin administration in the social policy area was to obtain and allocate funds to reverse the deterioration in the social sectors, mainly health and education, and to increase the levels of minimum wages, pensions and the government's monetary transfers, all key variables to the wellbeing of the poorest population.

Etchegaray (interview, September 2003) comments on the significant challenges Aylwin's government was confronting:

"a rumour was circulating that as soon as Aylwin took office as President on March 11th in Valparaiso, violence would spread in Santiago as [poor] people would start occupying land to build houses. At the beginning of the 1990s, public policy had a lot to do with taking charge of an explosive issue with transparent, fair, focused, and participatory public policies".

To finance his governmental programme in a sustainable and responsible manner, Aylwin successfully promoted a tax reform. It was approved in Congress thanks to an agreement with the centre-right *Renovacion Nacional* (National Renovation) political party. The reform corrected the military low-tax policy by raising the value added tax as well as those taxes affecting firms, which by the end of the military administration were practically null (Boeninger, 1998:479).

Thanks to the tax reform and to the vigorous economic growth that the country experienced, the government collected significant additional funds that allowed expanding social expenditure (Table 4.1). This was one of the first Concertacion Alliance actions in social policy which aimed to alleviate the financially asphyxiated social sectors. For instance, financial



augmentation in the health sector reached 77% in real terms between 1990 and 1995, funds that were directed mainly to finance increases in wages of health workers and to boost investments in areas that were showing critically low levels by 1990 (MIDEPLAN, 1996:147). The funds from the tax reform also allowed the government to raise significantly the values of the minimum wage and of the minimum pension. Table 4.1 shows that the policy of increasing the budgets of the social sectors was a constant throughout the 1990s, happening consistently during the three Concertacion Alliance governments.

**Table 4.1**  
**Chile: Real public social expenditure by sector, 1987-2000**  
 (Base 1990= 100)

<b>Year</b>	<b>Health</b>	<b>Housing</b>	<b>Social Security</b>	<b>Education</b>	<b>Monetary Transfers</b>	<b>Other*</b>	<b>Total</b>
1987	92.5	80.3	93.1	106.3	111.4	183.6	98.6
1988	104.2	105.2	95.5	105.5	111.5	141.2	100.9
1989	104.8	100.1	98.2	104.6	99.2	105.1	100.9
1990	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1991	117.8	111.4	104.0	113.4	109.1	115.8	109.2
1992	137.7	124.2	110.3	130.4	111.2	138.9	120.6
1993	154.3	136.3	119.5	141.6	116.6	169.2	132.2
1994	170.1	142.7	123.6	154.4	118.8	184.6	140.3
1995	177.3	149.1	131.1	172.5	128.4	211.5	150.4
1996	192.6	166.7	141.2	194.8	139.4	239.0	165.0
1997	204.1	157.8	147.7	214.6	151.6	253.8	174.2
1998	220.8	162.6	156.6	239.0	172.8	259.4	187.4
1999	227.6	160.1	172.9	255.6	177.3	323.2	202.0
2000	246.6	152.9	181.5	277.2	185.8	355.9	214.3

Source: Own elaboration from Ministerio de Hacienda (2000).

In addition to these increases in social expenditure, Aylwin introduced innovations into the education, health, housing and poverty-alleviation areas, as well as creating new social policy institutions.

In education, the *Programa de Mejoramiento de la Calidad y Equidad de la Educacion* (MECE) (Programme for Improving the Quality and Equity of Education) was created. It involved a significant amount of resources to improve the quality of pre-basic and basic education, to increase the coverage of pre-basic education and to improve the ministry of education management capacity (Aylwin, 1992:59). A scholarships programme for higher education was also introduced. Another innovation in the education area was the creation of the P-900 programme, designed to improve the quality of the education provided by the 900 schools showing the worst educational results. The *Estatuto Docente* (Teacher's Law) was ratified, establishing a centralized bargaining procedure between teachers and the government as well as a common structure of wages for teachers (Schiefelbein and Schiefelbein, 2002:289).

The condition of the health sector by the end of the military period was particularly dramatic. As Eduardo Frei mentioned in one of his discourses,

“we inherited a public health sector that was agonizing in its capacity to deliver health services, dismantled in terms of human resources, and collapsed in the areas of infrastructure and equipments” (Frei, 1998:XV).

To deal with these problems, President Aylwin increased the health budget in order to repair infrastructure. Besides, new health personnel was hired, their wages increased and the gratuity of some basic health services was expanded, including child preventive health check-ups and food programmes for low-income families. (Aylwin, 1992:58; MIDEPLAN, 1996:152).

New programmes were created in the housing sector to reduce the *allegamiento* (sharing houses) problem that affected the poor population, and to address the deterioration in the existing stock of houses (Boeninger, 1998:472). These were the *Vivienda Progresiva* (Progressive House) programme and the *Programa para el Mejoramiento y Ampliacion de Viviendas* (Programme to Improve and Enlarge Houses). These new programmes were introduced while keeping unchanged the group of housing programmes and subsidies created by the military. Besides, the increased budget for housing allowed the Aylwin’s government to provide

an annual average of 90,000 houses between 1990 and 1992, doubling the average production reached in previous years (Aylwin, 1992:62).

In the poverty-alleviation area, Aylwin introduced the FOSIS programme at the beginning of his administration, one of the three programmes analyzed in this thesis<sup>26</sup>. This programme coexisted with the group of monetary transfer to the poor created by the military, whose real value was raised significantly thanks to the extra funds that the tax reform provided.

Aylwin also created a group of new institutions related to social policy. This was the case of the *Agencia de Cooperación Internacional* (AGCI) (Agency for International Cooperation), to obtain and channel funds from international cooperation to social policy projects; the *Instituto Nacional de la Juventud* (INJUV) (National Institute for Youngsters), and the *Servicio Nacional de la Mujer* (SERNAM) (National Service for Women). Besides, the existing *Oficina de Planificación* (ODEPLAN) (Planning Office) was raised to a ministerial status, becoming the *Ministerio de Planificación* (MIDEPLAN) (Ministry of Planning)<sup>27</sup>.

#### **4.5.2 The Eduardo Frei Ruiz-Tagle government**

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<sup>26</sup> Programme FOSIS is described in detail in Chapter Three.

<sup>27</sup> A history of MIDEPLAN is presented in the present Chapter.

The Eduardo Frei Ruiz-Tagle second Concertacion Alliance government that came to power in 1994 continued many of the social policy orientations and actions that Aylwin introduced, but clarified that their priorities in social policy were the improvement of the educational system and the complete eradication of extreme poverty from the country (Frei, 1996:XXVI, XXXV).

In the area of education, Frei expanded the MECE programme created by Aylwin. To the original programme that covered pre-basic and basic education, the MECE-Rural programme was added, focusing on benefiting schools in rural areas, as well as the MECE-Media, to improve secondary education by providing resources for libraries, texts, infrastructure and computational resources to schools (Frei, 1997:VIII). More importantly, in 1996 Frei presented his reform of education, comprising a group of educational innovations. It included the following elements: a significant increase in resources, focusing on investing in infrastructure and providing studying materials; a curricular change, to actualize the content and educational approach of primary and secondary education; an improvement in teacher's working conditions and training opportunities, including an increase in wages for those teachers at the bottom of the salary scale; and an increase in the length of the school day, from half day to a full day of schooling (Frei, 1999:XVIII-XXII).

In health, Frei started implementing in 1996 the *Plan de Reforma del Sector Público de Salud* (Reform Plan for the Public Health Sector), to respond to the demographic, social and epidemiological changes that the population was showing. The reform was directed to improve the quality of health services and to reduce waiting lists in hospitals by improving management and by decentralizing decisions (Frei, 1996:XXVIII, XXXIII). Health infrastructure and equipments were also improved.

In housing, the Frei administration continued expanding the number of houses publicly produced or subsidized, arriving to an average of 128,000 houses produced yearly (Frei, 1997:XVII). In addition, the size of basic houses was increased, from 38 to 42 squared meters.

In the poverty-alleviation arena, Frei introduced the ambitious *Plan Nacional de Superación de la Pobreza* (National Plan to Overcome Poverty) at the beginning of his administration. Frei described the goals of this programme as,

“to achieve an integral action of the public sector, incorporating the private sector into this duty; to target actions towards the most lagged areas and needed individuals; and to secure the effective participation of affected individuals” (Frei, 1995:XVII).

This was a short lived programme, a situation that is described and explained in more detail in Chapter Five.

In line with Aylwin's poverty-alleviation approach, Frei continued to support the existing monetary transfers to the poor, but introducing a few changes. In particular, the SUF monetary transfer was expanded to benefit youngsters between 15 and 18 years old from poor families, conditional to their attending school.

Perhaps the most significant innovation introduced by Frei into the area of poverty was the *Chile Barrio* (Chile Neighbourhood) programme, one of the three cases studied in this thesis. The programme's goal was to improve the life conditions of the inhabitants of the 972 *campamentos* (shantytowns) that existed in Chile by 1996. Chapter Three describes this programme.

### 4.5.3 The Ricardo Lagos government

The third Concertacion Alliance administration was elected in 2000 with Ricardo Lagos taking power. In his first message to the nation, he defined his government as *el gobierno de las reformas* (the government of reforms) (Lagos, 2000:4), stating that his aim was to introduce reforms into social, political, economic and cultural policies. In the social area, his focus was to bring about deep reform in the health system (Lagos, 2000:14).

The reform of the health system materialized in the AUGE programme, aimed to establish universal access to health treatments for a group of illnesses with high prevalence among the population. In Lagos's words,

“we aspire to an efficient and fair [health] system, in such a way that nobody requiring health assistance will not receive it, and carried out with the dignity that every human being deserves” (Lagos, 2001:13).



One year later he added that,

“for the government, health is a right of all persons and to secure this right it is not enough just to declare it but to establish explicit guarantees related to the access, opportunity, quality and financial protection” (Lagos, 2002:25).

For the group of illnesses covered, the programme defined the type of treatments as well as the maximum waiting time, in order to guarantee minimum quality standards. All individuals, regardless of their economic condition and health system had the right to receive these treatments. Since 2002, when it started operating, the AUGE programme continuously expanded the number of pathologies with guaranteed treatment, from 3 in 2002 to 25 in 2005. The goal was to cover progressively the 56 pathologies most prevalent in Chilean population.

In the area of education, Lagos deepened the reform that Frei started. He continued expanding the full day of schooling. He also increased the coverage of pre-school education and facilitated the access to higher education by creating and expanding scholarships and loans. Besides, in 2003 the Lagos administration made secondary education mandatory and free for all Chileans below 21 years old. The goal was to ensure that all Chilean students had a minimum of 12 years of education.

In housing, Lagos created a new programmed directed to the poorest population called *Vivienda Social Dinámica sin Deuda* (Social Dynamic House Without Debt). The programme provided a modest housing solution designed to be enlarged easily, which required a reduced level of savings from beneficiaries and did not involve a mortgage (Lagos, 2001:18).

In the poverty-alleviation area the most important innovation of the Lagos' government was the *Chile Solidario* (Chile Solidarity) programme, introduced in 2002. As explained in Chapter Three, the programme was directed to the extremely poor population, providing an innovative approach to address their problems. For instance, it established a contract between a representative of the programme and the beneficiary family, to secure that the benefits that the programme provides (a monetary transfer and a special status to access social services) were matched with actions that the family must accomplish to overcome its poverty condition. This element tried to stimulate beneficiaries' pro-activity to solve their problems. By 2003, the programme had incorporated 55,000 families of the 220,000 that were living in extreme poverty in Chile, according to the 2000 CASEN socio-economic survey (Lagos, 2003).

Besides, in the poverty alleviation area, Lagos continued strengthening the Chile Barrio programme, created by Frei, to fulfill the goal of benefiting all shantytowns in the country (Lagos, 2001:19)<sup>28</sup>.

Finally, regarding social security, all the three Concertacion Alliance governments maintained, almost unchanged, the pensions system inherited from the military (Acuña and Iglesias, 2001:451). Some minor corrections were introduced to increase the transparency of the pensions system, to increase its coverage among the working population, to reduce the costs of the system and to increase the investment alternatives of the AFP (MIDEPLAN, 1996:208).

#### **4.6 A BRIEF HISTORY OF THE MINISTRY OF PLANNING (MIDEPLAN)**

As already mentioned, immediately after arriving to power the Aylwin's first Concertacion Alliance government created MIDEPLAN, a ministry with the specific duty of coordinating the efforts to alleviate poverty in the country (Ministerio del Interior, 1990). However, as Chapter Five will show, MIDEPLAN never played a central role in the policy making process of any of the poverty-alleviation programmes studied. In particular, Chapter Five will demonstrate that the Chile Barrio process was conducted by the

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<sup>28</sup> By 2003, the Chile Barrio programme had covered near half of the 972 shantytowns that existed in Chile by 1996 (Lagos, 2003).

Ministry of Housing, while the Chile Solidario process was carried out by the Ministry of Finance. The FOSIS policy-making process constitutes a special case as it was carried out before the arrival of the first Concertacion government by a group of experts preparing the first Concertacion Alliance government programme. Hence, the aim of the present section is to explain this institutional failure by revising the history and evolution of MIDEPLAN.

The origin of MIDEPLAN goes back to 1967 when the *Oficina de Planificacion Nacional* (ODEPLAN) (National Planning Office) was created under the Christian Democrat Frei-Montalva government. The creation of ODEPLAN reflected Frei Montalva's emphasis on improving social development in the country through a process of *Revolucion en Libertad* (Revolution in Freedom), trying to achieve economic progress and higher levels of social equity while avoiding generating conflicts and confrontations in the country. ODEPLAN advised the president on issues such as planning the development process of the country, projecting economic and social development in the medium and long terms and helping with the preparation of a *Plan Nacional de Desarrollo* (National Plan for Development).

Between 1973 and 1989 under the military regime, ODEPLAN played a very significant role inside government, particularly in terms of the social policy approach applied by the military. Thanks to its direct dependency to

the president, ODEPLAN became a powerful government institution with a political weight well above that of most ministries.

Besides, the post of head of the office was occupied by a series of highly influential economists trained at the University of Chicago, the so-called 'Chicago boys' (Valdes, 1995; Boeninger, 1998). Among these economists, Miguel Kast played an influential role in the social policy approach applied by the military government. When assuming as head of ODEPLAN in 1978, he introduced a pro-poor emphasis in the neo-liberal socio-economic approach of the military, promoting the targeting of social transfers towards the least well off. Besides, he pursued the goal of achieving efficiency in social policy by creating instruments to evaluate and allocate social transfers. As part of this strategy, he introduced the idea of providing demand subsidies and social transfers to arrive directly to the more needed. This proposal translated in the creation of housing and education subsidies, as well as a set of monetary transfers to the poor (Matte, 2003).

Significant elements of this policy approach remained under the Concertacion Alliance governments, particularly the set of social transfers and subsidies directed to the poor, and the principle that economic growth and the eradication of poverty are complementary goals. Hence, during the Kast era, ODEPLAN was a key actor in the development of the social policy approach applied by the military regime.

In 1990, with the arrival of democracy, the Concertacion Alliance decided to transform ODEPLAN into the *Ministerio de Planificación y Cooperación* (MIDEPLAN) (Ministry of Planning and Cooperation), to raise its status to a ministerial one. According to the law that created it, main duties of the ministry included to assist the president in the design and implementation of policies and programmes for national development and to coordinate the different public initiatives aimed to eradicate poverty (Molina, 2003:12). Besides, MIDEPLAN was also given the responsibility of overseeing a series of newly created institutions, linked to new target groups of the government. These institutions included the *Fondo de Solidaridad e Inversión Social* (FOSIS) (Solidarity and Social Investment Fund), the *Agencia de Cooperación Internacional* (AGCI) (International Cooperation Agency), the *Servicio Nacional de la Mujer* (SERNAM) (National Women's Service), the *Instituto Nacional de la Juventud* (INJ) (National Institute for Youngsters), the *Corporación Nacional de Desarrollo Indígena* (CONADIS) (National Corporation for Indigenous Development), and the *Fondo Nacional de la Discapacidad* (FONADIS) (National Fund for the Disabled). According to some experts, this new responsibility overstretched MIDEPLAN's duties thus limiting its capacity to coordinate social policy (Molina, 2003:13).

In 1994 under the Frei administration, a *Comite Interministerial Social* (CIS) (Inter-Ministerial Social Committee) was created to coordinate the

efforts to address poverty, implicitly substituting MIDEPLAN in this role. It has been argued that the creation of the CIS responded to the perception of the Frei administration that MIDEPLAN was not fulfilling its duty of coordinating poverty-alleviation programmes (Hardy, 2001:10). Hardy explains this failure from a series of factors, including the historic weight and autonomy of traditional social ministries such as health, education, housing and labour, making them hard to coordinate. In addition, the overwhelming powers of the Ministry of Finance to influence other ministries' duties through its budgetary command leaved MIDEPLAN as a secondary coordinating actor. In any case, after just two years of work, the CIS became integrated by lower ranking government officials, reflecting president Frei's disappointment with the results obtained (Molina, 2003:15).

Near the end of his mandate, President Frei announced his decision of closing MIDEPLAN, due to his discontent with the whole idea of trying to overcome poverty by having a social authority to coordinate social efforts (Molina, 2003:15). Concurring with Hardy's view, Molina concludes that while MIDEPLAN was clearly committed to fulfil its function of coordinating poverty-alleviation programmes, it lacked the political power and instruments required to achieve this goal. In his words,

“the ministers that MIDEPLAN's minister was trying to coordinate didn't saw any direct advantage of this exercise for their

particular ministerial duties. On the contrary, they perceived that this coordination was limiting their powers and pressuring their already overcharged agendas” (Molina, 2003:19).

Molina, who occupied the post of MIDEPLAN’s minister under the Aylwin presidency, recognizes that the Chilean government lacks a social authority with the influence and resources required to design, evaluate and coordinate social policies, as well as a proper social development plan. He concludes that the Chilean government requires a social authority to improve the integration and coordination of social policies, particularly in the area of poverty alleviation (Molina, 2003:20).

Hardy (2001) underlines that the creation of this type of social authority requires a decisive political support, given the resistances that this decision is likely to produce, specially among the institutions that nowadays concentrate a great deal of power inside the government, such as the ministry of finance and its related budget office. According to her view, any institution aimed to coordinate the efforts to improve social equity and to alleviate poverty will encounter the resistance of traditional social ministries already controlling significant resources. This is particularly the case for the ministry of finance, given its dominant position as economic authority inside government, and its budgetary control that allow it to define the priorities and orientations of the different social policy ministries (Hardy, 2001:9).



Under the Ricardo Lagos third Concertacion Alliance government, MIDEPLAN was given the significant duty of managing the newly created Chile Solidario programme. The law creating Chile Solidario assigned MIDEPLAN the duties of administrating, coordinating, supervising and evaluating the programme. The relevance that the Lagos government gave to the Chile Solidario programme produced a significant change in MIDEPLAN's status inside government. Chile Solidario was one of the star social programmes of the Lagos administration, receiving significant political and financial support from the government. In this sense, it may be argued that the Chile Solidario programme contributed to 'resurrect' a ministry that was showing a very low profile inside government during the Frei administration. It is worth noticing that improving MIDEPLAN's position inside government was one of the goals of the creators of the Chile Solidario programme (Crispi, interview, September 2002). They considered that giving MIDEPLAN the role of managing Chile Solidario would help this institution to re-position itself inside government.

In synthesis, as an office depending directly to the president, MIDEPLAN reached a powerful status during the military regime, in term of its ability to influence social policy. Later, in an attempt to raise its position inside government, the Concertacion Alliance gave MIDEPLAN a ministerial status. Hand in hand with this new status came the ambitious goal of coordinating all the government efforts to alleviate poverty in the country.

Experts agree that MIDEPLAN was unable to fulfil this goal, mainly as a result of the institutional rigidities inside the Chilean government. Hence, a feeling of failure developed among the political community in relation to MIDEPLAN's performance, to a point in which even the existence of the ministry was questioned. Later, under the third Concertacion Alliance government, MIDEPLAN repositioned itself as the managing institution of the promising new Chile Solidario poverty-alleviation programme, thus improving its damaged image inside government. However, MIDEPLAN's original social authority role as well as its duty of coordinating all the government's poverty-alleviation efforts is part of the Chilean government pending agenda.

#### **4.7 THE CASEN SURVEY: A KEY INSTRUMENT IN THE CHILEAN POVERTY-ALLEVIATION POLICY**

Chapter Five will show that the CASEN survey played a significant role in the policy-making process of the three poverty-alleviation programmes under study by prompting governmental authorities to address the problem of poverty. Given this relevance, the circumstances under which the CASEN survey was created as well as its evolution are presented here.

Before 1987, the exact dimension and characteristics of poverty in Chile were only partially known, due to the lack of suitable socio-economic surveys in the country. In effect, reliable statistics about the level and

characteristics of poverty in Chile were very scarce. At the national level, the only data allowing an approximation to the problem were the national census of population and housing, applied each ten years. With these data, independent experts constructed the *Mapas de la Extrema Pobreza* (Extreme Poverty Maps) (Katz and Molina, 1975; Mujica and Rojas, 1986). However, these data had the problem of being available only each ten years when the census was applied, as well as the limitation of allowing estimating poverty only from the housing conditions of the population, thus providing a partial vision of the problem.

This situation changed radically with the creation of the CASEN survey. As a well-designed socio-economic survey, it allowed measuring and characterizing poverty in the country, leading to a better understanding and to greater visibility of this phenomenon.

The CASEN was created in 1985 by the military regime to focus social transfers and benefits towards the least well-off population. Interestingly, measuring poverty was not in the minds of the military when they created the CASEN. Instead, they were looking for an instrument to target and monitor social expenditure, a consequence of the social policy approach applied by the military. In this approach, the state committed to help only those individuals at the bottom of the income scale, making necessary to continually verify the targeting level of social transfers.

The need to monitor social expenditure was also related to the military policy of de-centralizing the allocation of social programmes and benefits at the Municipality level. In effect, under the regime, municipalities assumed the implementation of primary health and school education as well as the allocation of a group of social transfers directed to the poor and unemployed. To target these transfers, Municipalities employed a socio-economic stratification survey, called the *Ficha CAS*, created in 1980. Each municipality applied the CAS to those families asking for social benefits. The CAS collected data related to the housing and demographic characteristics of the family, from which a score was constructed giving the highest score to the most deprived families.

Hence, while each Municipality was focusing social benefits towards the poorest families, no information was available at the central governmental level about the targeting level of social expenditure at the national level. Besides, the fact that the CAS was not applied to all the country's population but only to the beneficiaries of transfers prevented the use of CAS statistics to evaluate the targeting of social expenditure among all the population.

The economic recession that affected the country in 1982 further increased the need to target social expenditures towards the poorest groups. The crisis tensioned the regime's safety net system as unemployment and poverty reached unprecedented levels. In addition, the

need to generate fiscal surpluses to pay the inflated foreign debt led economic authorities to reduce or freeze social budgets, limiting the supply of social transfers. Hence, after the recession it became imperative to secure the targeting of social expenditure, allocating the increasingly scarce resources only to those individuals in the worst conditions.

As a result, in 1985 officials at the *Oficina de Planificación Nacional* (ODEPLAN) (National Planning Office) in charge of overseeing social policy in the country together with experts from the *Universidad de Chile* (University of Chile) designed and applied the first CASEN survey to assess the targeting level of social expenditures<sup>29</sup>. Results of this first survey were published in 1986 (Haindl and Weber, 1986). The CASEN was applied again in 1987, with the same aim of measuring the targeting level of social expenditures (Haindl, Budinich and Irarrazaval, 1988).

While the military regime omitted the estimation of poverty incidence in its analysis of the CASEN, independent experts obtained the 1985 database and estimated the incidence of poverty in the country. They found that 45% of total population was poor in 1985 (Torche, 1987). This dramatic figure was highly relevant in the heated political discussions that surrounded the 1988 'yes-no' referendum to decide about the continuation of Pinochet in

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<sup>29</sup> The original survey design has remained mostly unchanged in subsequent versions of the survey. In general terms, the survey uses a probabilistic sampling method to represent the entire population of the country. It identifies all types of incomes that households receive, including the value of all state transfers. Additionally, the survey identifies the demographic, health, education, housing, and employment characteristics of households' members. For a detailed description of the survey (in Spanish) see: [www.mideplan.cl](http://www.mideplan.cl)

power for another ten years<sup>30</sup>. Besides, it supported the social equity concerns of the Concertacion Alliance and questioned the degree in which the military socio-economic policy was benefiting the least well-off population.

With the arrival of the Concertacion Alliance in 1990, the focus of attention of the CASEN survey shifted markedly towards measuring and characterizing poverty. The Alliance introduced a new socio-economic approach, aiming to continue stimulating economic growth but at the same time pursuing more social justice and equity. Given the extension of the problem, alleviation poverty was considered a fundamental goal of this new approach. As a result, from its original emphasis on monitoring the targeting level of social expenditures the CASEN focus was shifted to measuring the levels of poverty and extreme poverty in the country, as well as to identify the main characteristics of these groups.

The Concertacion Alliance decided to apply the CASEN survey each two years<sup>31</sup> to obtain a clear view of the evolution of poverty and extreme poverty, thus applying it in 1990, 1992, 1994, 1996, 1998, 2000, 2003 and 2006. Numerous publications measuring and characterizing poverty were produced by MIDEPLAN during the 1990s. The degree of targeting of social expenditure was also analyzed but without the high emphasis that the military gave to this issue.

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<sup>30</sup> See Chapter Five.

<sup>31</sup> Each three years, after 2000.

The design and implementation of all the CASEN surveys has been carried out by a group of government and non-government institutions following technical criteria, thus lowering the chance of any political utilization of the survey. The process has been managed by MIDEPLAN and includes the participation of national and international experts from government, academic and international institutions (Gatica, Irarrazaval, Oyarzun, interviews September 2003). Thanks to its indisputable technical character, the CASEN presents a high level of legitimacy both inside and outside the country.

In summary, during its almost twenty years of existence the CASEN survey has been a key instrument to dimension and characterize the problem of poverty in Chile. It is interesting to note that measuring poverty was not the original objective of the survey as only with the arrival of the Concertacion Alliance, with its emphasis on improving social equity, the focus shifted towards this aim. The need to develop a technically solid instrument translated into the development of a partnership between government agencies and academic and specialized institutions to design and apply the CASEN. This technical character has contributed to the high levels of credibility and validity that the CASEN has enjoyed.

## **4.8 CONCLUSIONS**

The Chilean social policy system originated in the 1920s and consolidated during the 1960s. Its origin and evolution during this phase has been explained by the reaction of different governments to the pressure of organized workers. A redistributive focus that included the poor appeared for the first time in Chilean social policy by the mid 60s and intensified by the beginning of the 1970s, with the arrival to power of centre and left wing governments.

The increasing relevance of the public sector in social policy was put to an end in 1973 with the non-democratic arrival to power of the military. During its 16 years in power, the military tried to reduce the influence of the state in social policy, while stimulating the participation of private actors and market forces in this sector. The available literature demonstrates that these efforts were only partially successful, as the majority of Chilean population, mostly middle-to-low income families, continued to depend on the social services and programmes provided by the state. This result sustains the view that in the case of Chile, social policy programmes and institutions tend to transcend governments, despite the particular ideological views of each administration. It is likely that pre-existing programmes limit and condition government's room for manoeuvre to modify the system, in a similar way to what has been defined as the environment where the policy process evolves.



The scenario under the Concertacion Alliance series of three democratic governments that followed the military regime also confirms the existence of this conditioning environment. During the 1990s, the Concertacion Alliance introduced a group of social policy reforms to correct the problems that the system was showing, mainly by strengthening the role of the public sector in social policy. This was made while maintaining almost unchanged the core of the social policy reforms introduced by the military. In effect, the health and education reforms were built upon the existing systems rather than departing completely from them. These two reforms were long lasting processes, which spanned more than one government and that involved significant discussions in Congress<sup>32</sup>.

In the word of Dante Contreras (interview, December 2006), a Chilean social policy and economics expert:

“policies that targeted [social] expenditure [toward the poor] did not differ from those implemented by the military government, the techniques were the same. What they did was provide more resources to existing programmes and also create new programmes, but all these new programmes employed the same targeting strategy”.

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<sup>32</sup> See Chapter Seven.

The chapter showed that the three poverty alleviation programmes whose policy-making process is analysed in this thesis were particular cases of the wider social policy agenda of the Concertacion Alliance. They were created at the same time when the health and education reform were introduced, as well as when other innovations were implemented in the housing area.

It is important to note that these three programmes co-existed with the poverty-alleviation programmes introduced by the military regime. This is the case of monetary transfers directed to the poor, such as the SUF and PASIS transfers. In this sense, the poverty-alleviation area resembles what happened in other social policy sectors as the innovations introduced were built upon the prevailing system.

As explained in this Chapter, the Allende government tried to benefit the most vulnerable segments of the population by creating a socialist state in the country. It may be stated that by pursuing this goal, Allende was trying to address the fundamentals of social inequality in Chile by modifying the distribution of income. It was also explained that the Pinochet regime reversed all Allende's policies in this area.

With the return of democracy, the Concertacion Alliance highlighted the goal of overcoming poverty in its agenda, an issue that may be viewed as less controversial than the ones addressed by Allende.

Some authors contend that governments may prefer to put forward politically non-controversial rather than contentious policies, as different patterns of costs and benefits are obtained depending on the type of policy pursued (Kaufman and Nelson, 2004). In particular, policies may vary according to the extent, speed and transparency of benefits to users; the costs imposed on vested sector interests and the perceived financial and other costs or benefits for agencies and interests outside the sector, including ministries of finance and political parties or leaders (Kaufman and Nelson, 2004: 477).

Hence, It is possible that Concertacion Alliance politicians decided to address poverty as it was a goal shared by all sectors of the country, thus representing a non-controversial way of addressing the huge social problems that the country was confronting at that time<sup>33</sup>. Furthermore, as Chapter Seven will explain, Concertación Alliance politicians considered that the return to democracy was at risk given the reluctance of the military to release power and the potential eruption of repressed popular movements that risked destabilizing the fragile democracy. In any case, and as the present Chapter explained, during the 1980s and 1990s poverty was a severe problem in the country, which on its own justifies the emphasis that the Concertacion Alliance gave to this issue in its agenda.

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<sup>33</sup> See: Chapter Seven, section 7.1.3.

# Chapter Five

## Mapping the policy-making process of Chilean poverty-alleviation programmes

*"The way policy-making happens is less than ideal. Sometimes political timeframes force you. There are technical and political views that often do not coincide; but anyway, looking backwards I am reasonably satisfied"*  
(Crispi, interview, September 2002, speaking about the Chile Solidario policy-making process)

### 5.0 INTRODUCTION

This Chapter addresses the first aim of the thesis, i.e. to map the policy-making process of Chilean poverty-alleviation programmes. Answers are provided to the related research questions: what are the main events influencing these processes? And, who are the main actors involved? Hence, the chapter is fundamentally descriptive leaving the explanation of the processes to Chapters 6 and 7 that address the second aim of the thesis.

This first aim has been justified by the lack of information about this topic. It has been highlighted that there is no literature which addresses the Chilean poverty-alleviation policy-making process and that only a few recent studies dealing with the policy-making process in Latin America are available (particularly Grindle, 2002 and IADB, 2006).

In what follows, narratives of the three cases under study are presented in a chronological order, starting with programme FOSIS, then programme Chile Barrio and finally programme Chile Solidario<sup>34</sup>. Narratives are supported by contextual considerations that help understand why events unfolded in a particular manner.

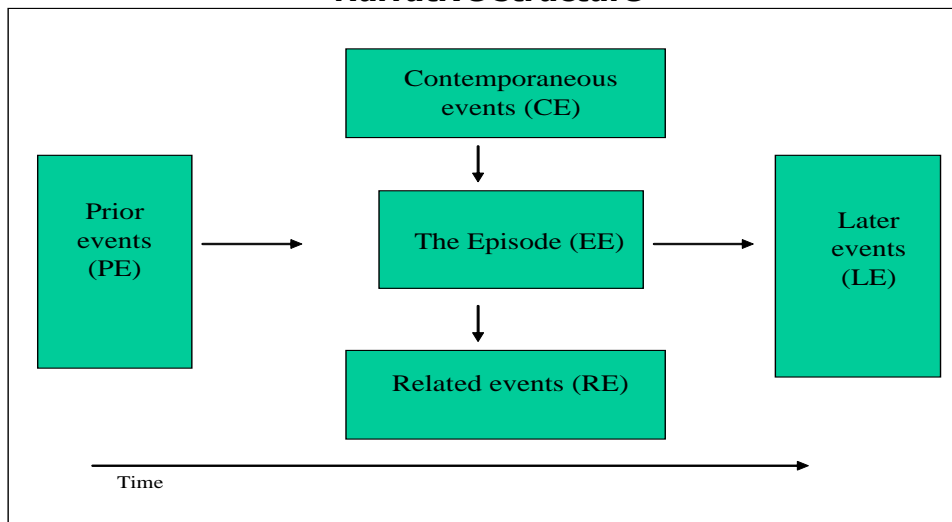
To structure, order and present in a comprehensive way the 'network of events' that constitute each case, the scheme proposed by Barzelay (2001) is employed. This scheme has been applied by Barzelay et al (2003) to analyse policy change in Latin American countries, by Corbett (2002) to study the European higher education policy process and by Sigurgeirsdottir (2005) to study health policy in Iceland and the UK.

The scheme constitutes a 'narrative structure' that arranges case events according to their causal direction and to their temporal sequence. Figure 5.0 presents the basic scheme. In general terms, it identifies a main 'episode' that is being analyzed and the events influencing it. The 'episode' is defined as the "set of events directly and intimately related to the process of substantive and analytic interest" (Barzelay et al, 2003:24). Therefore, in the present research an 'episode' corresponds to the group of events more directly linked to the policy-making process of a particular poverty-alleviation programme.

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<sup>34</sup> See Chapter Three: Figure 3.0.

**Figure 5.0**  
**Narrative structure**



Source: Barzelay et al (2003).

As mentioned, events are separated according to their occurrence in time. Specifically, they are defined as prior and later events if they occur before or after the episode, respectively. Besides, events concurrent to the episode are defined as contemporaneous events if they affect the episode or as related events if they are affected by the episode (Barzelay et al, 2003:24).

At the beginning of each narration, a figure with the narrative scheme is presented. In this figure each event is coded to facilitate linking it to the narration as well as to support the explanation of the processes that is accomplished in Chapter Six. Codes indicate the programme to which each event is related (FO for FOSIS, CB for Chile Barrio and CS for Chile Solidario) and the type of event according to the narrative structure already described (PE for Prior Event, CE for Contemporaneous Event, EE

for an Episodic Event, RE for Related Event, and LE for Later Event). For instance, FO-EE2 corresponds to the second episodic event of the FOSIS programme.

To construct this chapter, most information was obtained from interviews that were carried out in three different periods of fieldworks in Chile<sup>35</sup>. Interviewees were selected according to their knowledge of the policy-making processes under study. The majority of them were public servants occupying different posts inside the Chilean governments during the years in which the policy-making processes occurred. In addition, a number of relevant independent social policy experts and NGOs representatives were also interviewed<sup>36</sup>.

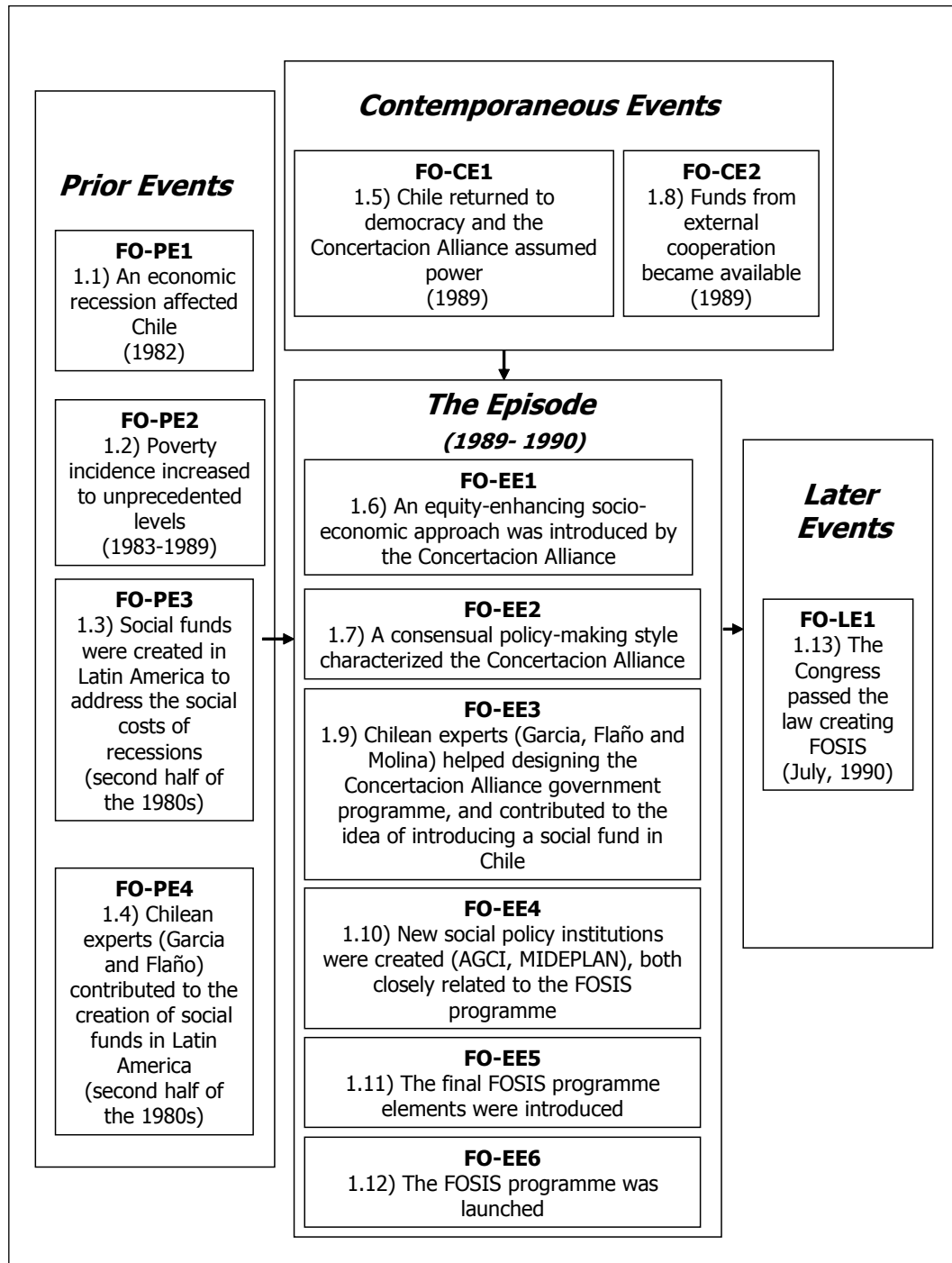
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<sup>35</sup> See Appendix 4.

<sup>36</sup> See Appendix 5.

## 5.1 FOSIS PROGRAMME POLICY-MAKING PROCESS

**Figure 5.1**  
**FOSIS policy-making process**





### **5.1.1 An economic recession affected Chile in 1982 (FO-PE1)**

The 1980s has been labelled as a lost decade in Chile, as many social and economic dimensions showed no improvement during this period. This resulted mainly from a deep economic recession that affected the country in 1982-1983, linked to the debt crisis that struck the world in 1981. In 1982-1983 the country's GDP declined by 17.2%, unemployment reached an unprecedented 26.4%, and real wages dropped by 10.9% (Boeninger, 1998:293).

Policies applied by the military to adjust and balance the economy also contributed to the deterioration of the country's socio-economic condition. In 1985 the government started applying a package of economic policies designed to confront the crisis, including strong fiscal adjustment measures where social budgets and real wages were cut or fixed in real terms. The package was successful in balancing the economy and recovering economic growth but at a high social cost in terms of unemployment, poverty levels, and real wages.

### **5.1.2 Poverty incidence increased to unprecedented levels in Chile during the second half of the 1980s (FO-PE2)**

A study carried out by experts representing centre-right views showed that by 1987, poverty incidence in Chile reached 45% of the population, equivalent to near 5 million individuals (Torche, 1987). This poverty level

was entirely un-anticipated and well above all available historic poverty figures<sup>37</sup>.

As a result of the deteriorating socioeconomic scenario in the country, public opinion about the policy approach applied by the military government worsened sharply, a fact that contributed to the Concertacion Alliance victory in the 1989 elections.

### **5.1.3 Social funds were created in Latin America during the 1980s to address the social costs of recessions (FO-PE3)**

During the 1980s, some Latin American countries, particularly Bolivia and Guatemala, created social funds to address the social costs generated by the debt crisis that affected the region and by the stringent adjustment policies that international financial institutions were promoting in debtor countries. The most dramatic costs of this scenario were acute levels of unemployment and poverty. Social funds were created to address these issues while bypassing traditional state institutions, such as ministries, to avoid the corruption and financial leakages that pervaded many Latin American governments (Fernandez, Flaño, interviews, August 2003).

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<sup>37</sup> Up to 1987 poverty data was scarce in Chile, and methodologies applied to measure it were hardly comparable. In 1987 the military government created the *Encuesta de Caracterizacion Socio-Economica Nacional* (CASEN) (National Socio-Economic Survey), to assess the degree of targeting of social policy by measuring the distribution of social expenditure among population with different income levels. These data, while not originally designed to measure poverty, provided all the information required to determine the levels of poverty in the country. The Concertacion Alliance continued applying the CASEN surveys each two years. See Appendix 3.

In Nicolas Flaño's words (interview, August 2003):

"[Social Funds] were created as non-institutional responses, separate from traditional social ministries . . . not designed to attack the structural causes of poverty but rather to alleviate emergency situations . . . they are a direct, non-bureaucratic way of reaching people, with flexibility in program implementation, etc."

International organisations supported and promoted the development of social funds in Latin America. In particular, the World Bank viewed them as agile and flexible tools to channel external funds to this region while having reasonable control over the final use of the funds. The United Nations' *Programa de Empleo para America Latina y el Caribe (PREALC)* (Employment Programme for Latin America and the Caribbean) was also involved in the design and implementation of social funds in the region. Clearly, Latin America was in desperate need for help to alleviate the social cost originating from the crisis and the related fiscal adjustment policies that the World Bank itself was promoting (Flaño, interview, August 2003).

#### **5.1.4 Chilean experts (Garcia and Flaño) contributed to the creation of social funds in Latin America (FO-PE4)**

During the 1980s, two Chilean experts linked to the Concertacion Alliance participated in the creation and implementation of the Bolivian and Guatemalan social funds. One was Alvaro Garcia, a young economist member of the Socialist party that was working for PREALC. Garcia participated in the development of the Bolivian social fund that was created in 1986. This was a pro-labour social fund, which responded to the Bolivian economic crisis of the 1980s (Garcia, interview, September 2003). The other Chilean expert was Nicolas Flaño, member of the Christian-Democrat party and also working at PREALC. He participated in 1986 and 1987 in the development of the Bolivian social fund and between 1987 and 1989 in the implementation of the Guatemalan social fund. This fund was initially conceived as a small programme to finance productive projects becoming later a full-scale social fund (Flaño, interview, August 2003). Hence, these two experts obtained first-hand knowledge of social funds and their design and implementation processes.

### **5.1.5 Chile returned to democracy and the Concertacion Alliance assumed power (FO-CE1)**

1989 saw the culmination of a series of events that led to the arrival of democracy in Chile thus preventing general Pinochet's ambition of continuing in power for another ten years. It has been argued that the economic crisis that affected the country in 1982-1983 was the first element in this chain of events (Boeninger, 1998:298). The crisis created social unrest and allowed the opposition to put forward the idea that only under democracy all citizens will achieve a better life.

It may be argued that the struggle against the military government helped opposition parties with different ideological postures to unite and establish a consensual approach to recover democracy in the country. A process of agreement started to develop among the political opposition during the 1980s, led by the Christian-Democrat and the Socialist parties. They were following a peaceful and negotiated road to arrive to democracy, distancing from the more confrontational approach of the Communist party. Both parties united in base organisations such as labour and professional unions to respond to the repression of civil organisations by the military (Boeninger, 1998:299).

In 1988, Pinochet put forward a 'yes-no' referendum to decide on his continuation in power for another ten years (the yes option), or to go for

democratic elections in 1989. Under these circumstances the opposition to the regime developed a political agreement aimed at free elections (the no option) called the *Concertacion de Partidos por el No* (Agreement of parties for the No), where the Christian-Democrat and Socialist parties joined forces. The spokesperson of this group of parties was Patricio Aylwin, by that time president of the Christian-Democrat Party. After a very dramatic day of referendum, with the ghost of a possible fraud in the minds of the opposition, the military government recognized the victory of the 'no' option, with 54.7% of total preferences.

The victory of the 'no' cleared the way to free presidential and parliamentary elections in 1989. It also encouraged opposition politicians to view the return of democracy as a likely outcome. Soon after the victory of the 'no', the *Concertacion de Partidos por el No* decided to change its name to the *Concertacion de Partidos por la Democracia* (Agreement of Parties for Democracy) (from now on the Concertacion Alliance) to create a political base for the upcoming presidential campaign and the future democratic government. The Concertacion Alliance decided to present a single candidate for the future elections and Patricio Aylwin emerged as the natural choice, given the authority and leadership that he displayed as spokesperson of the Alliance.

On December 14<sup>th</sup> 1989, Patricio Aylwin won the presidential elections with 55.2% of all votes and in March 11<sup>th</sup>, 1990 he entered *La Moneda*,

the Chilean presidential palace, as the new democratically elected president.

#### **5.1.6 An equity-enhancing socio-economic approach was introduced by the Concertacion Alliance (FO-EE1)**

As mentioned in Chapter Four, the Concertacion Alliance considered that the state should have an active role in social policy, contrary to the military opinion of minimizing the participation of the state in the economy and in the social sectors.

This Concertacion approach was named 'growth with equity', to highlight that the new democratic government was interested in pursuing both economic growth and social equity in the country. Social equity required necessarily improving the life conditions of the least well-off population, particularly the unemployed, the extremely poor and the poor.

The opinions of two Concertación Alliance social policy experts illustrate this point:

“the idea was to confront the problems inherited from the military government in terms of poverty and the deficits in education, housing, health, etc. that were generated by the policy of (social expenditure) adjustment” (Flaño, interview, August 2003).

“my impression is that [the Concertacion Alliance] realized that the policy tools applied during the military government did not address all the problems faced by the extremely poor, nor did they fit the new approach the Concertacion Alliance wanted to apply, therefore requiring the creation of a new set of instruments” (Egaña, interview, January 2007).

Among its new social policy principles, the Concertacion Alliance promoted programmes that encouraged the participation of beneficiaries, and that contributed to a long term solution of poverty, in contrast with the social policy approach adopted by the military<sup>38</sup>.

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<sup>38</sup> See: Chapter Four.



### **5.1.7 A consensual policy-making style characterized the Concertacion Alliance (FO-EE2)**

In the months previous to the 1989 elections, politicians linked to the military regime argued that the fact that the Concertacion Alliance was a coalition of political parties with different ideological postures would inevitably lead to a lack of governance in the country, if they were elected (Boeninger, 1998:356). The fact that the Concertacion Alliance was formed by seventeen political movements led by the Christian-Democrat party, the Socialist party and the centre-left *Partido por la Democracia* (PPD) (Pro-Democracy Party) made this a genuine risk.

To confront this risk the Concertacion Alliance developed a very participative and consensual political style, which has been described as *transversalismo* (transversalism) (Boeninger, 1998:453). This style was reflected in the formation of pluralist teams to create the government programme and later, by appointing ministers and vice ministers of different parties to each ministry.

The roots of transversalism may be found in the organizational process of the *Concertacion por el No* coalition, created in 1988 to address the yes-no referendum. The alliance organization was composed by a directive committee formed by top politicians of the main opposition parties, plus an executive secretary under which a number of multi-party teams worked

in areas related to the promotion of the no option in the referendum (Aylwin, 1998:344).

The transversalism principle was supported by the personal style of President Patricio Aylwin, which has been described as very participative and open to debates within the government coalition (Boeninger, 1998:454). As his ex-housing minister Alberto Etchegaray recalls:

“President Aylwin had fortnightly cabinet meeting during all his administration and his attitude was always to share the government’s duties, explaining what he was experiencing and allowing ministers to address a particular issue. Hence, ministers really felt working in a team, and when a president encourages participation in such a way, somehow this style is transmitted downwards so I applied the same style in the housing ministry” (Etchegaray, interview, September 2003).

Aylwin's personality was reinforced by his vast political experience as founder of political parties and coalitions in the country. In 1957 he participated in the foundation of the Christian-Democrat party that was formed by the fusion of three different Social-Christian parties. He became president of the party in 1958, position that he will hold seven times in the following three decades. Aylwin was also one of the leaders behind the creation of the Concertacion Alliance in 1987.

Etchegaray concludes that:

“there is no history in any country of a person [general Pinochet] managing the country for 17 years and subsequently staying on with the newly arrived president, particularly after they fought so hard, nor is there any case of a man [President Aylwin] able to lead a group of 8 political parties in an Alliance of Parties for Democracy. This process was conducted by Aylwin with integrity, and his place in history is assured because he led an exemplary transition” (Etchegaray, interview, September 2003).

### **5.1.8 Funds from external cooperation became available (FO-CE2)**

Once democracy arrived, funds from external cooperation to address the most urgent needs of Chilean population became available. External cooperation was fuelled by the widespread support from the international community for the return of democracy in Chile. In 1989, Sergio Molina, a leading Christian Democrat politician who played an important role in the Chilean road to democracy, assumed the duty of obtaining and securing external funds for the new democratic government. By mid-1989, Molina was well advanced in this duty, having secured near 28 million USD for the first year of the new government (Molina, interview, June 2003; Calderon, interview, September 2003).

### **5.1.9 Chilean experts (Garcia, Flaño and Molina) helped designing the Concertacion Alliance government programme, and contributed to the idea of introducing a social fund in Chile (FO-EE3)**

Given its consensual policy style, when the Concertacion Alliance started designing its government programme by mid-1989 a harmonious policy-making approach was easy to apply. A number of groups were set up to plan the future government's policies. The groups covered a number of different areas, including economic and social spheres. Group members

were selected according to their expertise, while securing that they represented evenly all the Concertacion Alliance parties.

Egaña (interview, January 2007) highlights that those who designed new social policy programmes came mainly from NGOs:

“the people preparing [the FOSIS programme] belonged mainly to the NGO world, because universities were closed . . . and political foundations were non-existent . . . as political foundations and think-tanks arrived later”

In July 1989, Alvaro Garcia and Nicolas Flaño arrived to Chile to integrate the Concertacion Alliance groups of experts that were working in the new government's programme. Given their positive view of social funds, opinion that was also shared by other Concertacion Alliance social policy experts, it was agreed that one of the groups planning the government's social policy would assume the duty of designing a social fund for Chile. Alvaro Garcia led the design group, which included about ten Concertacion Alliance experts from the academic and NGO's worlds (Flaño, interview, August 2003; Calderon, interview, September 2003).

Hence, creating a social fund was a consensual decision of the group of Concertacion Alliance social policy experts that were participating in the design of the future government programme. However, it may be stated

that Alvaro Garcia and Nicolas Flaño were key players in making this decision, given their previous experience with social funds.

During the FOSIS policy-making process, experts considered only those technical elements that were free from any party-politics motivation, which also may be the result of the consensual policy-making style that characterized the Concertacion Alliance. As Nicolas Flaño recalls:

“It was a time of hard work. We spent many hours defining elements of the programme, and luckily we did it in a very non-ideological manner with good will and with no party-politics considerations. Our main motivation was that we were doing a big and noble duty by building an important programme to help overcome poverty in the country” (Flaño, interview, August 2003).

Sergio Molina was also a relevant actor in the FOSIS policy-making process. While Garcia and Flaño contributed their technical expertise to the FOSIS design process, Molina had a more political role. He is regarded as the ‘father’ of the group that designed FOSIS, as he was able to visualize the place that FOSIS will occupy in the broader social policy scheme that the Concertacion Alliance was creating. He also envisaged FOSIS’ potential to channel funds from international cooperation to finance social policy programmes (Flaño, interview, August 2003).

According to Molina's account:

"I was working in two areas of the future government: obtaining funds from international cooperation and helping to design part of the future social policy strategy . . . at the end of the day, FOSIS represented an innovative programme able to receive resources from international co-operation and to channel them to social policy projects" (Molina, interview, June 2003).

Additionally, FOSIS allowed confronting the restricted fiscal budget scenario that the Concertacion Alliance was encountering by channelling external funds to finance social policy programmes (Molina, interview, June 2003). Indeed, the need for extra funds was non trivial. As mentioned in Chapter Four, the democratic government inherited social sectors that suffered dramatic budgetary cuts during the 1980s. Furthermore, the military government fixed the first year fiscal budget to the Aylwin's government, which not surprisingly, was very stringent in the social policy area.

#### **5.1.10 New social policy institutions were created (AGCI, MIDEPLAN), both closely related to the FOSIS programme (FO-EE4)**

While preparing the democratic government programme, Sergio Molina promoted the creation of the *Agencia de Cooperacion Internacional (AGCI)* (International Cooperation Unit), to receive and allocate funds from international agencies (Molina, interview, June 2003).

Hence, Molina was a main actor in the policy-making process of both AGCI and FOSIS, two separate institutions that worked together to obtain and allocate external funds to social projects, with AGCI obtaining and supplying external funds and FOSIS receiving and allocating them. Ultimately, both institutions were assigned to the same ministry, the newly created Ministry of Planning (MIDEPLAN), where Sergio Molina was appointed as minister<sup>39</sup>.

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<sup>39</sup> It has been suggested that Molina also promoted the creation of MIDEPLAN during the creation process of the Concertacion Alliance government programme (Gatica, interview, September 2003). In fact, the design of a coherent social policy institutional framework in Chile has been a long lasting interest of Sergio Molina (See Appendix 2).



In Sergio Molina's own words (interview, June 2003):

"these two institutions were located in MIDEPLAN for mostly personal reasons. The story was that I was working for the Concertacion Alliance in the areas of international cooperation for social purposes and in social policy. The institutional design was more accidental than intentionally planned: We realized that both the reception of external resources to finance social programmes and the creation of an institution [FOSIS] that could develop social policies in a new way needed to occur simultaneously".

#### **5.1.11 The final FOSIS programme elements were introduced (FO-EE5)**

As already mentioned, existing social funds in other Latin American countries had a palliative aim as they were created to alleviate the social costs of recessions, mainly unemployment. Also, they were created as substitutes of existing government institutions, to avoid bureaucracy. This final point was not applicable to the Chilean case as Chilean public institutions showed low bureaucratic and corruption levels. Their main problems were related more to a lack of resources than to structural deficiencies in their working (Flaño, interview, August 2003).

Hence, the Chilean experts designing the social fund engaged in the creation of what they called a 'second generation social fund', which was aimed to provide a new social policy approach rather than to substitute or replicate existing social policy programmes. The fund was designed as a flexible, small and decentralized organization, contrasting with the traditionally big and centralized social sector ministries (Flaño, interview, August 2003).

In Nicolas Flaño's words (interview, August 2003):

"when formulating the program we learnt from experiences that were compiled by the World Bank and the IDB about the cases of Bolivia and Guatemala. There was a rich exchange because the WB and the IDB were closely linked to the Bolivian social fund . . . but in some way FOSIS was a second generation fund . . . in other countries social funds tended to replace social ministries that worked badly. In the Chilean case, ministries were strong and entrenched [public] institutions. The problems were associated more with a lack of resources than to malfunction . . . the idea was to have a light, decentralized, agile, and flexible structure, the opposite of a bureaucracy".

Fernandez (interview, August 2003) confirms Flaño's view:

“this fund was not designed to replace or to cover up the flaws of social ministries, as in most Latin American countries where social funds were created to provide temporary employment, infrastructure, etc. This was not our case as it was not a palliative policy but one designed to develop innovative social policy programs and projects, in some cases with the support of social ministries”.

Allowing beneficiaries to have an active role in the working of the fund was considered important for the experts designing FOSIS, as it fulfilled the Concertacion Alliance social policy pro-participation principle. FOSIS was designed as a bottom-up social policy approach where beneficiaries are able to take the initiative to develop a project while FOSIS provides financial resources and supports beneficiaries during the different phases of the process.

In Flaño's words (interview, August 2003):

" [FOSIS] was complementary to social policy as it worked from the bottom up rather than top down. [Traditional] ministries are hierarchical, defining and implementing policies top-down. What we developed was different from this, involving identifying people's needs and then providing support to develop projects, find funding, monitor progress, etc."

Naming FOSIS as a solidarity and investment fund was intended to highlight the fact that its goal was to invest in people, rather than to provide a palliative or transitory help (Flaño, interview, August 2003). A clear objective in this respect was to support the poor in developing their productive skills in order that they may overcome poverty by themselves. This feature was in line with the Concertacion Alliance social policy principle of creating programmes that provided social investment opportunities to their beneficiaries.

#### **5.1.12 The FOSIS programme was launched (FO-EE6)**

In March 1990 Patricio Aylwin appointed his cabinet, setting up the newly created FOSIS programme, as well as the AGCI and MIDEPLAN institutions. Sergio Molina assumed as minister of MIDEPLAN. FOSIS and AGCI were

incorporated into the MIDEPLAN structure as lateral institutions, with a high level of autonomy. Alvaro Garcia was assigned as vice-minister of MIDEPLAN and Nicolas Flaño assumed as director of FOSIS. Many experts that worked in the FOSIS design group were incorporated into the programme.

### **5.1.13 The Congress passed the law creating FOSIS (FO-LE1)**

In July 1990, just five months after the arrival of the new government, the Congress passed the law creating MIDEPLAN, FOSIS and AGCI. The law was aimed to secure public funds as well as an institutional setting for the FOSIS programme.

### **5.1.14 Summary**

The above narrative has highlighted the particular characteristics of the period when the FOSIS policy-making process took place, covering the final year of the military government and the initial one of the new democratically elected Concertacion Alliance government. This phase presented many elements related to the return of democracy in Chile and to the social and political struggle against the military government that allowed achieving this aim.

It was shown that the exercise of joining forces against the military government by the democratic opposition shaped the way in which the new government behaved and developed its new policies. The Concertacion Alliance confronted the military regime in open elections, and needed to show that their politicians were able to lead the country without any internal party-politics disputes. This fact prompted a consensual policy-making style where experts from all the Concertacion Alliance parties were able to participate. Hence, groups of Concertacion Alliance experts were set up to create the government programme following only technical considerations.

It is also evident that the economic crisis that affected the country during the 1980s played a significant role in the process. It contributed to building up social and political pressure against the military regime, and ultimately to the reestablishment of democracy in 1990. Moreover, the policies adopted by the military regime which increased poverty and unemployment to unprecedented levels, convinced the Concertacion Alliance politicians that a new poverty-alleviation approach was required.

Having social funds already in operation in other Latin American countries and backed by important international organisations was also a relevant event in the process. It allowed confirming that this kind of initiative was feasible in Chile. Hence, one of the groups working on the new

government programme decided to create a social fund, taking these funds as basic examples from where to start designing FOSIS.

Finally, the availability of significant funds from international cooperation to finance social projects in the country was also important at the moment of creating FOSIS, as the programme allowed channelling these funds to social projects.

The narrative demonstrates that a small number of individuals played significant roles in the FOSIS policy-making process. The first one was President Patricio Aylwin. His role may be regarded as indirect, as he had no direct involvement in the FOSIS policy-making process. However, he promoted a participative policy-making process which was reinforced by his personal style as Concertacion Alliance leader and later as President. In this sense, President Aylwin contributed to the creation of a policy-making process that allowed technical considerations and debates inside the Concertacion Alliance.

Two important actors played a clear technical role in the FOSIS policy-making process<sup>40</sup>. They were Alvaro Garcia and Nicolas Flaño who participated in the creation of social funds in Guatemala and Bolivia, and that later integrated the group of experts designing the social policy strategy of the future democratic government. Thanks to their expertise

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<sup>40</sup> As mentioned, they also assumed political roles after the policy-making process, by being appointed in different positions inside the Concertacion Alliance governments.

they contributed to arrive to the decision of creating a social fund and to define the particular form of the fund.

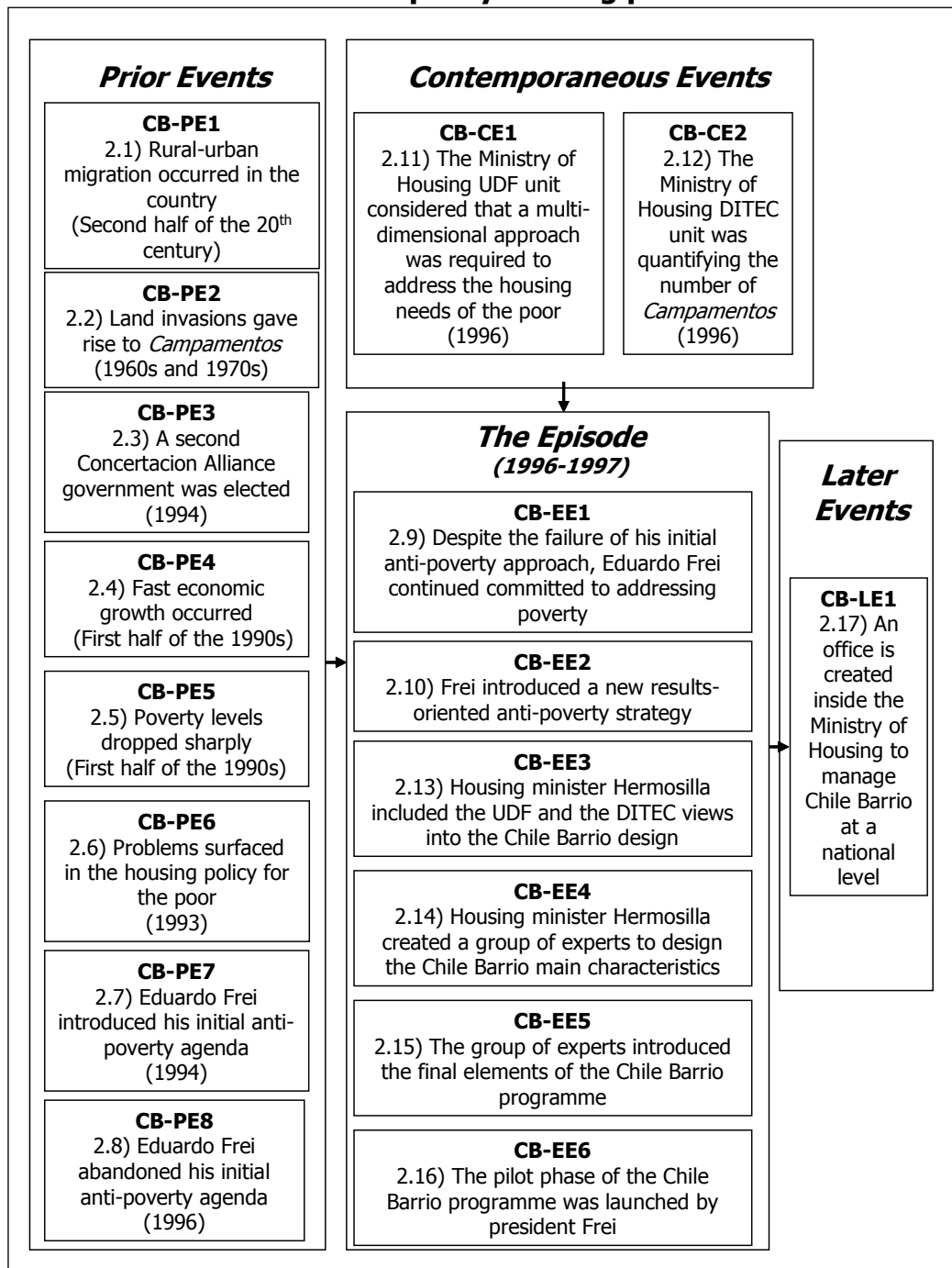
The third main process actor was Sergio Molina. He was able to visualize the big social policy framework where FOSIS was introduced. Furthermore, he helped to create this new framework by promoting the creation of social institutions related to FOSIS, such as AGCI and MIDEPLAN.

A final type of relevant actors in the FOSIS policy-making process were international organisations, mainly the World Bank and the UN's PREALC, that were promoting the development of social funds in the Latin American region during the 1980s.



## 5.2 CHILE BARRIO PROGRAMME POLICY-MAKING PROCESS

**Figure 5.2**  
**Chile Barrio policy-making process**



### **5.2.1 A continuous rural-urban migration occurred in Chile during the second half of the 20th century (CB-PE1)**

A rural-urban migration process occurred throughout the twenty century in Chile. Total urban population grew from 58.4% in 1950 to 83.3% in 1992 (Rojas, 1999:1). The capital Santiago grew from less than 800,000 inhabitants in 1930 to over 1,600,000 in 1952 (Kusnetzoff, 1997:292). In 1990, Santiago had 4,253,469 inhabitants, equivalent to 32% of the entire country's population, according to official statistics<sup>41</sup>.

This rapid urbanization process produced a sharp increase in the demand for housing that was partially satisfied by public programmes. Only during the 1960s, with the creation of the ministry of housing, did the government start providing a significant level of houses, with an average of 30,000 units built annually (Kusnetzoff, 1997:292). However, this production level was clearly below the number of houses needed to accommodate new families and to cover for the obsolescence of the housing stock, estimated in 80,000-100,000 houses per year (Rojas, 1999:12).

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<sup>41</sup> Source: National Statistics Institute of Chile (INE) website, [www.ine.cl](http://www.ine.cl)

### **5.2.2 Land invasions gave rise to *Campamentos* (shantytowns) (CB-PE2)**

Families unable to buy a house or access a public housing programme were forced to invade land and later to share homes. Massive *Tomas* (land invasions) occurred during the 1960s and 1970s, a practice that was allowed by authorities as a system's 'safety valve'. Land invasions increased from 10 in 1968 to 220 in 1970. In Santiago alone, 103 land seizures occurred in 1970. Neighbourhoods that developed from these land invasions become known as *Campamentos*, where by 1970 no less than 300,000 individuals were living (Kusnetzoff, 1997:294).

Most *Campamentos's* houses were self-help constructions built with light materials. Due to their nature as unplanned neighbourhoods they concentrated multiple problems and shortages, including deficient housing conditions, lack of basic social infrastructure such as electricity, sewerage, pavement streets, and lack of property rights for the plots of land.

*Campamentos* were located in the outskirts of big cities where land was available. Hence, a progressive concentration of poor inhabitants in the outskirts of main cities developed, leading to high social segmentation in big cities, especially in the capital Santiago.

The military regime repressed land invasions thus forcing population in need of accommodation to start sharing houses. This practice became the new system's safety valve with near 800,000 individuals sharing houses in 1983 in Santiago alone (Gilbert, 1993:61). The only land invasions that occurred under the military were *Campamento Raul Silva Henriquez* and *Campamento Juan Francisco Fresno*, comprising near 8,000 families (Kusnetzoff, 1997:297). These land seizures occurred in 1983 in the south of Santiago, thanks to an increasingly organized social movement fuelled by the deteriorated economic condition in the country during that year<sup>42</sup>.

As a result, at the beginning of the 1990s *Campamentos* were well-delimited neighbourhoods of big cities where poverty was concentrated and highly visible. They were an undeniable and highly visible indication that significant groups of Chilean population were living in miserable conditions.

### **5.2.3 A second Concertacion Alliance government was elected (CB-PE3)**

According to the Chilean constitution, the first democratic government that followed the military was allowed to stay in power for four years while the following ones should last six years. Hence, in December 1993 presidential elections were conducted in the country and Eduardo Frei Ruiz-Tagle, the

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<sup>42</sup> Chapter Seven describes the developments of *Campamentos*-related social movements under the military.

Concertacion Alliance candidate, won with a remarkable 57.9% of total votes.

#### **5.2.4 Fast economic growth occurred during the first half of the 1990s (CB-PE4)**

The first half of the 1990s is part of what local economists have described as the 'golden age' of economic growth in Chile. This period of fast growth started in the mid-1980s after the military government introduced stringent policies to adjust the economy, including a substantial depreciation of the local currency. Economic growth was led by exports and between 1984 and 1989 it averaged a 6.5% yearly rate.

The arrival of the Concertacion Alliance only furthered this growth process. During the Aylwin government (1990-1993) yearly economic growth averaged 7.7%, while under the Frei Ruiz-Tagle administration (1994-1999) it reached 5.6% (Ffrench-Davis, 2002:7). Employment responded favourably to the growth process, with an unemployment rate of 7.3% on average during the Aylwin government and of 7.4% during the Frei Ruiz-Tagle administration (Ffrench-Davis, 2002:7).

## 5.2.5 Poverty levels dropped sharply during the first half of the 1990s (CB-PE5)

In line with economic growth, poverty also showed a positive trend, as national poverty and extreme poverty incidence decreased continuously during the first half of the 1990s (Table 5.0).

**Table 5.0**  
**Chile: Poverty and extreme poverty incidence, 1987-2006 (1)**

Year	Extreme poverty (2)		Poverty (3)	
	Number (4)	% (5)	Number (4)	% (5)
1990	1,674.7	13.0	4,968.3	38.6
1992	1,206.4	9.0	4,390.6	32.9
1994	1,045.1	7.6	3,815.9	27.6
1996	822.4	5.7	3,320.5	23.2
1998	825.5	5.6	3,184.0	21.7
2000	838.2	5.6	3,038.9	20.2
2003	726.5	4.7	2,905.4	18.7
2006	516.7	3.2	2,208.9	13.7

Source: MIDEPLAN (2007).

Notes:

(1) Poverty is measured applying an income definition of poverty by comparing household per head income with poverty and extreme poverty lines.

(2) Individuals whose income is insufficient to buy one basic food basket that represents nutritional needs.

(3) Individuals whose income is insufficient to buy two basic food baskets. Poverty figures include those of extreme poverty.

(4) Thousands of individuals.

(5) Percentages over total population.

In effect, between 1990 and 1994 poverty incidence decreased from 38.6% to 27.6% of total population, while extreme poverty incidence dropped from 13.0% to 7.6%. This reduction has been attributed to the joint effect of economic growth and the social policies applied by the Concertacion Alliance (Krause and Puentes, 2001).

### **5.2.6 Problems surfaced in the housing policy for the poor (CB-PE6)**

Around 1993, independent housing experts started criticizing the government's housing policy for not providing a suitable solution for extremely poor families (Mercado, interview, June 2003; Montes, interview, July 2003). These critiques signalled a mismatch between the available government housing programmes and the particular characteristics and needs of poor families.

On the one hand, they pointed out that certain characteristics of housing programmes were preventing extremely poor families to access them. All housing programmes asked families to apply to obtain a housing benefit. In addition, programmes requested families to contribute with savings to finance a fraction of the house cost. Hence, the government housing programmes assumed that all families were able to apply for benefits and to contribute a certain amount of savings to receive it. These characteristics conflicted with the fact that extremely poor families lacked resources to make a contribution for a house, as their members were usually unemployed or sporadically employed. Besides, extremely poor families tended to have a very poor access to information and social connections, making them less likely to apply for government benefits.

On the other hand, housing experts signalled that if an extremely poor family was successful in obtaining a house from the government it was under the risk of finishing up in a worse and unsustainable situation as they would have to move to the neighbourhood where the government's housing development was located, thus disconnecting from their original social and economic networks (Mercado, interview, August 2002; Celedon, interview, September 2002; Montes, interview, July 2003). All houses provided by the government were part of urban developments, generally located in the outskirts of big cities where land was cheaper. Hence, families receiving a house had to move to a different area of the city, which was a critical decision for poor families that were surviving thanks to a strategy linked to their original neighbourhood. In this sense, families were under the risk of being sent to a more alien neighbourhood requiring them to change their traditional way of life and needing extra resources to maintain the new house and pay for the bills (Mercado, interview, August 2002; Celedon, interview, September 2002).

Based on these considerations, housing experts suggested that keeping poor families in their current neighbourhood was a necessary condition for a housing programme directed to the poor to be successful. Besides, a successful programme will have to address all shortages affecting poor families, and not just a single dimension such as their housing needs.



Carlos Montes, a socialist deputy and housing expert played a key role at this stage of the process (Nieto, interview, September 2002). Montes was an active politician in housing matters, occupying by that time the post of head of the housing commission of the deputy chamber. In 1993, the commission was pressing the government to address the housing problems of the poor<sup>43</sup>. When referring to his role in the Chile Barrio policy-making process, he notes:

“the congress and myself influenced the government by generating the sensibility required to address the problem, and by pressing for the creation of a multi-dimensional programme for a sector that by that time was outside the [housing] policy” (Montes, interview, July 2003).

### **5.2.7 Eduardo Frei introduced his initial anti-poverty agenda (CB-PE7)**

Eduardo Frei defined the overcoming of poverty as a national duty, thus providing a concrete goal to the broad objective of achieving social equity that the Aylwin’s government proposed (Clert, 2000:107).

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<sup>43</sup> Montes actions may have been even more significant. According to one interviewee, Montes may have directly suggested president Frei to follow the example of his father’s by addressing the housing needs of the poor. See section 5.2.9 in this Chapter.

For instance, in one of his first discourses as President, he expressed:

“as I noted in the Message to Congress, I think that during these last years of the twentieth century Chile has a unique opportunity to overcome extreme poverty. To achieve this goal, in my government we want to concentrate all our efforts in that 9% of our population, which represents approximately 1,200,000 Chileans who live in sub-human conditions, in abject poverty or destitution” (Frei, 1994b:2).

To advance in this direction, during the first month of his government he created the *Comite Interministerial Social* (CIS) (Multi-Ministers Social Committee) devoted to design and implement the *Programa Nacional de Superacion de la Pobreza* (PNSP) (National Plan to Overcome Poverty). Frei chaired the CIS to highlight the priority that he was giving to this effort. MIDEPLAN assumed as executive coordinator of the CIS and its technicians started designing the PNSP.

In general terms, the PNSP's aim was to bring together and coordinate existing poverty-alleviation public programmes in the poorest councils of the country. The programme assigned local authorities responsibility for coordinating and formulating local plans (Raczynski and Serrano, 2002:18).

MIDEPLAN was able to identify a total of 125 poverty-alleviation programmes being implemented in the country by different government institutions. It also listed 79 councils along the country that were displaying the highest poverty levels. Hence, the PNSP was planned to be focused on these 79 councils.

Concurrently to the creation of the CIS and the PNSP, Frei formed the *Consejo Nacional para la Superación de la Pobreza (CNSP)* (National Board for Overcoming Poverty), composed of 20 members representing all Chilean civil society. Their mission was to cooperate with government to achieve the aim of eradicating poverty from the country. In particular, they were asked to advise government in the areas of social policy and poverty-alleviation programmes.

### **5.2.8 Eduardo Frei abandoned his initial anti-poverty agenda (CB-PE8)**

By 1996, unsatisfactory and highly diverse PNSP results emerged in different councils. Lack of fresh resources for the PNSP, plus difficulties in implementing a multi-sectoral and participative approach at the local level by using the traditional government structure have been suggested as main causes of this early failure (Raczynski and Serrano, 2002:19). Foxley (2004:13) confirms that a lack of fresh resources for Municipalities to implement the PNSP contributed to the failure of the programme. In

addition, he suggests that the programme was controversial to implement as it was directed only to the 79 poorest Municipalities of the country, which many times were just slightly poorer than the non-selected group. At the end of the day, it is likely that the combination of an excessively ambitious programme with a rigid and hard to articulate public sector explained the failure of the PNSP.

As a result of its insufficient results, the Frei administration started losing faith in the PNSP, considering it too wide and diffuse (Calderon, interview, September 2003). Besides, the administration became convinced that poverty eradication was a long run process where economic growth played the main part. Hence, at the third year of his government, president Frei definitely abandoned the PNSP programme (Raczinsky and Serrano, 2002:20; Calderon, interview, September 2003).

The CIS started being operated by lower-ranking government officials with no significant decision-making means. The CNSP disappeared as a formal government's advisory group. However, their members decided to continue their activity as an NGO, renaming the group as the *Fundacion Nacional para la Superacion de la Pobreza* (FNSP) (National Charity for the Overcoming of Poverty).

As Egaña (Interview, January 2007) explains:

“the CIS failed because its goal was to coordinate programs yet it had no political authority to act as a social authority . . . later the CIS dissipated. The CNSP that represented the non-governmental leg of the plan was also diluted . . . As these two groups were dismantled during the first half of 1997, the search for alternative instruments began, and when the Chile Barrio programme arrived it was like the icing on the cake”.

### **5.2.9 Despite the failure of his initial anti-poverty approach Eduardo Frei continued committed to addressing poverty (CB-EE1)**

As the son of Chilean ex-president Eduardo Frei Montalva, Eduardo Frei Ruiz-Tagle belongs to a family of renowned Christian Democrat politicians. Frei Montalva governed the country between 1964 and 1970, introducing a number of social reforms to improve the life conditions of the least well-off population<sup>44</sup>.

It may be argued that Frei Ruiz-Tagle inherited from his father the concern for the least well off. A number of interviewees agree that President Frei Ruiz-Tagle was highly committed to overcome poverty during his government and some of them even mention that he appeared

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<sup>44</sup> See Chapter Four.

to be 'obsessed' with this idea (Montes, interview, July 2003; Calderon, interview, September 2003; Anonymous, interview).

Eduardo Frei Ruiz-Tagle combined a favourable view towards economic growth and entrepreneurial activity with a strong commitment to advance the overcoming of poverty. Trained as a civil engineer, he spent part of his career in the private sector where he developed a sympathetic view of the roles that this sector and economic growth can play in the country. He started his political career as senator in 1989, becoming president of the Christian Democrat Party in 1991.

#### **5.2.10 Frei introduced a results-oriented anti-poverty strategy and asked his housing minister to create a new poverty-alleviation programme (CB-EE2)**

After the failure of the PNSP, Eduardo Frei looked for a less ambitious initiative to fight extreme poverty, searching for visible actions with the potential to generate measurable results (Clert, 2000:115).

Purely political considerations may have also played a role in this change of approach (Anonymous, interview). According to this opinion, the PNSP main characteristics, i.e. its size, complexity, and its initially poor results made it a hard candidate to generate political benefit in the short to medium run. Instead, programmes producing tangible, visible and

achievable results were considered more likely to generate these benefits<sup>45</sup>.

In any case, the end of the PNSP at the third year of Frei's six year presidential period created a worrying gap in his social agenda, with no programme addressing his initial ambitious plans of overcoming poverty in the country (Calderon, interview, September 2003). Hence, in 1996, president Frei asked his housing minister Hermosilla to create a specific programme to address the housing needs of the poor (Araos, interview, August 2002; Nieto, interview, September 2002; Calderon, interview, September 2003).

In the words of an anonymous interviewee:

“President Frei asked [Minister Hermosilla] to try to develop a project within the Ministry of Housing to address a specific social problem, an urgent and visible problem that could be displayed”.

The interest of Eduardo Frei Ruiz-Tagle to address this problem has been interpreted as an attempt to finish a job that his father started (Celedon, Nieto, interviews, September 2002). In 1964 Eduardo Frei's father

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<sup>45</sup> In a more crude language, the idea was to follow a strategy that produced *foto y voto* (a photo and a vote), that is, visible results with positive impact in public opinion (Anonymous interviewee).

created the *Operacion Sitio* (Plot of Land Action) to provide a serviced plot of land to poor families for them to self-build their house. At the end of the day, *Operacion Sitio* was considered unsuccessful in achieving its goals, mainly due to a lack of resources. The programme became caricaturized as *Operacion Tiza* (Chalk Action) as population realized that most of the times it only involved the delimitation of the plot of land with chalk, without the promised provision of basic services (Kusnetzof, 1997:293).

#### **5.2.11 The Ministry of Housing UDF unit considered that a multi-dimensional approach was required to address the housing needs of the poor (CB-CE1)**

As a result of the already mentioned criticisms received from Congress, two separate units inside the ministry of housing were addressing the problems of the programmes directed to the poor. These were the *Unidad de Difusion y Fomento* (UDF) (Promotion and Dissemination Unit) and the *Direccion Tecnica* (DITEC) (Technical Direction).

The UDF was created at the beginning of the 1990s by the minister of housing Alberto Etchegaray to advise him on social issues. The unit was composed by a group of social workers that were in close contact with the reality of the poor population and their housing needs, thanks to their frequent visits to poor housing areas. From these experiences they



became convinced that to address the housing needs of the poor a multi-dimensional approach was required. From their view,

“poverty is an integral problem. As a result, the provision of just a house does not resolve the central problem. Instead, providing poor families with a house and transferring them to a new neighbourhood creates social conflict in the receiving area and breaks all the social nets that the family had in their original location . . . after a while, most of the families in this situation prefer to return to their original neighbourhoods” (Celedon, interview, September 2002).

#### **5.2.12 The Ministry of Housing DITEC unit was quantifying the number of *Campamentos* (CB-CE2)**

While the UDF was developing a view about how to address the housing needs of the poor population, DITEC was focusing its concerns on the specific issue of quantifying *Campamentos*. As a result, in 1995 DITEC commissioned an external study to quantify the number of *Campamentos* in the country. Thanks to this investigation, a clear assessment of the number of *Campamentos* became available. Precarious settlements were identified according to the existence of legal terrain ownership, the availability of basic services, and the structural conditions of houses. Results of the study became available in 1996, showing that a total of 972

*Campamentos* existed in the country, comprising 500,000 inhabitants. Later, DITEC commissioned another study to obtain a socio-economic characterization of *Campamentos* inhabitants. The study found that the majority of individuals living in *Campamentos* were poor or extremely poor persons (Araos, interview, August 2002).

### **5.2.13 Housing minister Hermosilla included the UDF and the DITEC views into the Chile Barrio design (CB-EE3)**

After receiving the president's request and consulting with his UDF advisers, minister Hermosilla concluded that in order to address the housing needs of the poor a multi-sector programme was required, with housing being only one component of the programme. President Frei agreed with this approach. Hence, the opinions and influence of UDF members was significant in designing a programme that addressed the housing needs of the poor by applying a multi-dimension approach (Celedon, interview, September 2002).

On its side, DITEC's quantification of *Campamentos* helped Hermosilla to reduce the scope of the programme from the broad universe of extremely poor families to the inhabitants of *Campamentos* only (Araos, interview, August 2002; Celedon, interview, September 2002; Montes, interview, July 2003; Calderon, interview, September 2003). This data allowed the government to identify a well-defined, concrete and visible problem that

was compatible with the new directions that the poverty-alleviation agenda was following. Besides, the availability of a technically sound quantification of *Campamentos* provided a solid foundation for the Chile Barrio policy-making process (Araos, interview, August 2002).

#### **5.2.14 Housing minister Hermosilla created a group of experts to design the Chile Barrio main characteristics (CB-EE4)**

Once it was decided that the programme should provide a multi-dimension approach focusing on the 972 *Campamentos* already identified, minister Hermosilla created a multi-sector group to design the programme details. This group was composed of experts from different government institutions (such as members of the Ministry of Housing, MIDEPLAN, FOSIS, plus representatives from other smaller government institutions) that were likely to be involved in the programme's implementation.

#### **5.2.15 The group of experts introduced the final elements of the Chile Barrio programme (CB-EE5)**

The first activity of the group was to look for examples of similar programmes in the Latin American region. Thanks to the participation of one group member in a housing seminar organized in Brazil, they discovered the *Favela Bairro* (Shantytown Neighbourhood) programme, being applied in Rio de Janeiro. The entire group of experts travelled to

Rio to learn insitu about this experience. *Favela Bairro* was a programme of social promotion, directed to help inhabitants of shantytowns. This programme also provided a clue to the Chile Barrio programme's name (Nieto, interview, September 2002). More importantly, the programme confirmed that a social development programme directed to poor neighbourhoods was a feasible option.

To design a multi-sector programme, the group decided that in addition to taking care of the housing needs of *Campamento's* inhabitants, the programme should ensure the quality of the urban structure surrounding the *Campamento*, and provide educational and training opportunities for *Campamento's* inhabitants.

The group decided to start implementing the programme with a pilot phase. According to one interviewee, this choice responded to the political requirement of executing the programme in such a way that positive results were obtainable and verifiable in the medium run. Hence, five particular *Campamentos* were selected for this initial stage, mainly because basic infrastructure was already being built there, thus increasing the chance of having visible results in the short run (Anonymous, interview).

In the words of this anonymous interviewee:

“the pilot worked in five settlements from three regions of the country that were chosen because infrastructure solutions were most advanced, so President Frei would be able to show something by the end of the year”.

#### **5.2.16 The pilot phase of the Chile Barrio programme was launched by President Frei (CB-EE6)**

The 21st of May 1997 in his annual nation’s address, President Eduardo Frei launched the pilot phase of the Chile Barrio programme. There he expressed:

“[we do not want] more misery in riverbeds!, in the outskirts of cities!, near rail tracks!, we want a Chile without *Campamentos*, with dignified houses for our people!” (Frei, 1997).

#### **5.2.17 An office was created inside the Ministry of Housing to manage Chile Barrio at the national level (CB-LE1)**

During 1998, the definitive phase of the programme was implemented with the creation of a specific institution that covered the entire country. A

directorate and an executive manager were established at the government's central level, a structure that was also replicated at the regional level. This organization was physically and financially linked to the ministry of housing.

### **5.2.18 Summary**

The mapping of the Chile Barrio policy-making process has revealed that the second Concertacion Alliance government assumed power amid high economic growth and a continuous reduction of poverty. These facts, in addition to the strong presidential interest in addressing poverty resulted in the setting of ambitious government goals in the poverty-related area.

The narrative has shown that the failure of Frei's initial poverty-alleviation strategy, just in the middle of his administration, created a vacuum in his poverty-alleviation agenda. In parallel to this failure, housing experts were stating that the government's housing policy for the poor was failing. As a result, the President decided to address this problem by creating a new programme that would fill this space in his agenda.

The process of designing the programme was influenced by the availability of a clear quantification of *Campamentos* inside the ministry of housing, which allowed focusing the programme to a well-bounded group of individuals. Besides, the experiences and opinions of experts inside the

ministry contributed to designing the programme as a multi-dimension approach to address poverty. Finally, the knowledge of a similar poverty-alleviation programme implemented in Brazil was an important influence on the final design phase of the process.

Regarding main actors in the Chile Barrio policy-making process, President Eduardo Frei comes first as the initiator of the process. He contributed not only with the general orientation that he gave to his government to advance in the overcoming of poverty, but also by directly instructing his housing minister to create a specific programme to address the housing needs of the poor.

Housing minister Edmundo Hermosilla comes second in the line of main actors as he played a fundamental role in the part of the process that was carried out inside the ministry of housing. He decided to create a multi-sector programme focused on *Campamentos*, and to set a group of experts to finalise the design process.

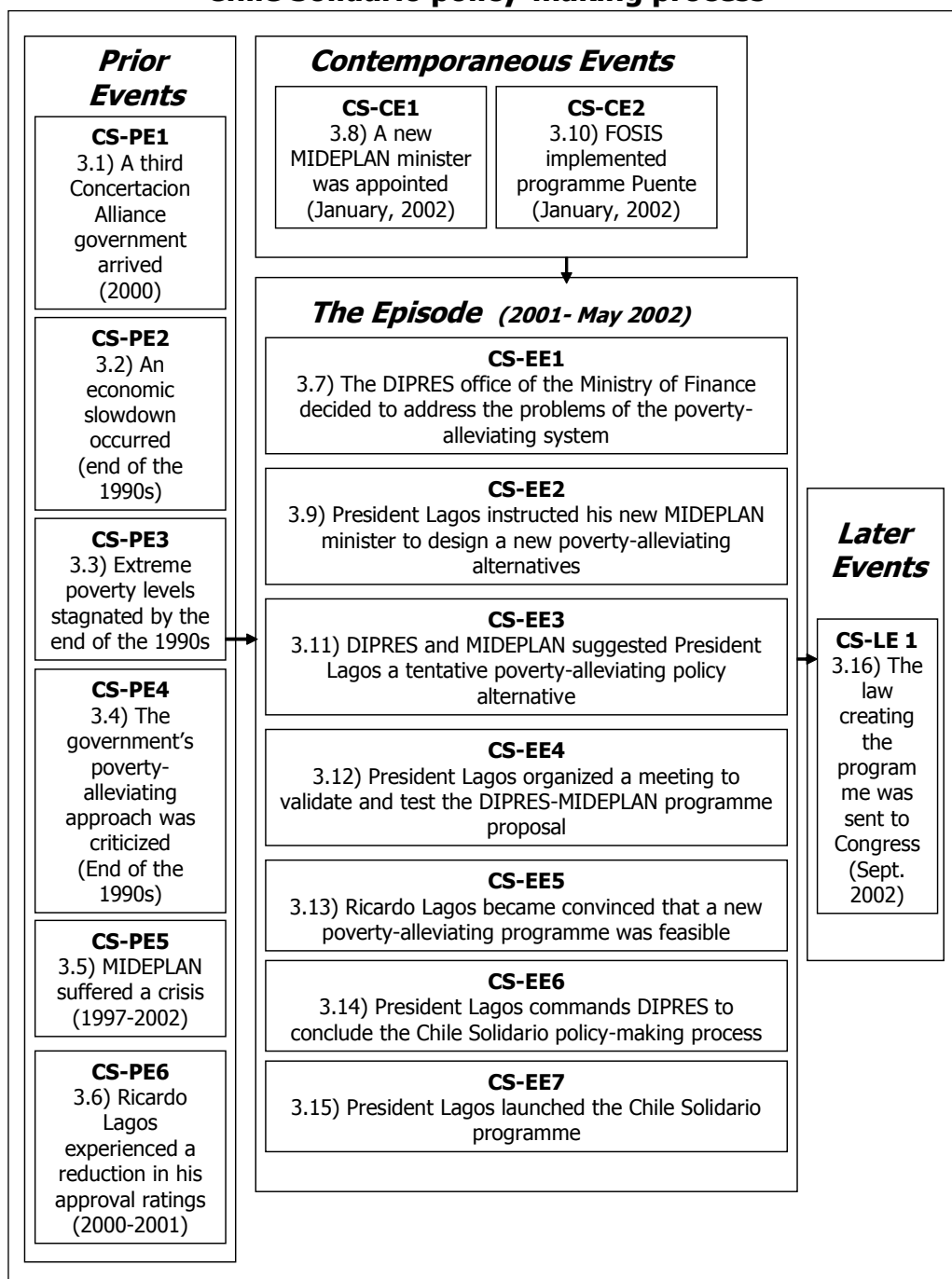
Other actors included Carlos Montes, a Concertacion Alliance deputy and housing expert, who from his post at the deputy chamber pressed the government to modify the current housing policy approach applied to address the housing needs of the poor. As well, the experts from the ministry of housing and from other government institutions that formed

the group in charge of designing the Chile Barrio programme contributed their technical knowledge in the final design phase of the process.



## 5.3 CHILE SOLIDARIO PROGRAMME POLICY-MAKING PROCESS

**Figure 5.3**  
**Chile Solidario policy-making process**



### **5.3.1 A third Concertacion Alliance government arrived (CS-PE1)**

On March 11<sup>th</sup> 2000, Ricardo Lagos assumed the presidency of Chile, becoming the third president of the Concertacion Alliance to govern the country. He was the first socialist president of the Concertacion Alliance era after two Christian Democrat governments.

From the beginning of his government, Lagos reiterated his goal of pursuing social justice, claiming that development and progress should reach all sectors of the population. In his first message to the nation, just two months after assuming the presidency, he declared:

“we will put forward reforms in the social, political, economic and cultural areas. These are not going to be any type of reforms, as Chile doesn’t requires any kind of change, but only those that allow our children to grow in equality and freedom, securing that all individuals that are born in our land have the same possibilities, regardless of the place and conditions in which they are born” (Lagos, 2000).

Ricardo Lagos may be described as a heavyweight Chilean politician. Trained as a lawyer and economist, he worked for the United Nations during the 1970s and assumed a key role during the fight for democracy in Chile during the 1980s, as one of the leaders of the Socialist party and

as the president of the *Alianza Democrática* (Democratic Alliance), a political force that grouped most of the parties opposed to the military regime.

Lagos had a great impact on public opinion and consolidated his political authority during the months running to the 1988 'yes-no' referendum<sup>46</sup>. After almost 20 years of no political discussions in the country, a television programme allowed some opposition politicians to express their ideas in favour of the 'no' option. There, while pointing his finger to the camera, Ricardo Lagos asked the fearsome general Pinochet to fulfil his promise of allowing democracy to return to the country and to stop his personal ambition of remaining in power. This gesture had big repercussions on both public opinion and the media, locating Lagos among the top leaders of the democratic opposition (Aylwin, 1998:352).

Later, when democracy arrived, Lagos assumed as Aylwin's education minister, and as infrastructure minister under the Frei government, contributing in both positions to the implementation of significant reforms, and demonstrating his skills not only as a party politician but also as a successful minister.

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<sup>46</sup> See: Section 5.1.5 in this Chapter.

### **5.3.2 An economic slowdown occurred by the end of the 1990s**

#### **(CS-PE2)**

President Lagos was assuming power amid a troubled economic environment. A recession linked to the Asian crisis affected the country in 1999, when the GDP dropped 1.1%. While economic growth returned in 2000 with a satisfactory 4.4% growth rate, the economy was proving hard to generate new jobs at the same speed as during the 1990s. Unemployment reached 8.9% in 1999, and 8.3% in 2000, figures well above the 1990s decade minimum of 5.3% obtained in 1997.

### **5.3.3 Extreme poverty levels stagnated by the end of the 1990s**

#### **(CS-PE3)**

Regarding poverty, by the end of the 1990s CASEN data showed a less positive picture than during the first half of the decade (MIDEPLAN, 2007) (see Table 5.0 in this Chapter). While poverty incidence decreased all along the 1990s, the speed at which it dropped was clearly slower in the second half of the decade. For instance, between 1998 and 2000 the incidence of poverty dropped slightly from 21.7% to 20.2%.

The evolution of extreme poverty incidence was more worrying. After dropping sharply and continuously between 1990 and 1996 from 13.0% to

5.7%, it remained practically static for the following four years (MIDEPLAN, 2007). Furthermore, the number of individuals living in extreme poverty increased slightly between 1996 and 2000 with near 832,000 individuals, equivalent to 225,000 families living in extreme poverty by 2000.

This new poverty scenario was not a minor problem for the Concertacion Alliance. As already mentioned, a key Alliance goal was to introduce more social justice in the country, ensuring that economic growth benefitted all individuals, particularly those in the most disadvantaged positions. While 1999 showed an economic downturn, between 1996 and 2000 the economy showed a healthy 5% yearly average growth rate, making unlikely that the stagnation in extreme poverty levels resulted from a lack of economic growth.

#### **5.3.4 The government's poverty-alleviation approach started being criticized (CS-PE4)**

As a result of this new poverty situation, discontent started to come out among Concertacion Alliance experts and politicians in relation to the prevailing poverty-alleviation strategy.

As two interviewees stated,

“from some time the Concertacion has been thinking of giving a turn to social policy. There exists a feeling that equity problems are still serious in the country, which is highlighted by the stagnation in extreme poverty. There still exists a pending debt in terms of social equity” (Anonymous, interview).

“I believe that the Chile Solidario programme responds to the realization among policy makers that we would not be able to tackle the hard core of poverty ” (Montes, interview, July 2003).

While the Government attributed the lack of progress in reducing extreme poverty to the recent slow down in economic growth (MIDEPLAN, 2001), independent experts signalled the possibility that the current poverty-alleviation approach was proving to be inadequate in addressing an increasingly complex phenomenon (Raczinsky and Serrano, 2002). It was argued that despite the reduction in poverty incidence, there existed a ‘hard nucleus’ of extreme poverty that was difficult to address with existing social policy programmes (Raczinsky and Serrano, 2002). Furthermore, these experts indicated that the government’s poverty-alleviation programmes were showing rigidities and poor participation

levels (Raczinsky and Serrano, 2002). Specialists linked to the opposition focused their concerns on the degree of targeting of these programmes (Irrarrazaval, interview, September 2003). According to these opinions, the lack of progress in reducing extreme poverty in the country suggested that social expenditure was not benefitting the poorest of the poor.

### **5.3.5 MIDEPLAN suffered a crisis (CS-PE5)**

Back in 1997 and during the Frei administration, MIDEPLAN, the institution in charge of overseeing the government's poverty-alleviation approach, started having problems with its role and functions inside government, particularly regarding its role as coordinator of social policy programmes directed at the poor. These problems became evident when President Frei openly proposed to close the ministry, after the failure of the PNSP programme that was under MIDEPLAN's coordination<sup>47</sup>. The idea of closing MIDEPLAN never materialized, but generated a lot of noise and trouble inside this ministry.

The opposition's opinion about MIDEPLAN's was also negative. For instance, in its balance of the 2002 performance of ministries, the opposition-linked *Instituto Libertad* (Freedom Institute) think-tank stated

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<sup>47</sup> See section 5.2.7 in this chapter.

that, "each MIDEPLAN's initiative has been synonym to failure and bad planning"<sup>48</sup>.

### **5.3.6 President Ricardo Lagos experienced a reduction in his approval ratings (CS-PE6)**

After arriving in power on March 2000, Ricardo Lagos started suffering a continuous reduction in his approval ratings, according to surveys from think tanks linked to different political views. In effect, the opposition-related CEP National Opinion Survey (CEP, 2002), showed that from a 49% public approval of his administration in July 2000, he dropped to 44% in January 2002. Likewise, the opposition-linked *Fundacion Futuro* (Future Foundation) public opinion survey (Fundacion Futuro, 2002), demonstrated a reduction in the percentage of population approving the Lagos government from 57% in April 2000, to 38% in December 2001. In the same line, the pro-Concertacion Alliance CERC National Survey (CERC, 2002), showed a reduction from 67% of government approval in May 2000 to 53% in December 2001.

Hence, despite differences in the approval ratings levels of the Lagos' administration, all surveys were showing a fast reduction in public support for Lagos, a situation that corresponded most likely to the poor

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<sup>48</sup> Cited in: [www.emol.com/noticias/documentos/evaluacion\\_lyd.asp](http://www.emol.com/noticias/documentos/evaluacion_lyd.asp)



performance of the economy. Egaña (interview, January 2007) confirms this view:

“I think that the Chile Solidario programme’s appearance came as a result of two very pragmatic political considerations rather than public policy issues. The question that was asked was: what can we do to recover political capital in a relatively complex economic crisis and in a political scenario where the government has been greatly discredited?”.

### **5.3.7 The DIPRES office of the Ministry of Finance decided to address the problems of the poverty-alleviation system (CS-EE1)**

In 2001 and as a response to the discontent with the government’s strategy directed at the extremely poor, a group of experts from the finance ministry’s *Direccion de Presupuesto* (DIPRES) (Budget Office), led by its director Mario Marcel, decided to start analysing the safety net system for the poor in order to propose ways to improve it (Crispi, interview, September 2002)<sup>49</sup>. They considered that, given the failure of economic growth to reduce extreme poverty levels, improving the safety

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<sup>49</sup> DIPRES is the office allocating financial resources to ministries and other government agencies. Its main objective is to “secure an efficient use and allocation of public resources in accordance with fiscal policy, through the application of financial management, planning and control tools and systems” (DIPRES, 2004). This role gives DIPRES a privileged position inside the Chilean government to influence policies.

net system was the only option available to the government. As Moreno (interview, December 2006) states:

“Marcel was proposing a modification to the non-contributory safety-net system of monetary transfers . . . his outlook was based on the stagnation in [extreme] poverty levels. . .”.

The Chilean non-contributory safety net system, created during the military regime, comprised a group of means tested monetary transfers<sup>50</sup>. The Concertacion Alliance adopted the system as it was considered an appropriate palliative response to extremely poor individuals that were unable to benefit from the social investment programmes. As mentioned in Chapter Four, during the 1990s most of the Concertacion Alliance initiatives relating to these programmes were focused on increasing the amount of the transfers.

DIPRES decided to start evaluating the system by contracting the World Bank to assess and propose alternatives to improve the system. Many meetings between DIPRES and World Bank experts were conducted and about ten preliminary papers were produced by the World Bank during 2001. By March 2002, DIPRES started hurrying the World Bank to finish the study and provide a document with final results and proposals (Crispi, interview, September 2002).

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<sup>50</sup> See Chapter Four.

In Crispi's own words (interview, September 2002):

"we were hurrying the World Bank people as we wanted their analysis quickly. . . we validated [our view] a lot with the [World Bank] experts' analysis which was similar to our own".

Simultaneously, during 2001 DIPRES worked with Berta Teitelboim, the head of MIDEPLAN's Social Studies Department, to analyse the characteristics of the extremely poor population as well as the level in which the safety net system was covering them. This information, obtained from the CASEN survey, allowed them to estimate the cost of a possible expansion of the system.

Besides, during 2001 DIPRES invited an expert from the Spanish social security ministry to explain their approach. Interviewees suggest that by highlighting the key role that municipalities played in the Spanish system, the Spanish expert contributed to recognizing the importance of giving municipalities a central role as articulators of the safety net system and as a single access point where families can obtain the different benefits that the government offers (Crispi, interview, September 2002).

As a result, by the end of 2001 DIPRES was able to identify the main weaknesses of the Chilean safety net system (Crispi, interview, September

2002). These flaws were a lack of integration between the different programmes of the system; disparities between programmes in their eligibility criteria for beneficiaries; absence of a focus on families as objective units (as most programmes were directed to individuals); existence of multiple and unclear 'windows' to access benefits; and excessive reliance of the system on the beneficiary's initiative to apply for benefits.

### **5.3.8 A new MIDEPLAN minister was appointed (CS-CE1)**

In January 2002, Cecilia Perez was appointed as new MIDEPLAN minister. Her arrival was part of an important restructure of Ricardo Lagos' cabinet, with six new ministers arriving.

Perez fitted the profile that President Lagos was looking for his cabinet, as a person coming from the civil society world and with previous experience in the poverty field (Perez, interview, January 2007). In effect, she occupied the post of executive director of the FNSP NGO during 2001.

Some informants perceived her as a flexible and well regarded person by the president, lending support to the idea that this may have been a presidential move to start preparing the ministry to assume new roles and to strengthen its position inside government (Marquez interview, September 2002; Moreno, interview, December 2006). In their own words:

“Cecilia Perez did not have her own agenda nor did she contribute to the government’s agenda, she was told exactly what she had to do, and that came directly from *La Moneda*” (Moreno, interview, December 2006).

Perez herself appears to confirm this view. She declares that inside government they were interested in having

“an available and willing MIDEPLAN ministry, conducted by a minister qualified to understand the subject [of poverty]” (Perez, interview, January 2007).

### **5.3.9 President Lagos instructed his new MIDEPLAN minister to start looking for new poverty-alleviation alternatives (CS-EE2)**

Immediately after arriving in office, Cecilia Perez was instructed by President Lagos to start thinking of new poverty-alleviation policy alternatives (Perez, interview, January 2007).

According to Perez,

“the president had the clear intention of doing something new in the social field, something powerful in the areas of social exclusion and poverty . . . [because] he had very well addressed other social areas such as health, justice, labour and housing, all already incorporated into his agenda . . . so he asked me for proposals”.

Hence, in order to fill this gap in the government’s agenda, Minister Perez started discussing with MIDEPLAN’s experts about possible policy alternatives.

Marquez (interview, September 2002) comments on President Lagos’ reasons for addressing poverty:

“[I heard ] Lagos mention that during his mandate he would be evaluated not by the components of his social policy [approach] such as participation or targeting levels, but by how many poor or extremelly poor were still living in Chile”.

### **5.3.10 FOSIS implemented programme Puente at the beginning of 2002 (CS-CE2)**

In January 2002, FOSIS started implementing programme *Puente* (Bridge), as a pilot programme aimed to improve the living conditions of extremely poor families. The programme commenced working in four regions of the country to help 14,000 extremely poor families.

Veronica Silva, a social worker, was the person behind the creation of the programme. She arrived in FOSIS in 2001, after working as head of MIDEPLAN's Social Division. Prior to this post, she worked at the populous *La Florida* Municipality in Santiago, where she obtained a direct experience of the problems affecting the poor. In 2000, during her position at MIDEPLAN, Silva designed the methodology behind the Puente programme, which she was able to materialize later while at FOSIS (MIDEPLAN, 2002).

In many respects, programme Puente represented a significant departure from the traditional way in which the Chilean state addressed extreme poverty. For instance, the programme defined the family as its focus of attention (instead of individuals, as in most social programmes); it encouraged families to develop behaviours that improve their living conditions and facilitated their access to the social benefits that the state provides. The programme also provided psychosocial support to families.

The core of the programme was the establishment of an agreement between the beneficiary family and a programme representative, with the family committing to take appropriate actions to improve their socio-economic situation. In exchange, the representative offered guidance, psychosocial assistance and information on how to access the existing government's social benefits.

### **5.3.11 DIPRES and MIDEPLAN suggested President Lagos a tentative poverty-alleviation policy alternative (CS-EE3)**

When arriving at MIDEPLAN in January 2002, Cecilia Perez contacted Veronica Silva as well as Berta Teitelboim, to respond to the President's request. Soon they concluded that the Puente programme was a potential alternative to fulfil the President's demand of a new poverty-alleviation programme. While still a very new programme working at a pilot phase, they considered that it was suitable of being enlarged to cover the entire country. After arriving at this conclusion, Perez had a meeting with the DIPRES group to present programme Puente as a potential new poverty-alleviation programme, and to verify DIPRES' opinions.

The DIPRES group were clear that programme Puente would address many of the problems that they were detecting in the safety net system (Crispi, interview, September 2002). In effect, the programme was



suitable to serve as the single 'entrance door' to the government's safety net system, allowing extremely poor families to access the entire government's net of benefits. Besides, programme Puente would let the state to assume a more proactive role in its poverty-alleviation strategy, thanks to the role of the programme representative.

A meeting between Cecilia Perez, the DIPRES group and President Lagos occurred by the end of January 2002, to present Ricardo Lagos these ideas. Cecilia Perez (interview, January 2007) expresses the reaction of President Lagos,

"the President liked the idea . . . but at the same time he was doubtful, he said that he wanted to discuss this idea with other people; that he wanted to listen to different opinions".

### **5.3.12 President Lagos organized a meeting to validate and test the DIPRES-MIDEPLAN poverty-alleviation programme proposal (CS-EE4)**

Given the President's doubts, DIPRES considered it appropriate to organize a meeting between the President and a wide group of social policy experts. It was envisaged that the participation of the President

would give the meeting an attractive Presidential status, thus securing the attendance of the experts (Crispi, interview, September 2002).

In March 2002, President Lagos organized the meeting in his private office, where experts with different political views as well as government representatives from different ministries and NGO's members attended. Particularly, attendants included advisers to the President, the minister of finance, the newly arrived MIDEPLAN minister, the head of programme Puente, FOSIS representatives and academic experts. Opposition views were represented by two social policy experts.

The meeting started with a presentation made by Mario Marcel, the head of DIPRES, to highlight the problems that the Chilean safety net system was experiencing. Afterwards, the solution proposed by DIPRES and MIDEPLAN to the President was introduced as an alternative to address these problems. In this regard, Veronica Silva was able to explain the main features of programme Puente and to show the favourable initial evaluations that it was obtaining. She also suggested that the programme was suitable to be replicated at the national level.

During the meeting President Lagos asked participants their opinions about the differed issues being discussed, particularly about the possible policy alternatives to address the problem of extreme poverty stagnation.

The meeting generated significant expectations among non-government participants who viewed it as the first step of an open and participatory policy-making process. A few weeks later, these expectations resulted unfulfilled as they concluded that the meeting was carried out only to validate an already well-advanced idea, rather than to generate an open and participatory policy-making process. These negative perceptions were a response to the celebratory manner in which the programme was launched, only one month after the meeting. In their own words,

“the meeting was carried out just to announce us what the government was planning to do” (Baranda, interview, September 2003).

“everything was well cooked before they invited us to the meeting . . . at most they were trying to obtain a last minute validation from people involved in the subject” (Irrarrazaval, interview, September 2003).

“in my opinion, the only reason for the meeting to occur was to say that they consulted all these organisations” (Esposito, interview, September 2003 ).

Minister Peres herself confirms this view:

“[in the meeting] there was no debate at all, it was more a sort of checking . . . a practice employed by the president. But after that it was a completely internal construction that applied financial and political logic” (Perez, interview, January 2007).

### **5.3.13 President Ricardo Lagos became convinced that a new poverty-alleviation programme was feasible (CS-EE5)**

Some meeting participants agreed that the main role of the meeting was that it allowed President Lagos to realize that a new programme to overcome extreme poverty was feasible (Crispi, Marquez, interviews, September 2002). Lagos ended the meeting encouraged by the idea of creating such a programme and many participants left the meeting with the certainty that this programme will become a reality, thanks to the President’s will. Cecilia Perez was of the view that the meeting allowed confirmation of their ideas, thus legitimizing the poverty-alleviation alternative that they were trying to introduce (Perez, interview, January 2007).

In Perez' words:

“what happened in that meeting was that all our hypotheses were confirmed, which provided a tremendous legitimacy . . . the President was seeking to legitimize [the programme] that we wanted to implement . . . what was presented were just sketches of what we were trying to do, a diagnosis of the situation and some clues as to what we wanted to do”.

The fact that during the meeting President Lagos showed a clear interest in creating a new programme prompted some of the participants to advance independently in designing the programme (Crispi, interview, September 2002). In effect, after the meeting with the President, three different groups inside the government started independently designing the future Chile Solidario programme. Apart from the DIPRES group, MIDEPLAN started working on the proposal autonomously as well as a group formed by some Lagos advisers.

According to Crispi (interview, September 2002):

“The President ended the meeting convinced that something needed to be done, so we all left the meeting thinking that we were going to do something in this area, specially given (President) Lagos’ interest . . . we were planning on waiting for the final results of the [World Bank study] to decide what to do . . . [however] unintentionally we triggered some political dynamics with that meeting, so different groups [inside the government] started developing projects and ideas. . . we were thinking in longer terms. Our idea was that during the 21st of May [presidential message] only a small mention of what we were doing would be made and that we would have the rest of the year to think and design, but everything accelerated given the high interest of the President and the fact that different groups started working”.

#### **5.3.14 President Lagos commanded DIPRES to conclude the Chile Solidario policy-making process (CS-EE6)**

In light of this competition to influence and ultimately design the programme, the DIPRES group claimed to the President their authority to conclude the policy-making process. Lagos accepted DIPRES’ request but with the condition of having the programme ready to be launched during

his next message to the nation on the 21st of May, that is, just in one month time, a requirement that DIPRES accepted.

Interviewees confirm the existence of discrepancies inside the government regarding the new poverty-alleviation programme. They recall that during the Chile Solidario policy-making process,

“internal discussions were strong, we disagreed frequently, we argued, both inside MIDEPLAN and with the DIPRES”  
(Perez, interview, January 2007).

“there were weeks of friction, debate and discussion with people from other parts of government about what to do”  
(Crispi, interview, September 2002).

In this period, the final Chile Solidario design was accomplished frantically by the DIPRES group, with the support of MIDEPLAN. The design process included two discussion meetings with some of the experts that attended the president’s meeting. DIPRES had to negotiate some characteristics of the programme with the powerful group of advisers to the president that were also working in the programme, which resulted in a final design that compromised the views of the two groups (Crispi, interview, September 2002).

In general terms, the president's advisers were trying to maximize the political impact of the programme by tying to it a new monetary transfer to beneficiary families. The DIPRES group was contrary to this new transfer, as they viewed no need to create a new monetary benefit. Instead, they preferred improving the working of the existing ones. At the end of the day, DIPRES was forced to accept the introduction of a new monetary transfer, although obtaining a reduction in its amount and limiting its provision only as long as beneficiary families remained in the programme (Crispi, interview, September 2002). In Crispi's words (interview, September 2002):

“what arose from all this was that our design had to be modified a little bit, so the *Bono Familiar* (Family transfer) was introduced even though it was not in our original plan. We had no interest in introducing new instruments as we thought there were enough monetary transfers. What was needed was to put them in order and to improve the way in which the existing instruments targeted that (population) group”.

Crispi (interview, September 2002) explains that the final Chile Solidario policy-making process “was like fitting pieces of a puzzle together”. One important piece in this puzzle was MIDEPLAN, which provided the institutional setting for the programme. In the final Chile Solidario design,



MIDEPLAN was given the role of coordinating and overseeing the implementation of the programme, resulting in a total re-alignment of its traditional duties. This was clearly a win-win situation for MIDEPLAN as this new role allowed a strengthening of its weakened position inside government. According to Crispi, at the time when Chile Solidario was being designed, MIDEPLAN was like an institution looking for a reason to exist, and Chile Solidario became that reason (Crispi, interview, September 2002)<sup>51</sup>. In Crispi's own words (interview, September 2002):

“one question was who was going to implement the programme. There were people saying that this should be the duty of the *Superintendencia de Seguridad Social* (Social Security Superintendency) as they were already administering some monetary transfers. (However) we said that the huge MIDEPLAN infrastructure would be needed . . . it was time for MIDEPLAN to assume a powerful role . . .”

A final ingredient in the Chile Solidario design was the CASEN survey, which allowed defining the target group of the programme. As already mentioned, the 2000 version of the CASEN survey dimensioned poverty and extreme poverty in the country. These figures let DIPRES to establish that the Chile Solidario programme should be targeted at all families living in extreme poverty by 2000, equivalent to 225,000 families

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<sup>51</sup> See Appendix 2.

according to the CASEN survey. Hence, the availability of this data during the policy-making process of Chile Solidario was fundamental in defining the number of potential beneficiaries of the programme.

### **5.3.15 President Lagos launched the Chile Solidario programme (CS-EE7)**

The 21<sup>st</sup> of May 2002, when delivering his third message to the nation, Ricardo Lagos announced the creation of programme Chile Solidario. In this discourse, President Lagos adopted the same goal that ex-president Eduardo Frei Ruiz-Tagle pursued unsuccessfully: to eradicate extreme poverty from the country. Particularly, Lagos stated that:

“it is a decision of my government that by the end of my mandate the social drama of extreme poverty and misery will no longer exist in Chile. Today, May 21<sup>st</sup> 2002, we can and should assume a big goal: to free Chile from extreme poverty!” (Lagos, 2002).

Perez (interview, January 2007) comments that very few people inside the government were aware that this programme was going to be launched:

“on May 21st the President announced the programme and it was a tremendous political hit because he did not tell anybody about it and people from the Concertación Alliance were not informed about what the president was going to announce in that area. In general, President Lagos was not used to making his messages known in advance”.

By May 2003 Chile Solidario had incorporated 55,000 families (Lagos, 2003) and by December 2004 the number of beneficiary families reached 166,000 (Lagos, 2004).

### **5.3.16 The law creating the Chile Solidario programme was sent to Congress (CS-LE1)**

In September 2002, the law creating the Chile Solidario programme was sent to Congress. The law was aimed at securing funds for the programme and to modify MIDEPLAN's duties to undertake its new role as manager of the programme. During the legislative process some details of the programme were modified. Finally, the law was passed with a significant majority in May 2004.

### **5.3.17 Summary**

The above narrative shows that in no more than one year, a big-scale and completely new poverty-alleviation programme was created, aimed at eradicate extreme poverty from the country. It was also shown that the final phase of the policy-making process was accomplished in just one month.

Main events that affected the Chile Solidario policy-making process included the stagnation of extreme poverty levels by the end of the 1990s, which led social policy experts to conclude that the prevailing poverty-alleviation policy approach was failing. As a response, the Ministry of Finance's DIPRES office decided autonomously in 2001 to start analysing options to deal with this problem.

In addition, the government approval ratings were decreasing continuously, a fact linked to the weak economic performance experienced since 1999. An important ministerial reshuffle occurred at the beginning of 2002 when a new MIDEPLAN minister was appointed. At that moment, President Lagos asked his new MIDEPLAN minister to start thinking of policy alternatives in order to introduce a 'powerful' programme into the poverty arena.

MIDEPLAN and DIPRES experts joined forces to fulfil the presidential request, and soon they discovered the recently implemented programme Puente, an innovative poverty-alleviation programme directed at the extremely poor. DIPRES and MIDEPLAN officials visualized this programme as the entrance door to the new programme that they were planning to create. They presented their ideas to President Lagos, who was interested but doubtful about them.

A meeting between the President and a wide group of social policy experts to discuss the DIPRES-MIDEPLAN policy alternative was crucial in the series of process events. The meeting confirmed the appropriateness of the DIPRES-MIDEPLAN proposal, and convinced President Lagos about the soundness of such a policy option.

From there on, the Chile Solidario policy-making accelerated dramatically, as President Lagos asked DIPRES to have the programme designed before his message to the nation to be delivered in just one month's time.

Clearly, President Ricardo Lagos emerges as the main process actor in the Chile Solidario policy-making process, thanks to his central role as accelerator of the process, both by asking his new MIDEPLAN minister to develop policy alternatives to address extreme poverty, and by requesting DIPRES to design the programme after feeling confident about its technical soundness.

Another relevant process actor was the DIPRES team, particularly its director Mario Marcel and Jaime Crispi, the Head of DIPRES' Studies Department, as they initiated and commanded the entire policy-making process.

Cecilia Perez, the MIDEPLAN's minister, searched for policy alternatives to address extreme poverty inside MIDEPLAN, and collaborated later with DIPRES to design the final programme. Veronica Silva, the head of programme Puente, was also relevant as she designed and promoted this programme which later became the core of the Chile Solidario programme.

Secondary actors that influenced the process were experts that participated in the programme's design discussions, particularly a group of advisers to the president who pressed for the introduction of a new monetary transfer into the programme. Besides, World Bank experts who were contracted by DIPRES to study the Chilean safety net system, as well as a social policy expert from the Spanish government contributed with their expertise during the initial stage of the process.

## 5.4 CONCLUSIONS

By mapping the policy-making process of the three programmes under study, this chapter has addressed the first aim of this thesis as well as answering the related research questions. These questions relate to the main events and actors involved in the processes.

Regarding predominant events, the mapping shows that political events played a significant role in the evolution of the processes. These events included the return of democracy, changes in administration, the arrival of new ministers, the Concertacion Alliance (and Presidential) commitment to address poverty, a reduction in government's approval ratings and the setting of a presidential meeting with social policy experts. For instance, in the case of the FOSIS policy-making process, the fact that the country was returning to democracy shaped the process as it allowed Concertacion Alliance politicians to apply a technical and consultative policy-making approach. In the Chile Barrio policy-making process, in addition to the importance that the Concertacion Alliance gave to improving equity and social justice in the country, the personal commitment of president Frei to address the problem of poverty was fundamental to arrive to a new poverty-alleviation programme. In the Chile Solidario policy-making process, the organization of a Presidential meeting with social policy experts served to validate a particular policy alternative and to accelerate the process.

As well as political considerations, socio-economic events were also relevant. They included the economic cycle, the size and trajectory of poverty and the occurrence of a significant rural-urban migration. For example, in the case of the FOSIS policy-making process, the economic crisis that affected the country during the 1980s increased poverty incidence to extremely high levels, which motivated Concertacion Alliance politicians to address this problem by incorporating an innovative programme into the government's initial agenda. In the case of the Chile Barrio policy-making process, the rural-urban migration that occurred in Chile throughout the 20<sup>th</sup> century gave rise to *Campamentos* which the Chile Barrio programme aimed to eradicate. In the Chile Solidario policy-making process, the stagnation of extreme poverty levels during the second half of the 1990s directed policy experts to criticize the prevailing anti-poverty approach, and government officials to initiate studies to address this problem.

Other process events were related to occurrences in existing programmes, policies, or institutions related to the social policy field. They included the failure of a poverty-alleviation programme, criticism of existing policy approaches, a crisis in a ministry of the social policy area and the existence of poverty-alleviation programmes under implementation both inside and outside the country. For instance, in the FOSIS and Chile Barrio processes, the knowledge of poverty-alleviation programmes under



implementation in the Latin American region helped Chilean policy-makers to define a policy alternative to address poverty. In the Chile Solidario policy-making process, the existence of programme Puente was central to the design of the final Chile Solidario programme design.

The availability of poverty-related data, obtained mainly from the CASEN series of surveys, was also an important event in the policy-making processes. It allowed policy-makers to have a clear and fresh understanding of poverty and its evolution in the country. It also helped raise the extent and effects of poverty among social policy experts and influenced public opinion. For instance, in the FOSIS policy-making process, the CASEN data enabled a recognition of the critical levels that poverty had reached by the end of the 1990s. In the Chile Barrio programme, a data set on the extent of *Campamentos* justified focusing the Chile Barrio programme on the inhabitants of *Campamentos*. In the Chile Solidario policy-making process, CASEN poverty data supported the fact that extreme poverty remained stagnant for nearly four years, and also helped to demarcate the target group of the programme as families identified as extremely poor by the survey.

In relation to main process actors, the chapter has demonstrated that the Chilean policy-making process of poverty alleviation programmes is overwhelmingly controlled by top level political actors inside the

government, with little or no influence from middle-rank government officials and from actors outside the government.

In the words of Benito Baranda, director of the main Chilean poverty-related charity (interview, September 2003):

“these programmes have been designed in a very self-centred manner and under the control of the state . . . sometimes it is claimed that they benefited from private-sector or third sector experience, but the participation levels have been low . . . and if participation levels are low among groups like ours who work alongside the country for the poor and extremely poor, then the participation levels of those directly affected by these programmes are much lower. Most of these programmes . . . were announced by the state for political reasons, or [at least] they were launched in advance for political reasons”.

The cases show that Presidents have a predominant role in the policy-making process as they are able to influence, accelerate, or initiate the process. For instance, President Aylwin influenced the process through his political style, open to agreement and accord inside the alliance. President Frei influenced the policy-making process of programme Chile Barrio, given his interest in having a poverty-alleviation programme representing

a concrete and results-oriented approach. Finally, while the Chile Solidario policy-making process was initiated by public officials at DIPRES, President Lagos clearly accelerated the process as soon as he intervened in it.

The significance of other top government officials in the process shouldn't be overseen. Particularly, ministers played significant roles in the policy-making process of the three programmes programmes. In the FOSIS case, Sergio Molina (later MIDEPLAN minister) has been labeled as the 'father' of the group in charge of designing the programme. While not a minister at that moment, Molina was clearly a high level political figure inside the Concertacion Alliance. Housing minister Edmundo Hermosilla was responsible for the Chile Barrio design process after being instructed by president Frei to create it. He proposed the broad Chile Barrio features to president Frei and delegated more specific design details to a group of experts. Finally, in the case of the Chile Solidario programme, a group from the powerful DIPRES office, led by its director Mario Marcel initiated and conducted the entire process.

Mid-level poverty experts inside ministries contributed to the final form of the programmes. Their presence allowed technical considerations to be introduced into the processes, particularly during their final design stage, thanks to their field experience with poverty, and/or designing and implementing other poverty-alleviation programmes. For instance, in the case of the FOSIS process, the inclusion of two experts with previous

experience in social funds into the group in charge of designing the new government's programme was key to reaching the decision of creating FOSIS. In the Chile Barrio process, experts from the Ministry of Housing were able to define some key characteristics of the programme, thanks to their proximity to the housing minister and to their participation in the group of experts that designed the programme once its broad features were established. In the Chile Solidario process, the participation of FOSIS poverty experts, involved in implementing programme Puente, was fundamental to influencing the final features of programme Chile Solidario.

Finally, relevant actors in the policy-making process of the programmes were international organisations that provided their expertise to the process and that advocated for particular policy alternatives. For instance, international organisations were advocating the creation of social funds in Latin America during the FOSIS policy-making process. Besides, at the beginning of the Chile Solidario policy-making process, the World Bank was contracted by the Ministry of Finance to study and evaluate the Chilean safety net system.

In synthesis, political events and top-level political actors appear to be central in the Chilean poverty-alleviation policy-making process. In this policy arena top-level actors inside government are able to create new programmes in a very autonomous and isolated way, free from negotiations or discussions with other non-government actors. While some

debates occur among government politicians and experts, as was the case during the Chile Solidario policy-making process, discussions with other non-government actors are absent or are deemed irrelevant. Particularly, the FOSIS and the Chile Barrio policy-making processes developed entirely inside small groups of government politicians and experts. While a Presidential meeting with a group of government and non-government experts was conducted at the final stages of the Chile Solidario policy-making process, it remained entirely under the control of government actors who timed the meeting in such a way that they never risked losing their control of the process. An explanation of this particular policy-making dynamic is provided in Chapter Six.

# **Chapter Six**

## **Understanding the Chilean Poverty-alleviation policy-making process**

*In a presidentialistic country like Chile, rather than the backing of a minister you need the backing of the president, a father figure that is willing to get angry to obtain results”  
(Key interviewee, speaking about the creation process of poverty-alleviation programmes in Chile)*

### **6.0 INTRODUCTION**

The aim of this chapter is to explain the evolution of the processes mapped in Chapter Five, and while doing so, to discuss which one of the theoretical frameworks presented in Chapter Two is most suitable for understanding the Chilean poverty-alleviation policy-making process.

The figures that map the policy-making process of the three cases that were included in Chapter Five are also incorporated in the present Chapter to help identifying the different process events cited in this Chapter. Similarly, three figures that identify the type of actors involved in each event of the cases are also presented here. These figures help finding similarities in the type of actors that participate across the three processes.

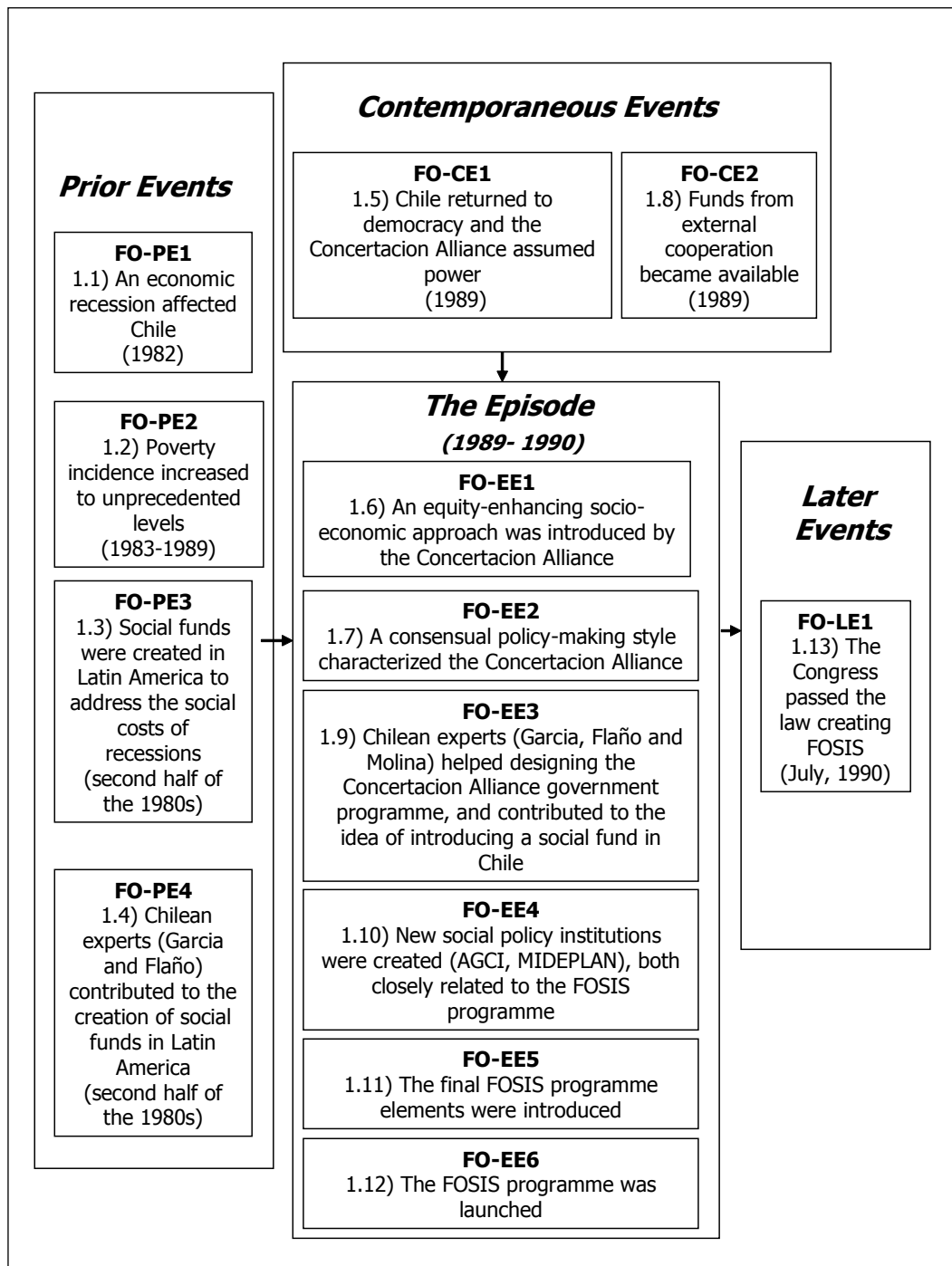
The Chapter starts with a section that argues that none of the three policy-making processes showed advocacy during their development. As a

result, it is proposed that the cases do not support theories that include advocacy as one of the main forces behind the policy-making process, such as Sabatier's Advocacy Coalition Framework or Baumgartner and Jones' Punctuated Equilibrium Model. This consideration applies also to the Transaction Cost Approach, given its assumption of multiple players competing in a game-like policy-making process.

The following section highlights that the main actors in the three cases were top-level politicians inside government, mainly the president and ministers, with little or no influence from other actors. This result confirms the predictions of Grindle and Thomas' model regarding the relevance that policy elites have in policy-making in developing countries. However, it is also highlighted that this models presents limitations to understand the underlying mechanisms driving the processes.

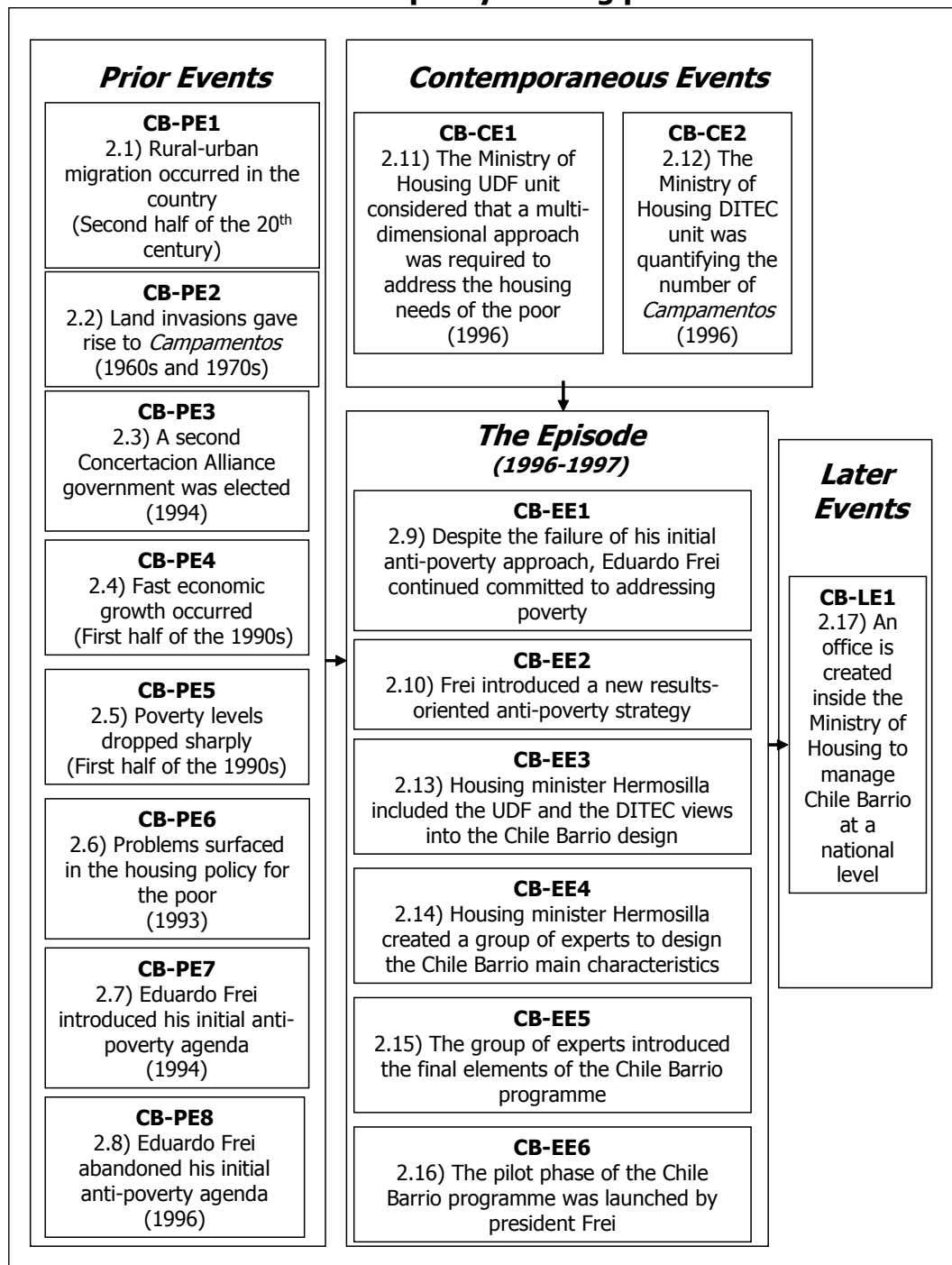
The next section reviews the cases to see if they fit the Multiple Stream Model. The Chilean poverty-alleviation policy-making process is found to contain lively political and problems streams. However, the analysis finds that a proper policies stream is missing in this case. The final section presents the main conclusions of the Chapter.

**Figure 6.1**  
**FOSIS policy-making process**

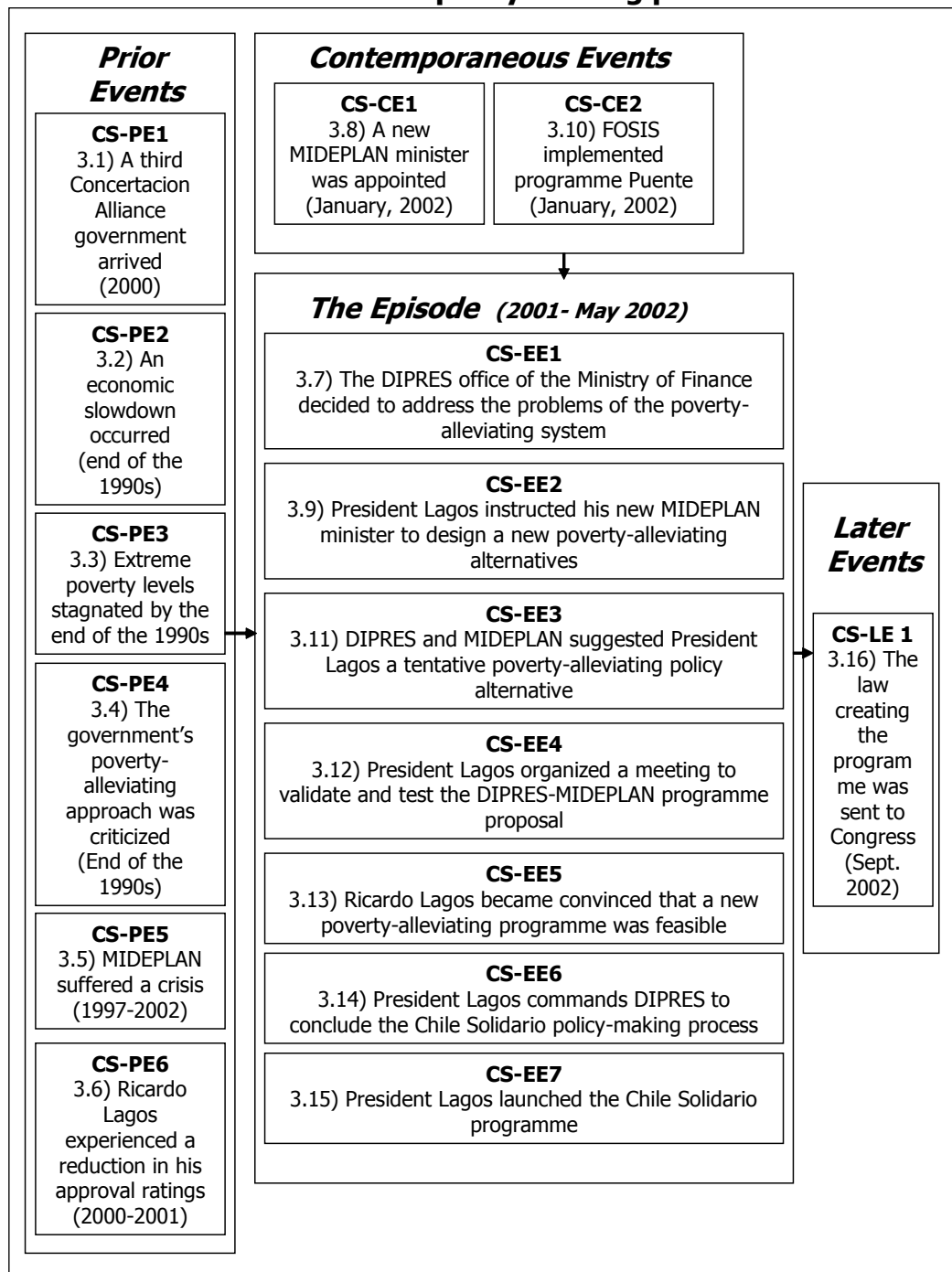




**Figure 6.2**  
**Chile Barrio policy-making process**



**Figure 6.3**  
**Chile Solidario policy-making process**



## **6.1 A PROCESS THAT LACKS ADVOCACY**

As mentioned in Chapter Two, Sabatier's Advocacy Coalition Framework requires 'mature' policy subsystems for the framework to be applicable (Sabatier and Jenkins-Smith, 1999:135). This requirement is related to the capacity of policy subsystems to formulate policies.

A similar consideration also applies to the Punctuated Equilibrium Model. In this model, discussions of political issues develop in a number of issue-oriented policy subsystems. The model states that policies change as a result of policy advocacy from actors that are able to break the policy monopoly of one of these policy subsystems (True, Jones and Baumgartner, 1999:99).

In Chile, policy discussion and analysis started very slowly with the return of democracy in 1990, taking place only among a very limited group of experts and government officials.

According to Montes (interview, July 2003):

“there is little debate about today’s social reality and about what the appropriate social policy is for present times. This is a debate that should have existed prior to the creation of new institutions and I think it is missing . . . there is a lack of diagnosis . . . political parties have no opinion of these issues, and universities are not interested either . . . i think that to a certain degree we have duplicated the U.S. experience. However we have missed a stage, we have not assumed our own reality”.

The military government that ruled the country between 1973 and 1989 abolished all democratic institutions and policy discussion was nonexistent. Decision-making was carried out in a very closed and centralized way. Any opposition to the regime suffered repression and public participation remained absent from public policy discussions. In 1990, the new democratic government assumed institutions and procedures that, most often, were non-participatory. Under this situation, policy discussion and advocacy in the country remained limited to small groups of experts, most of them linked to the government<sup>52</sup>.

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<sup>52</sup> Chapter Seven studies in deeper detail the reasons behind this lack of policy advocacy.

The mapping presented in Chapter Five confirms the absence of advocacy in the Chilean poverty-alleviation policy-making process. The FOSIS policy-making process was initiated and conducted entirely by the political elite of the Concertacion Alliance, following only their drive to address poverty by creating a programme that differentiated from the military palliative and paternalistic anti-poverty approach (**FO-EE1, FO-EE2, FO-EE3**). In the case of the Chile Barrio policy-making process a Concertacion Alliance congressman advocated for a change in the housing policy directed to the poor (**CB-PE6**). However his input was only an exception in a process that was overwhelmingly driven by president Frei and his housing minister Hermosilla (**CB-EE1, CB-EE2, CB-EE3, CB-EE4**). Finally, the Chile Solidario policy-making process also lacked advocacy, as it started due to DIPRES's autonomous decision of studying and improving the country's safety net system to confront the stagnancy that extreme poverty was showing at that time, and continued under DIPRES' control (**CS-EE1, CS-EE3, CS-EE6**). As mapped in Chapter Five, during the final stages of the policy-making process some debates occurred among policy elites from different government institutions (**CS-EE6**). However, this limited level of intra-government discussions during the policy-making process of this programme can hardly justify the view that policy advocacy is a central element of the process.

As Etchegaray (interview, September 2003) comments:

“the vast majority of Chilean public policies are top-down. This is a very authoritarian country. People in public positions think they know everything, and on top of that, that fostering participation is costly, cumbersome and laborious”.

As mentioned in Chapter Two, the Transaction Costs Approach also assumes that the policy-making process is driven by different actors that advocate for their preferred policy views. This approach has been used to study the policy-making process in Latin American countries by focusing on the balance of power that exists between the executive and congress, and on the impact that this balance has on the ability of governments to put forward laws required to implement programmes (IADB, 2006).

Evidence from the present research weakens the relevance of the balance of power between government and congress during the poverty-alleviation policy-making process for a number of reasons. First, having a law was needed only in some of the cases under study as in other cases the programme was implemented without pursuing a law. In effect, the creation of programme Chile Barrio did not require passing a law, as no

new special funds were needed<sup>53</sup>. Instead, the programme was created by a presidential decree that established a directorate to coordinate the actions of the programme, formed by government members and headed by the minister of housing. Funds for the programme were redirected from the Ministry of Housing budget. Hence, in this case the balance of power between the government and the political opposition in congress, or the level of agreement between these actors in relation to the programme was completely irrelevant. Second, in some of the cases studied, the implementation stage of the process started *before* any law related to the programme was passed by congress. For instance and as explained in Chapter Five, the Chile Solidario programme started being implemented by mid 2002, while the law related to this programme was passed by congress in May 2004. Third, in this case sending a law to congress was a *choice* of the government rather than a requirement to implement the programme. According to one interviewee (in the case of the Chile Solidario programme) some top level government politicians considered that a law was not required in this case (Egaña, interview, January 2007).

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<sup>53</sup> Chilean legislation obliges governments to discuss in congress any policy innovation involving additional resources. The government's budget is discussed yearly in congress and any budget increase should be a matter of law. See: Aninat et al (2006).

In Egaña's words,

"Chile Solidario may have been implemented without a law . . . a big political discussion occurred about why the Lagos administration was sending this law, when a law was not required . . . [I think] it was sent to create a political event, to institutionalize a policy view, because when there exists a law there are certain obligations, and also [because] the law may have been needed to give MIDEPLAN additional powers than the ones that its original law gave it" (Egaña, interview).

It may be concluded that theories that consider multiple actors engaging in policy advocacy and policy competition as central elements of the policy-making process such as the Advocacy Coalition Framework, the Punctuated Equilibrium Model, and the Transaction Cost Approach may be applicable only to those policy arenas where many actors are involved in the policy-making process, and when these actors share enough power to be able to compete and advocate for their particular views. Clearly, this was not the case in the Chilean poverty scene during the 1990s.

Chapter Seven will highlight that this lack of advocacy was a particularity of the poverty-alleviation policy-making arena, as some pressure from



different actors existed in other social policy areas. Possible explanations to this difference are discussed there.

## **6.2 A PROCESS DRIVEN BY GOVERNMENT'S POLICY-ELITES**

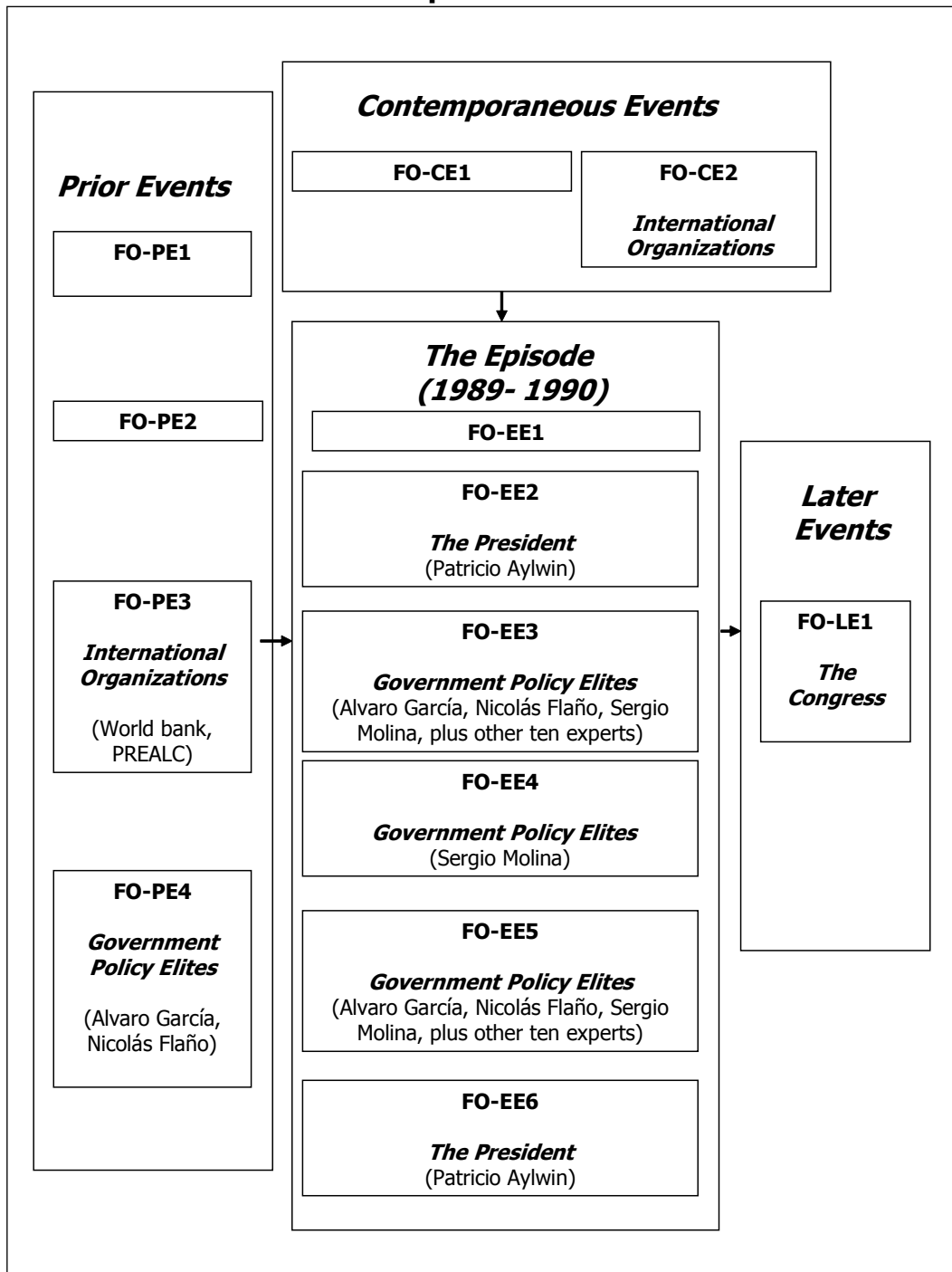
### **6.2.1 Presidents**

As Chapter Two demonstrated, the weight of Presidents or Heads of State in the policy-making process has been highlighted in different studies on the subject (Grindle and Thomas, 1991; Kingdon, 1995; Mainwaring and Soberg, 1997; Grindle, 2000; Grindle, 2002). In the particular case of Chile, there are good reasons to consider the President as the most important political actor, given the 'presidentialistic' nature of the political system (Faundez, 1997; Siavelis, 1997). This idea is based on the significant powers that Presidents have in the country, especially in relation to other state powers such as the congress. According to these authors, a preponderant role of Presidents in the political system has existed in Chile since 1932, including the 40 years of uninterrupted democratic life that followed that date. Later, under the military regime, the power of the President was strengthened as the military applied a centralized style of command and abolished any alternative democratic power. Besides, a new constitution introduced in 1980 by the military reinforced the role of the President. While some modifications were made to this constitution with the arrival of democracy in 1990, the core of it

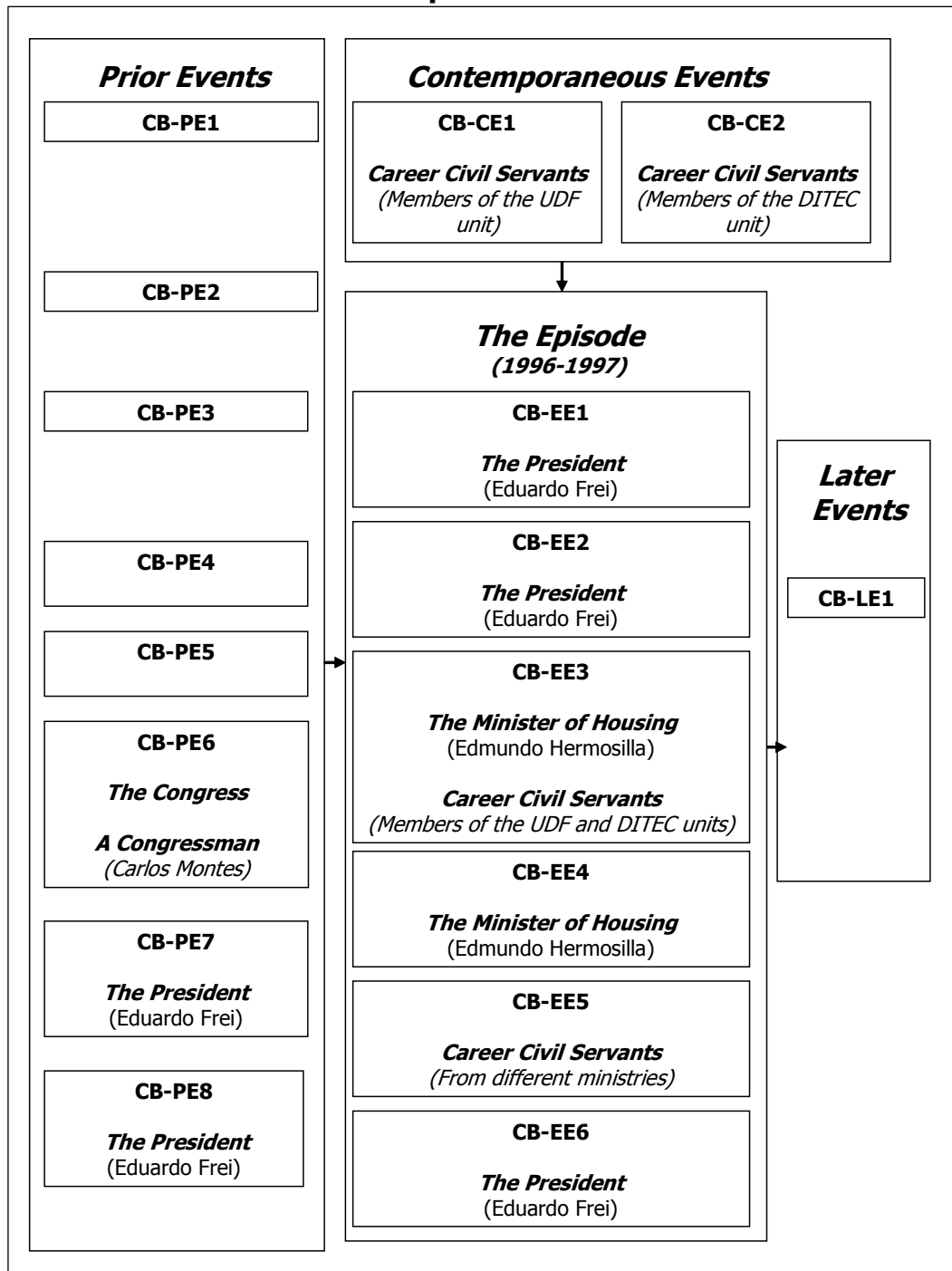
has continued to provide the main guidelines of Chilean law under the Concertacion Alliance governments. In particular, the Chilean constitution let the President to control the legislative process and set the legislative agenda by declaring executive urgencies, when an immediate discussion of the President's proposal must be carried out by congress delaying the consideration of other issues and laws. Besides, the President is allowed to call the legislature into extraordinary sessions. Apart from these powers, the Chilean constitution provides the President with additional means, particularly to exercise authority in all matters that are not of a legal nature. On top of that, there are certain informal elements that reinforce President's authority in the political process, such as their visibility, the weight of their image and opinions in a traditionally presidential government, and their role as symbols of the nation (Siavelis, 1997:331). As a result, it is recognized that under the Concertacion Alliance,

“the Chilean presidency remains one of the most powerful in Latin America and the world, with broad powers to control the legislative process” (Siavelis, 1997:322).

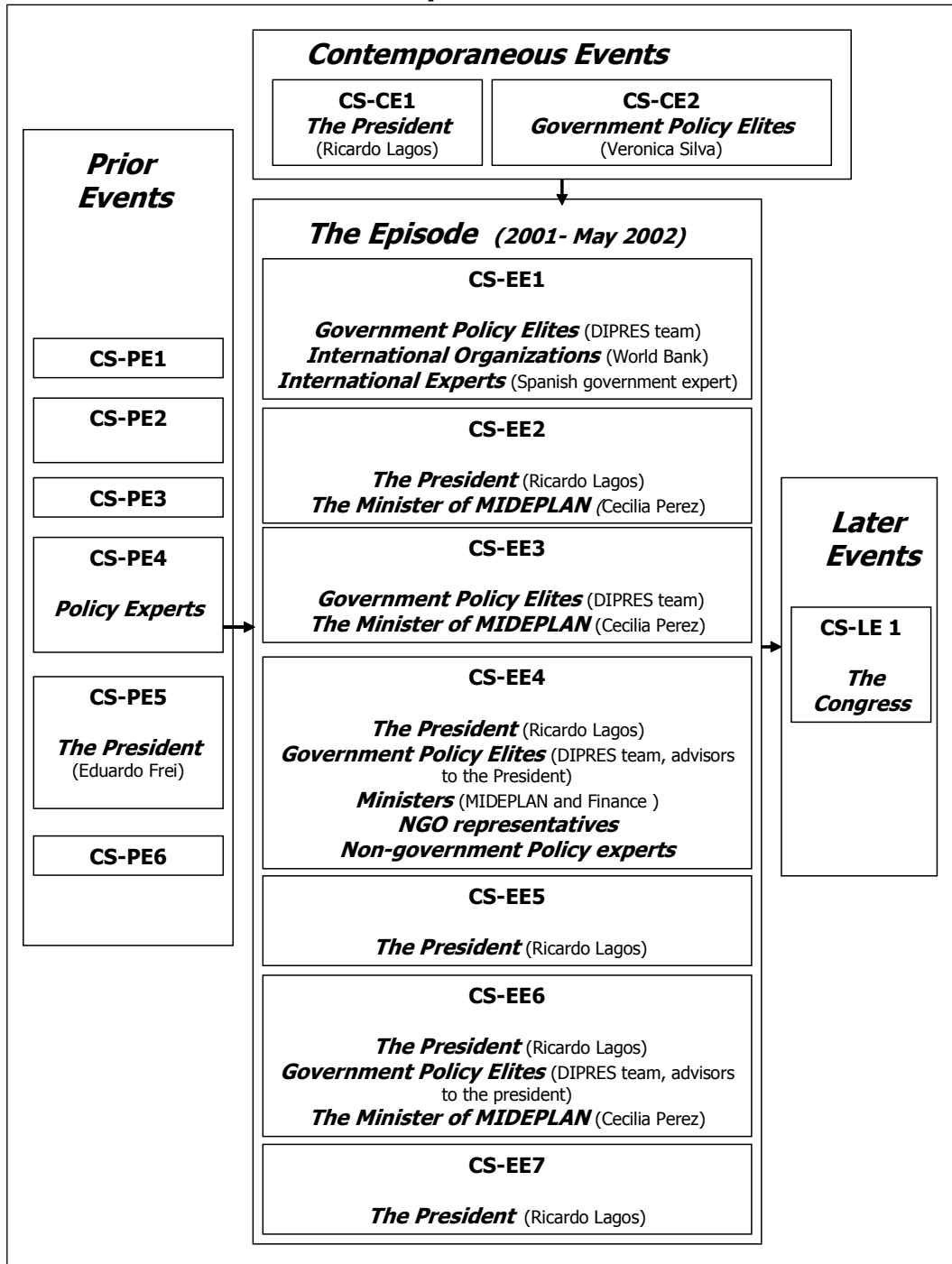
**Figure 6.4**  
**FOSIS policy-making process**  
**Map of actors**



**Figure 6.5**  
**Chile Barrio policy-making process**  
**Map of actors**



**Figure 6.6**  
**Chile Solidario policy-making process**  
**Map of actors**



Given the relevant position that Presidents have had in the Chilean political system it is not a surprise to find that they also played a prominent role in the less formal policy-making process. Presidents were central figures in the policy-making process of all poverty-alleviation programmes studied. The degree in which they influenced the process varied from case to case, but always the President's backing was a fundamental prerequisite for a new programme to be created.

Sometimes the President's involvement was highly visible as when the President himself proposed the creation of a specific programme. This was the case of the Chile Barrio programme, commissioned by President Frei to his housing minister to address the housing needs of the poor (**CB-EE2**). Something similar occurred during the Chile Solidario process, as President Lagos asked Cecilia Perez, his new MIDEPLAN minister, to start looking for policy alternatives in the area of poverty (**CS-EE2**).

As Perez stated (interview, January 2007):

“before the 21st of may, 2002 [the President] instructed us to start working with DIPRES . . . to design a powerful programme to fight poverty . . . then the President asked me for proposals . . . [the Chile Solidario programme] was not something that came out directly from [the President’s] mind, but very soon he started linking ideas . . . he wanted to be sure that the design would work and that it was technically sound. Should we be able to guarantee that, then he would provide his full support”.

In this case, the President’s influence also accelerated the process by asking DIPRES to have the programme ready to be launched during his message to the nation (**CS-EE6**). Only in the FOSIS programme policy-making process the President played a less decisive role, as he did not participate directly in the process. However, the mapping of the FOSIS policy-making process highlighted that Aylwin’s personality contributed to the consensual approach that was used to create his government programme, including the FOSIS programme (**FO-EE2**). Besides, it was also noticed that the first Concertacion Alliance government was assuming power in a very particular scenario, when democracy returned to the country (**FO-CE1**). At that moment, the Concertacion Alliance realized the need to apply a consensual governmental approach to highlight the unity

of the Alliance, which reduced the possibility of a more 'presidentialistic' policy-making process (**FO-EE2**).

The significance of Presidents in the Chilean policy-making process is congruent with evidence about the social policy process in the Latin American region. In effect, Grindle's (2002) study of cases of social policy reform during the 1990s in Latin America, concluded that Presidents played a significant role in these policy-making processes. She focuses the analysis on reforms applied to the health, education and pensions sectors. According to her,

"case studies of education and health reform suggest that these issues got on public agendas because specific political actors – usually presidents, or ministers with the support of presidents- made specific choices to put them there"  
(Grindle, 2002:102).

In synthesis, the President is the single most important and decisive process actor in the Chilean poverty-alleviation policy-making process, a situation that also occurs in the Latin American region in relation to other types of social policies. The three cases under study showed that the form in which Presidents influenced the policy-making processes varied according to their personal style or to the context of their governments,



ranging from a very explicit role as process initiators to a less direct role as inspirers or accelerators of a particular policy-making process.

### **6.2.2 Ministers**

As cited in Chapter Two, ministers and other political appointees may be highly relevant in the policy-making process by raising an issue to the government's agenda or by generating policy alternatives to fulfil a request from the president.

The mapping presented in Chapter Five showed that ministers, or individuals with an equivalent rank inside government, were the main coordinators of the policy-making processes under analysis. Hence, while Presidents' influence was related to defining main agenda issues and to decide addressing a particular problem, ministers usually engaged in the process of arriving at concrete programmes, a role that may be described as 'policy-process managers'. As mapped, the FOSIS process occurred when the Aylwin's government programme was being developed six months before its arrival to power, making impossible for a minister to be present in this process. However, two of the most important process actors assumed later as ministers. In fact, some key individuals that participated in the process were high-level Concertacion Alliance politicians and experts, in a privileged position to assume as ministers later (**FO-EE3**). This was the case of Sergio Molina, who became MIDEPLAN

minister during the Aylwin's administration, and education minister under President Frei. It was also the case of Alvaro Garcia, who was appointed as economy minister during the Frei administration and as SEGPRES<sup>54</sup> minister under the Lagos government. This supports the idea that the relevance of ministers in the policy-making process may be linked more to their privileged connection 'up' to the President than to the institutional resources that the duty of minister involve.

The Chile Barrio policy-making process was conducted by Hermundo Hermosilla, the minister of housing, after being instructed by President Frei to create such a programme (**CB-EE2**). By following suggestions from experts inside the housing ministry, Hermosilla was able to define the main features of the programme and to present them to President Frei (**CB-EE3**). Later, he created a group of experts from different ministries to design the programme in all its details (**CB-EE4**).

In the case of the Chile Solidario policy-making process, a group of experts from DIPRES, the budget office inside the ministry of finance, led by its director Mario Marcel initiated and managed the process (**CS-EE1**). Besides, the newly arrived minister of MIDEPLAN helped DIPRES to design the programme during the final stages of the process (**CS-EE2, CS-EE3**). While DIPRES is a middle rank institution inside the Chilean government, formally inferior to a ministry, its duties and powers to allocate financial

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<sup>54</sup> *Secretaria General de la Presidencia* (General Secretary of the president).

resources to ministries transform it into a high level actor inside government. Hence, it may be argued that the head of DIPRES occupies a position of equal or higher relevance than that of a traditional minister.

In synthesis, ministers or equivalent political appointees were fundamental process actors in the three poverty-alleviation cases, performing the role of process managers. This key role resulted from their privileged position inside government and particularly from the political support and direct link that they had with the President.

### **6.2.3 Career civil servants and government experts**

Mid-level civil servants and experts inside government played secondary roles in the policy-making process of the three programmes studied. They contributed with their expertise and experience during the design phase of the processes. For instance, in the case of the FOSIS programme, about ten social policy experts designed the programme (**FO-EE3**). Some of them, such as Alvaro Garcia and Nicolas Flaño, led the process thanks to their previous experience in this area. In the case of the Chile Barrio programme, groups of government experts participated during different stages of the policy-making process. Experts from the Ministry of Housing contributed to define the fundamental features of the programme, such as the convenience of having a programme that addressed all the needs of the poor and not just their housing needs (**CB-CE1**). Later, a group of

experts formed by members of different ministries provided the final details of the programme (**CB-EE5**). In the case of the Chile Solidario policy-making process, the DIPRES group, composed by the head of the office plus two other experts, participated in all the stages of the policy-making process (**CS-EE1, CS-EE3, CS-EE6**). This group interacted with experts from MIDEPLAN to design the programme (**CS-EE3**).

These results are in line with the secondary role that the Grindle and Thomas (1991) model as well as the Kingdon (1995) model give to middle level civil servants and experts in the policy-making process.

#### **6.2.4 Other actors**

Apart from the individuals already mentioned, cases included other actors playing secondary roles in the processes. This was the case of international organisations and their staff members. For instance, in the Chile Solidario policy-making process, DIPRES contracted the World Bank to study the Chilean safety net system and to suggest alternatives to improve it (**CS-EE1**). Proposals from this investigation were incorporated later in the final Chile Solidario design. Besides, during the FOSIS policy-making process, the World Bank and the UN's PREALC were active players in promoting the development of social funds in the Latin American region (**FO-PE3**).

Another secondary process actor was Carlos Montes, a Concertacion Alliance member of congress who played a role in the Chile Barrio policy-making process. From his post as the head of the housing commission of congress he criticised the government's housing policy directed at the poor (**CB-PE6**). These criticisms prompted the ministry of housing to engage in the analysis of this policy, a step that contributed to the Chile Barrio policy-making process. According to one interviewee, it is also likely that the opinions of Montes influenced President Frei in addressing this problem by creating a programme, like Chile Barrio, aimed at the housing needs of the poor.

### **6.2.5 Revisiting the Grindle and Thomas model**

As stated in Chapter Two, Grindle and Thomas (1991) give a prominent role to government policy-elites in the policy-making process, a prediction that fits the cases under study. However, despite its accuracy in identifying the main actors in the policy-making process, Grindle and Thomas' model presents certain characteristics that limit its use as a theoretical framework for the present research.

First, as mentioned in Chapter Two, it provides no clear picture of the precise mechanisms behind the creation of a programme. In other words, while the model offers a precise description of policy-elites and their contexts in developing countries, no causal mechanism is given to explain

why the policy-making process unfolds in a certain manner. This limitation, while not critical to the mapping of the policy making processes, presents a problem in fulfilling the second aim of this thesis, which is to explain the processes under study.

Second, while putting process actors at the centre of the analysis, other forces and elements that may be relevant in the process are given only secondary roles, as they are considered merely as resources or contexts that limit or strengthen policy-elites' room for manoeuvre. This may limit the scope of the model only to those cases where no other relevant autonomous force is involved in the process. In contrast, the mapping of the Chilean poverty-alleviation policy-making process shows that government's policy-elites are central process *actors*, but it also demonstrates that they are not the only relevant *force* affecting the process. For instance, as Chapter Five showed, political considerations that are independent from the motivations of individual actors played an important role during the processes. In particular, cases showed that the Concertacion Alliance focus on addressing poverty as well as the arrival of a new administration opened a space for the creation of a new poverty-alleviation programme.

### **6.3 THE MULTIPLE STREAMS MODEL: THE CASE OF A MISSING STREAM**

In light of the review of the policy-making frameworks provided in Chapter Two and the shortcomings of alternative models explored above, the Multiple Streams Model presents characteristics that are convenient for its use as theoretical framework for this research.

First, the model includes a wide spectrum of forces and actors in the analysis. Particularly, the model considers the influence of a variety of elements related to the problems, policies and politics streams in the unfolding of events. Second, it provides a clear description of the mechanisms behind the evolution of the policy process. Essentially, the model predicts that policies will emerge thanks to the occurrence of a policy window, a particular moment when well defined conditions are present. Besides, the model explains that during a policy window a coupling of streams may arise, giving place to the beginning of a policy process. Third, it highlights the roles played by different process actors from a variety of institutions (policy entrepreneur). In particular, it states that policy entrepreneurs will use their resources and skills to promote a particular policy alternative, and by doing so, they will contribute to the coupling of streams that ultimately will lead to the creation of a new policy initiative.

At this stage, the potential limitations of the Multiple Stream Model as theoretical framework for this research should be pointed out. As mentioned in Chapter Two, the Multiple Streams Model assumes that many actors participate in the policy stream by proposing, discussing and advocating different policy alternatives. These actors are located in different places, such as the government, think tanks and academia. Their activity forms a 'primeval soup' where policy alternatives evolve. It may be stated that this assumption may limit the applicability of this model to the cases under study, as they presented only a limited number of government actors participating in the policy-making process.

In this regard the Multiple Streams Model presents the same limitation found in the alternative frameworks considered. Having said that, it is important to highlight that in these alternative frameworks, policy discussion and advocacy was a *central* element of the model, as it was responsible for the dynamic of the process. In contrast, in the case of the Multiple Streams Model this assumption may be considered only a *lateral* feature of the framework, as its scope is limited to one part of the model, the policy stream, and not to the central elements that explain the unfolding of the process, such as the coupling of streams and the occurrence of policy windows. In any case, section 6.3.3 in this Chapter as well as Chapter Seven will contrast this model feature with evidence from the cases, in order to find divergences, propose explanations and discuss the theoretical consequences involved.



As a result of the above considerations, it is concluded that the advantages of the Multiple Streams Model exceed its limitations as theoretical framework for the present research. In what follows, the mapping of events presented in Chapter Five is contrasted with the predictions of this model.

### **6.3.1 The politics stream: A dominating force in the process**

As mentioned in Chapter Two, the Multiple Streams Model states that political factors affecting the policy-making process are electoral, partisan, or pressure group considerations (Kingdon, 1995:145). From this view, potential agenda items that are congruent with the current national mood, and/or that enjoy support from interest group or lack organized opposition, and/or that fit the orientations of the prevailing legislative coalitions or current administration are more likely to rise to agenda prominence than other items that do not meet these conditions. Besides, the turnover of key political participants, such as a change of administration, may generate significant changes in policy agendas (Kingdon, 1995:20).

The comparison of these theoretical considerations with the Chilean poverty-alleviation policy-making process confirms that both the broad political orientations of the Concertacion Alliance as well as the turnover of administrations generated significant effects in the process. On the

contrary, the cases provide no evidence to support the idea that the national mood or pressure group's activity played any significant role. Nevertheless, Chapter Seven will discuss the possibility that *a lack* of pressure from interested groups was a significant element in the poverty-alleviation policy-making process.

### **6.3.1.1 The Concertacion Alliance social policy principles**

As pointed out in Chapter Four, on assuming power the Concertacion Alliance introduced new socio-economic orientations into its policies, highlighting that in addition to high economic growth, increasing social equity was also a key objective. The new orientations included a series of social policy guidelines, such as promoting solidarity and equity, developing integral, participative, and targeted programmes, and creating social investment initiatives (MIDEPLAN, 1991, 1992, 1994, 1996). Improving social equity involved addressing the record levels of poverty and extreme poverty that the country was experiencing by the end of the military regime. Hence, the new Concertacion Alliance social policy principles were a clear and explicit guideline to each Concertacion Alliance government to address the problem of poverty in the country.

The idea of developing a process of 'growth with equity' was put forward by the Aylwin's government to synthesize the new Concertacion Alliance views (**FO-EE1**). Aylwin's social concerns materialized in a series of

measures to improve the income level of the least well-off population, such as increasing minimum wages, basic pensions and other social transfers that were freeze or reduced during the final years of the military (Boeninger, 1998:469). Besides, the creation of the FOSIS programme, right at the beginning of his government, allowed the materialization of the Concertacion Alliance social policy principles in a concrete programme.

With the arrival of Eduardo Frei's second Concertacion Alliance government, addressing poverty became a higher-ranking issue in the government's social policy agenda (**CB-PE7**). In his messages to the nation, president Eduardo Frei defined overcoming poverty as a national duty and incorporated this objective in his government programme by creating the *Plan Nacional de Superacion de la Pobreza* (PNSP) (National Plan to Overcome Poverty) (Frei, 1994a). Hence, while the Aylwin's government interpreted the goal of achieving social equity in broad terms, Frei adopted a more precise interpretation by defining the overcoming of poverty as the main objective of his social agenda. Both the PNSP and the Chile Barrio programme were created by Frei to fulfil this objective.

The third Concertacion Alliance government was a continuation of the Frei administration in terms of emphasizing the goal of alleviation poverty in the social policy agenda. President Ricardo Lagos took over Frei's goal of eradicating extreme poverty when launching the Chile Solidario programme during his third year of mandate (**CS-EE7**). The programme

was conceived as an integral social investment programme, aimed to alleviate the problems affecting all extremely poor families in the country before the end of the Lagos administration (Chile Solidario, 2003).

Hence, it may be stated that the Concertacion Alliance principle of improving social equity in the country was present in the three Concertacion Alliance governments, and that this principle contributed to the creation of a series of poverty-alleviation programmes under each administration as it guided governments to consider poverty as an important problem in their agendas.

#### **6.3.1.2 President's turnover**

According to the Multiple Streams Model, the arrival of a new administration creates the opportunity to introduce new policy initiatives linked to the views and interests of the new administration. Besides, a change in administration produces powerful effects in policy-making as presidents and heads of state are at the top of the list of relevant actors in the policy-making process (Kingdon, 1995:23). Moreover, if each administration is interested in 'leaving a mark' in a particular policy arena, an incentive will exist to introduce new initiatives to fulfil this aim.

As a confirmation of this statement, it is remarkable to note that each Concertacion Alliance administration felt compelled to create a new

poverty-alleviation programme despite the existence of a set of poverty-alleviation programmes already under implementation in the country. Furthermore, in the case of the Frei and Lagos administrations, new poverty-alleviation initiatives were introduced despite the availability of anti-poverty programmes under execution that were incorporating the new Concertacion Alliance social principles. This consideration supports the view that administration turnovers played a significant role in the policy-making process of the programmes under study.

The cases show that Concertacion Alliance presidents needed to be sure that they were leaving a significant mark in the poverty arena, not only by contributing to alleviate the problem, but mainly by creating an innovative poverty-alleviation programme, clearly different from the existing ones. In effect, the FOSIS programme applied a new approach to address the problem, acting as a social investment fund. As well, the Chile Barrio programme differentiated by being directed to a particular groups of poor individuals, the inhabitants of shantytown. Finally, the Chile Solidario programmes was focused to the extremely poor only and applied a very innovative approach, particularly in relation to elements such as the government's decision to approach poor families, and the establishment of a contract between the government and beneficiary families.

One interviewee highlighted the fact that the Concertacion Alliance presidents have tended to have 'pet' programmes and to disregard programmes inherited from previous administrations. In his words,

"a programme that is the son of an administration will be a respected cousin for the following administration, but the best of the cousins is always less regarded than the worst of the sons" (Carderon, interview, September 2003).

In synthesis, political events played key roles in the processes studied. In particular, the political orientations of the Concertacion Alliance compelled each administration to consider the problem of poverty into their agendas. Besides, the turnover of Concertacion Alliance administrations gave each new president a chance to address the problem of poverty in an original way, thus making a distinctive 'mark' in this arena.

### **6.3.2 The problems stream: A permanent problem with sporadic visibility**

As mentioned in Chapter Two, the Multiple Streams Model states that problems come to policy-makers attention by the use of indicators, through feedback from existing programs and from the occurrence of a crisis. All these elements are related to the process of problem recognition, that is, the circumstances that allow policy-makers to view or

interpret a particular situation as a problem. Hence, a central task when studying the problems stream is to understand how a given condition is defined as a problem for which a governmental action is needed, as well as how and why one set of problems rather than another occupies officials' attention (Kingdon, 1995:87). Kingdon stresses that someone must be convinced that a condition corresponds to a problem and this interpreter must also be capable of convincing others that this condition is in fact a problem,

“conditions become defined as problems when [policy-makers] come to believe that they should do something about them” (Kingdon, 1995:109).

### **6.3.2.1 The availability of poverty statistics**

The mapping of the Chilean poverty-alleviation policy-making process demonstrates that the availability of poverty statistics was crucial for policy-makers to visualize poverty as a problem requiring a governmental action. The perception of poverty as a problem was determined mainly by the availability of reliable poverty statistics during the 1990s.

Historic studies point out that poverty has existed in Chile at least during most of the 20<sup>th</sup> century (Arellano, 1988). For instance, it is mentioned that at the beginning of the century near 25% of urban population lived in

precarious housing conditions, with limited access to basic services such as sewerage and drinking water (Arellano, 1988:22). The health and education conditions of the population were also precarious, with high rates of illiteracy and mortality. Data suitable to dimension in an accurate manner this condition became available only during the 1960s. It confirmed the existence of high levels of poverty and extreme poverty in Chile (Table 6.0).

**Table 6.0**  
**Santiago (1): Extremely poor, poor, and non-poor households**  
**1969-89, selected years**  
**(%)**

<b>Status</b>	<b>1969</b>	<b>1979</b>	<b>1988</b>	<b>1989</b>
<b>Extremely poor</b>	8.4	11.7	22.9	14.9
<b>Total poor (2)</b>	28.5	36.0	49.7	41.2
<b>Non-poor</b>	71.5	64.0	50.3	58.8

Source: Schkolnic and Teitelboim (1989).

(1) Chilean capital.

(2) Figures for the poor include the extremely poor.

Poverty measurements available during the 1960s, 1970s and 1980s were not free from limitations as some of them did not represent the entire country and also because poverty figures were obtained from datasets with different objectives. For instance, Table 6.0 was constructed using data gathered to study the employment condition of Santiago's population, the *Encuesta de Ocupacion* (Occupation Survey), created in 1957. Consequently poverty statistics are obtained according to the level of wages of individuals. Other poverty statistics constructed during these years were poverty maps built in the 1970s and 1980s from the housing



and population census applied each ten years in the country (Katz and Molina, 1975; Mujica and Rojas, 1986). In these cases, poverty was measured according to the housing characteristics of households.

Only with the arrival of the first Concertacion Alliance government in 1990, accurate poverty statistics became available. Given its commitment to address the problem of poverty in the country, the Concertacion Alliance decided to apply the CASEN nation-wide socio-economic survey every two years and to re-focus its use towards the measurement and characterization of poverty. This decision represented a clear turning point in Chile in terms of the availability of a reliable and technically sound series of poverty indicators<sup>55</sup>.

The mapping of the Chilean poverty-alleviation policy-making process demonstrates that during the 1990s, the availability of poverty statistics obtained from the CASEN survey helped policy-makers and society as a whole to visualize poverty as a real and pressing problem. In effect, poverty statistics from the CASEN survey were accessible and widely known in the country during the policy-making process of the three programmes under study. For instance, in the case of the FOSIS programme, the publication in 1987 of poverty statistics from CASEN data supported the view that poverty levels were unexpectedly high and that a

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<sup>55</sup> It is worth mentioning that the CASEN survey was created in 1985 by the military government to assess the targeting level of government social expenditures, without considering the measurement of poverty as one of the uses of the survey. For a description of the process of creation of the CASEN survey see: Appendix 3.

clear government emphasis in improving social equity was required to address this problem (**FO-PE2**). In this case, it may be argued that the availability of poverty statistics supported the idea that the neo-liberal policies applied by the military government created a 'social debt' in the country, and that these policies were inappropriate to achieve social development and particularly to address poverty. Hence, the first Concertacion Alliance government proposed 'growth with equity' as an alternative socio-economic approach to allow the economy to continue growing while the government addressed the problems related to the social debt, such as unemployment, poverty and extreme poverty. The FOSIS programme was the first materialization of this new policy approach developed to deal with the high levels of poverty that the CASEN survey was showing.

As mapped in Chapter Five, during the Chile Barrio policy-making process both the CASEN and the *Campamentos* surveys played important roles. During the first part of the 1990s, the CASEN series of surveys were presenting a reduction in poverty and extreme poverty (**CB-PE5**). Indeed, in 1994 when Eduardo Frei arrived to power and later in 1996, during the Chile Barrio design phase, poverty and extreme poverty incidence levels were following a decreasing trend. These reductions occurred in a period of high and continuous economic growth that generated an optimistic mood among many politicians (**CB-PE4**). As a result, eradicating poverty and extreme poverty in a matter of years was considered feasible by many

experts and politicians in the country. Eduardo Frei's initial plan of overcoming extreme poverty completely during his government may be related to this optimistic mood, and to the positive poverty figures that the CASEN surveys were showing. In this sense, the CASEN survey contributed to the Chile Barrio policy-making process by providing politicians and policy-makers with a clear picture of poverty reduction, thus stimulating them to address a problem that by that time was showing clear signs of a fast and definitive resolution. Another poverty survey that played an important role in the Chile Barrio policy-making process was the *Campamentos* survey, contracted out by the housing ministry in 1995 to dimension the number of shantytowns that existed in the country (**CB-CE2**). Data from this study allowed the government to focus the Chile Barrio programme only on the inhabitants of shantytowns.

In the case of the Chile Solidario policy-making process, the role of CASEN poverty statistics was crucial as they showed that extreme poverty was stagnant, a situation that suggested the need for a new anti-poverty initiative (**CS-PE3**). In effect, during the second half of the 1990s extreme poverty incidence remained static despite the positive levels of economic growth that the country was experiencing. Between 1996 and 2000, extreme poverty remained around 5.7% of total population while poverty incidence showed a moderate reduction from 23.2% to 20.2%<sup>56</sup>. This meagre trend generated discontent among Concertacion Alliance

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<sup>56</sup> See: Chapter Five, Table 5.0.

politicians and experts, prompting government officials from the budget office of the finance ministry to start revising the government's safety net directed to the extremely poor in order to introduce improvements. As Chapter Five showed, this was the starting point in the chain of events that led to the creation of the Chile Solidario programme. CASEN data also allowed limiting the size of the group to which the Chile Solidario programme was directed (**CS-EE6**). Indeed, the CASEN survey of the year 2000 showed that nearly 225,000 families were extremely poor in the country. Hence, the programme was planned to cover all these families between 2002 and 2006. As a result, the CASEN survey played two important roles in the Chile Solidario policy-making process: first, it illuminated policy-makers about the new poverty reality that was unfolding, and second, it acted as a focusing instrument, allowing policy-makers to circumscribe the programme to a well defined and limited group of individuals.

In synthesis, the case studies provide convincing evidence that a significant ingredient in the Chilean poverty-alleviation policy-making process was the availability of poverty statistics; especially those obtained from the CASEN series of surveys. These statistics, created by the Concertacion Alliance governments, transformed the long-lasting and fuzzy phenomenon of poverty into a visible, well-defined issue. This higher visibility contributed to the creation of specific poverty-alleviation programmes during the 1990s.

### 6.3.2.2 Feedback from existing programmes

As Chapter Five showed, in some cases government officials received indications that there were problems in existing poverty-alleviation programmes at the beginning of the policy-making processes. In particular, feedback from existing programmes existed in the Chile Barrio and in the Chile Solidario processes. The Chile Barrio process was affected by the failure and abandonment by the government of a preexisting programme, the PNSP (**CB-PE8**). Clearly, this failure indicated that something was not working in the government's poverty-alleviation approach, which prompted President Frei to look for an alternative programme to fill this vacuum in his agenda. Notably, this same case provides another indication that feedback from existing programmes was a relevant element in the process. As the mapping indicated, by 1993 some housing experts inside Congress started criticizing the housing policy directed at the poor, arguing that it was ill-suited to satisfy this group's needs (**CB-PE6**). As a result, the ministry of housing commenced analyzing the programmes directed at the poor, a decision that contributed to design the Chile Barrio programme.

In the Chile Solidario case, the stagnation in extreme poverty levels that occurred since 1996 generated a negative view among Concertacion Alliance politicians and social policy experts about the social policy approach directed at this group (**CS-PE3, CS-PE4**). This feedback

prompted officials inside the ministry of finance to analyze the system of benefits directed to the extremely poor in order to find ways to improve it. As mentioned in Chapter Five, this move was the starting point of the Chile Solidario policy-making process.

### **6.3.2.3 Interpreting poverty as a problem**

The Concertacion Alliance socio-economic principles contributed to reframing poverty as a problem that required a prompt response and solution from the government. According to the Alliance, the government had the duty of introducing equity enhancing policies in the country as market forces and economic growth were not enough to secure prosperity for all population groups (**FO-EE1**). From this view, those at the bottom of the income distribution constitute an inescapable priority group for the government. In addition and as already mentioned, the Concertacion Alliance emphasis on improving social equity allowed re-orienting the CASEN survey towards measuring and characterizing poverty. The increased visibility of poverty that the CASEN surveys gave, resulted from the new socio-economic orientations introduced by the Concertacion Alliance, which visualized poverty as one of the main problems deserving government response.

#### **6.3.2.4 A poverty crisis**

The information obtained from interviewees provided no evidence that the occurrence of a crisis played any significant role in the processes, as no poverty crisis occurred before or during the period when the programmes were created. The only episode that corresponds to a poverty crisis in the country happened in 1982, when poverty peaked due to the debt-related economic recession. After that, from 1984 onwards, the economy grew at a steady high rate allowing a reduction in poverty levels. In 1998, the country suffered again an economic slowdown but much milder than the 1982 one<sup>57</sup>. As already described, no poverty increase occurred but just stagnation in extreme poverty levels, a situation that can hardly be interpreted as a poverty crisis. This result coincides with the type of social policy process that prevailed in other Latin American countries during the 1990s (Grindle, 2002). Grindle explains that there is evidence that when introducing social reforms, Latin American politicians were responding to their personal convictions about the importance of carrying out changes, rather than to a pressing crisis in a particular area. In this sense, and using Grindle's terminology, policy innovations applied in Chile in the poverty-alleviation area resemble 'chosen' reforms rather than 'pressing' reforms (Grindle, 2002:103).

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<sup>57</sup> GDP dropped 1.1% in 1999, compared with a drop of 17.2% in 1982-83.

### **6.3.3 The policy stream: A missing stream**

The multiple streams model suggests that policy proposals and alternatives are generated by policy communities that compose the policies stream. Policy communities are formed by groups of specialists that share an interest in one particular policy area and that may belong to different institutions such as academia, think tanks, NGOs, and the government. These communities generate policy alternatives by a process that is described as a 'primeval soup', where ideas float, evolve and recombine. This process produces a gradual accumulation of knowledge that ultimately leads to the generation of policy recommendations (Kingdon, 1995:17).

The case studies do not support the idea of a stylized policy stream in the Chilean poverty-alleviation policy-making process for a number of reasons. First, the group of individuals involved in the generation of poverty-alleviation policy alternatives does not constitute a policy community. As already highlighted in the present Chapter, the Chilean poverty-alleviation policy-making process is dominated entirely by government actors. Local non-government actors are insignificant in the process, probably because they constitute a small and fragmented group of experts, as Chapter Seven will explain. Furthermore, government experts participating in poverty alleviation policy-making are dispersed in different ministries, offices and government departments, carrying out their duties in a rather



isolated way. As a result, poverty experts inside government lack interaction and articulation, which prevents the existence of a policy community inside government.

Second, the cases show no indication of a 'primeval soup' process to generate policy alternatives. Instead, the process is highly punctuated and isolated, which results from the afore mentioned lack of a policy community. In other words, the fact that the process is controlled by an unarticulated governmental policy elite prevents the existence of a primeval soup process to generate policy proposals.

#### **6.3.3.1 A poverty-related policy community?**

The analysis of the cases demonstrates that the fragmentation that prevails among Chilean experts interested in poverty prevents the existence of a policy community involved in policy-making, in the terms defined by Kingdon.

In particular, the case studies show that government policy-elites were the main process actors, with no significant participation of non-government experts. This is most likely the result of the isolation in which government policy-elites conducted the policy-making process. For instance, the mapping of the FOSIS policy-making process showed that the programme was designed by a small group of specialists closely linked to the

Concertacion Alliance in only six months during the preparation of Aylwin's government programme (**FO-EE3**). Hence, more than a policy community generating a policy proposal what existed in this case was a small group of top Concertacion Alliance experts that designed the programme in a very isolated and expedited way. Their main input to develop the programme came from examples of social funds already developed in other Latin American countries that were known by some of these experts.

In the case of the Chile Barrio policy-making process a similar pattern was observed. The design of the programme occurred entirely inside government circles of officials from the housing ministry. At an advanced phase of the process, the minister of housing decided to create a group of government experts from different ministries to introduce the final programme details (**CB-EE4**). At this stage, the Brazilian *Favela Barrio* programme was used as a model for the future Chile Barrio programme. While in this case the design process was not as accelerated as in the FOSIS case, it is clear that it developed entirely among small groups of government experts.

The Chile Solidario policy-making process was conducted by a small group of top government officials from DIPRES, the government's budget office, which operated in a highly isolated and secret way from other government and non-government experts. They decided to contract out the World Bank to provide an assessment of the government safety net system

directed to the extremely poor with the aim of improving it. Later, after one year of work, a meeting between the President and a group of non-government experts was organized, which dramatically accelerated the Chile Solidario policy-making process (**CS-EE4**). While non-government experts attended the meeting with the president, their participation proved to be insignificant to the Chile Solidario final design. Furthermore, many meeting attendants complained that they were invited to the meeting only as a move from DIPRES to give a participative image to a clearly non-participative policy-making process. Immediately after this meeting, the president asked DIPRES to design in detail the programme in about one month, for it to be launched in the annual President's message to the nation (**CS-EE6**).

In addition, the case studies confirm that the policy-making process of poverty-alleviation programmes was monopolized by experts from a particular ministry or government office, which limited the degree of interactions that may have developed between experts from different government institutions. For example, the Ministry of Housing controlled the Chile Barrio policy-making process and the Ministry of Finance commanded the Chile Solidario policy-making process. In both cases, experts from each respective organization were responsible for developing the programme's details and for taking important decisions related to the characteristics of each programme. Anyhow, some interactions occurred at different points of the processes between experts from the 'commanding'

ministries and experts from other government institutions (**CB-EE4, CS-EE3, CS-EE6**). However, these interactions were limited to particular phases of the processes (mainly the final design phase).

This monopolization of the process by a single ministry may be explained by the rigidity in which the Chilean government is structured. In effect, traditional social policy ministries such as the ministries of health, education, housing, labour and social security operate in an autonomous, isolated and un-articulated way. This lack of articulation has existed also between departments inside ministries, as they are structured into very rigid offices (Gatica, interview, September 2003). As a result, individuals from different departments inside a ministry can develop a line of work that may remain unknown to other individuals of the same ministry, including heads of departments (Moreno, interview, December 2006). This fact constitutes an institutional barrier to develop an articulated intra-government community involved in policy making.

The previous evidence supports the view that there is no policy community participating in the Chilean poverty-alleviation policy-making process. Instead, the process is controlled by small groups of government experts, usually linked to a single Ministry or office, which conduct the process and generate policy alternatives in a very autonomous and isolated manner.

This result may be explained as in developing countries the lack of resources may prevent a significant level of policy discussion amid the policy-making process. Grindle (2002) confirms that governments are the only institutions that engage in social policy design in Latin America as countries lack the means needed to develop a community of academic institutions and think tanks to produce a policy discussion process. An alternative explanation may be that, despite the existence of a community of poverty experts, the government may be monopolizing the policy-making process, thus avoiding the participation of non-government actors. Chapter Seven will further investigate the causes of the non-existence of a poverty-related policy community in Chile during the 1990s.

#### **6.3.3.2 A primeval soup?**

The generation of policy alternatives in the Chilean poverty-alleviation policy-making process is far from the long run, complex and interactive process depicted by the multiple stream model as a 'primeval soup' (Kingdon, 1995:116). Instead, the process is short-run, and limited in terms of the interactions and recombination of components involved. These features are related to the characteristics of the poverty-related policy community already mentioned, as the policy-making process of the programmes was carried out by government's policy-elites acting in seclusion from non-government actors and other government institutions and experts.

Thus, the non-articulation of the Chilean government institutional framework may prevent the occurrence of a primeval soup process. In effect, ministries may act autonomously and isolated from each other to defend their jurisdiction or arena of influence, what Kingdon identifies as 'battles for turf' (Kingdon, 1995:155). This isolation may obstruct the interactions that are essential for a primeval soup process to occur. This point has been highlighted by Hardy (2001) and Molina (2003) in relation to the difficulty that exists in coordinating different social ministries in the Chilean case. They highlight the historical weight that traditional social ministries, such as health, housing and education have inside government. Their autonomy and power is supported by the size of the budgets that they manage, and by the different social programmes that they implement. Hence, Molina (2003) concludes that the Chilean governmental framework in charge of social policy is a case of an *institucionalidad dispersa* (dispersed institutional framework), which calls for the creation of a coordinating institution in the social policy arena.

This institutional barrier is further aggravated by the absence of a specific government institution aimed at coordinating poverty-alleviation efforts and developing poverty-alleviation programmes. Such an institution would serve as a 'gravity centre' for the discussion, debate and accumulation of knowledge about poverty-alleviation policies inside government, thus providing a space where a 'primeval soup' process may develop. It is

interesting to note that when created in 1990, MIDEPLAN was given the duty of coordinating the different programmes aimed at alleviation poverty in the country. However, MIDEPLAN was unable to perform this job and, in particular, was irrelevant or had a secondary role in the policy-making process of the poverty-alleviation programmes considered in the present thesis<sup>58</sup>. Partly as a response to this failure, an inter-ministerial social committee composed by ministers and top-level representatives of all social ministries was created in 1994 by President Frei (**CB-PE7**). Its main duties were to coordinate social efforts to overcome poverty and to put forward the PNSP, a national plan to overcome poverty (Raczynski and Serrano, 2002). Sadly, due to the dissatisfaction of the Frei administration with the PNSP results (**CB-PE8**), lower-ranking government officials started operating the social committee thus leaving the government without an effective authority to coordinate the efforts to address poverty.

The cases do show that during the policy-making process, Chilean policy-makers searched for examples of programmes in the Latin American region to construct poverty-alleviation programmes (**FO-PE3, FO-PE4, FO-EE3, CB-EE5**). This fact also confirms the absence of a poverty-related 'primeval soup' in the country, which may have forced policy-makers to look for suitable policy alternatives in other countries with similar types of problems.

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<sup>58</sup> Appendix 2 presents a brief history of MIDEPLAN to explain this failure.

In synthesis, the mapping of the three policy-making processes presented in Chapter Five shows no indication of a primeval soup-like process to generate ideas for each specific poverty-alleviation programme. This is explained by the absence of a poverty-related policy community at a national level, and by the lack of articulation that the Chilean government displays, particularly in the social policy area, which prevents the development of an interactive process of policy discussion and knowledge accumulation inside government. This lack of articulation is reinforced by the autonomy in which traditional social sector ministries operate, and by the absence of an entity inside government in charge of coordinating the initiatives directed at addressing poverty and of stimulating the discussion and analysis of poverty-alleviation programmes. Chapter Seven will investigate the causes behind the absence of a policy stream in the poverty-related field in Chile.

### **6.3.4 Other model elements**

#### **6.3.4.1 Policy entrepreneurs**

As mentioned in section 6.2, Presidents, ministers and small groups of government officials are with a few exceptions the only process actors in the Chilean poverty-alleviation policy-making process, a result that differs from the predictions of the multiple streams model, which states that



process actors are diverse in terms of their position. When presenting his notion of policy entrepreneurs, Kingdon mentions that,

“entrepreneurs are found in many locations. No single formal position or even informal place in the political system has a monopoly on them” (Kingdon, 1995:179).

This divergence may be linked to features of the policy-making process in developing countries where governments tend to monopolize the policy process, as Grindle and Thomas (1991) have confirmed.

The fact that individuals at the top of the government’s chain of command were identified as the main process actors supports the idea that their hierarchical position was fundamental to their relevance in the process. This result is corroborated by Grindle (2002), as she highlights that presidents and ministers have the most significant role in the social policy-making process in Latin American countries. Hence, the hierarchical position inside government appears to be the most significant resource that an individual may have in order to influence the policy-making process, a fact that contrasts with the multiple streams model statement that policy entrepreneurs use a variety of resources to push for their preferred policies, such as their personal skills, time, energy, reputation, and money (Kingdon, 1995:179). In sum, the result that top-members of the government, particularly presidents and ministers, were the principal

actors in the Chilean poverty-alleviation policy-making process rejects the idea that process actors are a diverse group of policy entrepreneurs.

#### **6.3.4.2 Policy windows**

Policy windows are central elements in the multiple streams model, as they represent opportunities for policy initiatives or proposals to materialize. As mentioned in Chapter Two, the multiple streams model predicts that a policy window will open due to changes in the politics streams, such as changes in administration, in the national mood, in the distribution of power in congress, or to changes in the problems stream, when a new problem gets the attention of policy-makers (Kingdon, 1995:168).

Two of the cases under study present events that may be interpreted as a policy window. One was the FOSIS process that started six months before the arrival of the first Concertacion Alliance President at the beginning of 1990, when groups of experts prepared the future government's programme. It may be argued that in this case the arrival of a democratic government, after 16 years of military rule, was an anticipated policy window that Concertacion Alliance policy-makers took advantage of to introduce a new poverty-alleviation programme (**FO-CE1**). It is important to highlight that in this case the policy window was related to the arrival of democracy and not to a change in the problems stream, as statistics

showing the severity of poverty in the country were widely known since 1987<sup>59</sup>.

In addition, in the Chile Barrio policy-making process a policy window may have opened when the PNSP failed in 1996, creating a gap in the social policy agenda of President Frei (**CB-PE8**). After this failure, President Frei asked his Minister of Housing to create a programme to address the housing needs of the poor (**CB-EE2**).

The cases also show that circumstances that fit the definition of a policy window such as changes of administration and the availability of new poverty data occurred significantly before the policy-making processes, pointing out to the idea that a policy window may have been opened for the government to create and launch a new policy initiative for a significant span of time. The fact that the three poverty-alleviation programmes were created under different administrations of the Concertacion Alliance, suggests that each new administration may have visualized its arrival as a window of opportunity to create a new poverty-alleviation programme, thus leaving a mark in the highly sensitive, visible and politically significant issue of fighting poverty. Besides, a policy window may have opened when CASEN poverty statistics became available in the country, as these data was widely analyzed and commented by experts and the media, contributing to raise the issue of

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<sup>59</sup> See: Appendix 3.

poverty to a higher status in the government's agenda. However, the policy-making process of the Chile Barrio and Chile Solidario poverty-alleviation programmes occurred much later than when a new president arrived or when the most recent CASEN statistics were available. In effect, the Chile Barrio policy-making process occurred in 1996-1997, in the middle of the Frei mandate and after a series of five CASEN surveys showed a persistent downward trend in poverty. Similarly, CASEN data indicating stagnation in extreme poverty levels in the country was already available in 1998, while the Chile Solidario policy-making process was carried out between 2001 and 2002, about one year after the beginning of Ricardo Lagos' government.

It is also interesting to note that clear episodes that may be interpreted as policy window *closers* were present in the cases, episodes that may be characterized as self imposed political deadlines. For instance, in the Chile Barrio and the Chile Solidario processes, Presidents considered that the 21<sup>st</sup> of May, when Chilean Presidents present their *Mensaje a la Nacion* (Message to the Nation) to Congress, was the ideal moment to launch the new poverty-alleviation programme (**CB-EE6**, **CS-EE7**). As already mentioned, the *Mensaje a la Nacion* is a formal ceremony when Chilean Presidents assess the evolution of their administration in the last 12 months and when their government's action plan for the next year is presented to Congress and other state's authorities. Consequently, these

episodes constitute the main centre stage scheduled ceremony for Presidents, attracting the entire country's attention.

Baranda (interview, September 2003) comments that the rush to have the Chile Solidario programme ready for launching during the *Mensaje a la Nacion* may have affected its technical correctness:

“in my opinion, it would have been appropriate for a panel of external evaluators to demonstrate to Congress that the programme would be successful, and this should have been done before enlarging it. That is my technical criticism . . . we should have assured optimal impact, and this was affected by the political pressure to implement it [as it was]”.

In synthesis, the FOSIS and the Chile Barrio cases show events that may be described as policy windows, brief moments when advocates for a particular policy push for their preferred alternative. Additionally, the Chile Barrio and the Chile Solidario cases also sustain the idea that policy windows may have remained open for a significant span of time, providing an ample space of time for government's policy-makers to take some action to address the problem of poverty. In two of the cases the policy window closing was a self imposed decision, due to the proximity of the President's *Mensaje a la Nacion*.

### **6.3.4.3 Streams coupling**

Another central element of the Multiple Streams Model is the convergence or coupling of the three streams that occurs when a policy window is present. Ultimately, this coupling allows the creation of a new policy as all the required ingredients -a problem, a solution for this problem and the appropriate political circumstances- coincide when a policy window opens.

The cases confirm the existence of streams coupling but only between the problems and the politics streams, an immediate result of the already mentioned lack of a policy stream in this area. Hence, while the idea of a coupling of streams is still relevant, its occurrence differs from what the model predicts. In effect, the cases show that elements linked to the policy stream come to bear on the process only after the politics-problems stream coupling has occurred.

Concisely stated, the coupling resulted from the confluence of a governing coalition that was willing to address the problem of poverty and the increased visibility that poverty gained during the 1990s. Once the decision to address poverty was taken, the choice of how to fulfil this goal was taken briskly and secretly inside government. For instance, in the case of the FOSIS programme, the interest of Concertacion Alliance politicians to include an anti-poverty programme in the new democratic government programme in conjunction with the high levels of poverty that

were present, moved them to create a group of social policy experts to achieve this aim. Once formed, the group decided to create a social fund, thanks to the previous experience of some key group members. In the case of the Chile Barrio programme, positive poverty figures prompted president Frei to set ambitious goal in his poverty-related agenda. This element was added to Frei's special willingness to address the housing needs of the poor. Once a decision was made to advance in this area, Frei asked his housing minister to design a programme to fulfil this goal. At this stage, the minister consulted his experts at the ministry of housing to start designing the programme. Finally, the Chile Solidario programme was created thanks to President Lagos' interest in introducing an innovation into the poverty area, in light of the stagnation that extreme poverty was displaying in the country. His interest accelerated the efforts of DIPRES and MIDEPLAN's officials to have a policy alternative available.

Commenting on the Chile Solidario policy-making process, Baranda (interview, September 2003) points out:

“technical soundness would have required that the Chile Solidario programme be piloted for at least one year in order to provide sufficient time to evaluate it. Expansion should have occurred later, but political logic accelerated it so as to cover as many families as possible . . . so there was a lack of technical rigor that didn’t come from the people implementing the programme but rather from the political pressure that accelerated approval of these programmes”.

A rather similar picture is presented by Esposito (interview, September 2003):

“poverty is always a good political tool, and President Lagos promised to end extreme poverty, so there was an urgency to fulfil a promise that the President made strongly and with a lot of conviction as to its feasibility”.



## **6.4 CONCLUSIONS**

The chapter began by establishing the lack of advocacy in the cases of policy-making studied. This result dismissed any model that places advocacy at the center of the policy-making process as a possible theoretical framework. Hence, the Advocacy Coalition, the Punctuated Equilibrium and the Transaction Cost models were considered inappropriate.

The centrality of government's policy elites in the poverty-alleviation policy-making process was confirmed by the three cases considered. The President and ministers were on top of the list of relevant process actors. This result confirmed the prediction of Grindle and Thomas' approach regarding the weight of policy-elites in the policy-making process in the developing world. However, despite this confirmation, Grindle and Thomas' policy-elites approach was considered unsuitable as theoretical framework for the research, mainly from its lack of a clear policy-making explanatory mechanism.

Following the previous considerations, and after evaluating the pros and cons of the Multiple Streams Model it was concluded that this model was the most suitable theoretical framework for the research.

The cases have confirmed the occurrence of central elements of the Multiple Streams model, particularly, the existence of a politics stream and of a problems stream. The politics stream was highly vigorous in the cases under study. Key features of the Multiple Streams model in this area were confirmed by the cases, such as the importance of the policy orientations of the current administration and the role of administration turnovers. Regarding the problems stream it was highlighted the relevance of having poverty statistics available in the country to bring this issue into the government's agenda, in line with Kingdon's prediction.

Policy windows, a key element of the Multiple Streams Model, were present in the cases but in a mixed way in terms of their briefness. Short events fitting the traditional definition of a policy window were present in the FOSIS and in the Chile Barrio processes. In addition, the Chile Barrio and the Chile Solidario cases included events that provided an opportunity for policy-makers to create a new programme during a significant length of time. This result contradicts with the idea that policy windows are brief by nature. On the contrary, it appears that in the Chilean poverty arena, some policy windows are not brief but of significant duration, providing a long period of time for a new policy to emerge.

Another partial divergence between cases and the model relates to the idea of policy entrepreneurs. Given that main process actors of the cases were government policy-elites that employed resources related to their

posts inside government during the processes, the applicability of the concept of policy entrepreneurs as diverse actors that use a variety of resources to push for policy alternatives appears to be invalidated.

A marked difference between cases and the Multiple Streams Model is related to the existence of a policy stream. Cases showed no evidence of such a stream in the Chilean poverty arena. This is a key finding related to the way in which the poverty-alleviation policy-making process may occur in developing countries and in Chile in particular. Cases demonstrated that policy alternatives emerged after the problem and the politics streams joined and that these alternatives were constructed by government-related officials in an isolated and expedite way. Besides, the coupling of the problems and politics streams resembled more a 'joining' of streams than a 'coupling' of streams, as these two streams remained together for a long time, as long as a policy window was open.

This sort of policy generation process differs from the suggestion of a continuous flow of ideas and policy proposals that recombine and interact to obtain solutions for a particular problem. The fact that a number of programmes under study 'copied' some of its features from programmes implemented in other Latin American countries supports the finding that in the Chilean poverty-alleviation arena the policies stream is lacking. All these consideration are further developed in Chapter Seven, where an

explanation for this palpable absence in the poverty-alleviation field is presented.

Notwithstanding these differences between the Multiple Streams Model and the evidence put forward by the research, it may be established that this model has been a highly useful theoretical framework for the present investigation, as it has allowed contrasting the cases with precise theoretical propositions related to main events, actors and mechanisms behind the policy-making process. Furthermore, the fact that cases have confirmed, partially confirmed, and invalidated different predictions of the Multiple Streams Model has allowed a greater understanding of the policy-making processes studied here.

## **Chapter Seven**

# **Explaining the absence of a poverty-related policy stream in Chile**

*"Well into the second government of the Concertacion, the political arena in Chile is dominated by a caste of professional politicians who control the policy-making process . . . political input by other popular organisations is minimal, given their fragmented state and a generalized withdrawal from non-electoral forms of political participation"*  
(Roberts, 1998:160)

*"Proposals for policy change were generated by the executive rather than by legislature, political parties, interest groups or think tanks"*  
(Grindle, 2002:104, describing the policy-making process in Latin America)

### **7.0 INTRODUCTION**

Chapter Six addressed the second aim of the thesis by explaining the way in which the policy-making process of the three programmes under analysis occurred. One important finding was that cases differed from the Multiple Streams Model regarding the absence of a poverty-related policy stream, a central component of the model.

This conclusion was reached after recognizing that the process to create the programmes lacked two central features of the policy stream: its independence from the other two streams and its continuity. On the contrary, results showed that solutions to problems were developed after the problems and politics streams coupled, and that these solutions

materialized in a punctuated manner, with no previous process of analysis, discussion or advocacy of possible policy alternatives inside a poverty-related policy community.

In the present chapter this absence is explained by arguing that in the cases under study, non-government actors that may have participated in the policy stream such as popular movements, interest groups, political opposition and social policy experts were absent, disinterested or ignored by the process controllers. This generated a policy monopoly that allowed the government to introduce policies without discussing its features with non-government policy experts. Additionally, this monopoly allowed the government to disregard policy alternatives proposed by non-government poverty experts, even if some of these alternatives were backed by an important poverty-related NGO.

This explanation is based on the fact that the existence of a policy stream depends crucially on the presence of interested policy actors, individual or groups that may discuss policy initiatives. As highlighted in Chapter Two, the Multiple Streams Model assumes the existence of actors that,

“generate proposals for public policy change, and engage in such political activities as election campaigns and pressure groups lobbying” (Kingdon, 1995:197).

All these actors comprise of communities that form the policy stream, where alternatives are generated and narrowed. Kingdon recognizes that agenda setting is controlled mainly by elected officials, principally the President and his appointees, while other participants, such as academics, consultants, career bureaucrats, congressional staffers and analysts working for interest groups participate more in the process of alternative specification (Kingdon, 1995:199-200). Besides, Kingdon stresses that these actors' activities may be an impetus or a challenge to the development of policies, as when pressure groups block or oppose a government initiative (Kingdon, 1995:197).

What may be impact for the Multiple Streams Model if the assumption of numerous actors involved in policy discussion is lifted? In particular, what will be the result if in a particular policy arena such as poverty, interest groups are completely absent and academics and congressional actors rarely participate in the process? The proposed answer to these questions is that the entire policy-making process and not just agenda setting will be controlled by top-government officials, and that a stylized policy stream will be non-existent.

The chapter also argues that an additional factor that may explain the lack of a policy stream in the poverty arena is the absence of institutionalized links between policymakers and researchers which may facilitate the

development, accumulation and discussion of poverty-alleviation policies, much in the way predicted by the Multiple Streams Model.

## **7.1 THE ABSENCE OF POLICY CONTESTANTS**

Recent literature studying the factors that help research influence public policies confirms that the absence of policy contestants may weaken the link between research and policy (Porter, 1998; Court and Young, 2003; Court and Young, 2004; Court and Cotterrell, 2006). While recognizing that there is no systematic understanding of the elements that strengthen the link between research and policy, these authors identify a group of potential factors based on an extensive literature review and case studies.

Court and Young (2004) and Court and Cotterrell (2006) emphasize the role of political variables on the degree in which research may be applied into policy-making. These elements include the degree of political contestation, the existence of institutional pressures and vested interests as well as the attitudes and views of officials (Court and Young, 2004:5). For instance, it is noted that when policymakers are willing to accept assistance from non-government researchers to develop policies, it is more likely that research knowledge will be included in the policy-making process (Court and Young, 2004:11; Court and Cotterrell, 2006:9). Besides, from three case studies of international development policy change, Court and Young (2004) find that an increase in the number of



non-government actors participating in the policy-making process, such as think tanks and NGOs, will translate into a greater use of evidence based research into policy-making (Court and Young, 2004:12).

### **7.1.1 A weak popular movement**

The literature on Chile highlights the weakness of popular movements during the 1990s (Oxhorn, 1995; Roberts, 1998; Foweraker, 2001). This situation resulted both from the repressive policies applied by the military during the 1970s and 1980s, and by the transitional character of democracy during the 1990s, when the heightening of popular participation was considered a threat to securing the maintenance of democracy.

The Chilean military government limited the degree to which civil society was able to participate in government. In effect, some authors mention that the introduction by the military government of a neo-liberal socio-economic approach combined with political repression prompted an atomized and individualistic civil society instead of a more associative one (Oxhorn, 1995:3; Foweraker, 2001:9). This situation persisted during the 1990s, as the few events where strong public participation was present occurred only at the end of the decade and as a reaction to certain government initiatives, such as the construction of highways amid populated areas and the installation of garbage sites in the vicinity of the

capital Santiago. For instance, Ducci (2001:11-14) presents the case of the *Ciudad Viva* (Living City) urban social movement, which was born to oppose the building of a highway project cutting through a Santiago neighbourhood.

Additionally, it has been noted that during its sixteen years in power the military created a government institutional structure that was not planned to stimulate the participation of civil society (Hershberg, 1997:351). In effect, the military carried out their policies in a very top-down and non-participatory fashion. The Concertacion Alliance inherited this government structure, which remained highly limited in its ability to provide spaces for civil participation, despite the introduction of some modifications such as the creation of new ministries and offices related to social policy<sup>60</sup>.

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<sup>60</sup> See: Chapter Four, section 4.5.

Esposito (interview, September 2003) shows no doubt about the lack of civil participation during the Chilean poverty-alleviation policy-making process:

“what I saw in the field when I was working with extremely poor families was that there was no participation from potential beneficiaries during the design, implementation or evaluation phases. This is a complaint I hear from beneficiaries of the Chile Solidario programme as well as from [programme] workers. . . zero participation . . . I would apply the same reflection . . . to all social policy, [that] aside from a few experiences in participatory budgeting, people’s participation is very low during the programme design, implementation and evaluation phases”.

To analyse the demobilization of civil society under the military government, the case of shantytowns dwellers is cited as one of the few social movement that emerged during this period (Oxhorn, 1995). Their organization has been explained as a reaction to the repressive policies applied by the military (Oxhorn, 1995:3). More precisely, grassroots movements filled the vacuum created by the suppression of political parties and labour organisations by the military. Hence, territorially based organisations emerged as the only channel to express the interests and views of the poor in the non-democratic environment. The economic

recession that affected the country in 1982 reinforced the development of self-help organisations as it forced the poor to associate to survive. For instance, *ollas comunes* (soup kitchens) were common in shantytowns across the country to feed dwellers in an economic way. Members of the *ollas comunes* organized to cook and to obtain food donations (Oxhorn, 1995:2-3).

Later, during the final part of the 1980s a demobilization of the shantytown-related social movements occurred, a phenomenon that has been explained by the return of open elections to the country and the related channelling of social demands through traditional political parties (Oxhorn, 1995:26; Roberts, 1998:85; Foweraker, 2001:8). According to this view, there existed an antagonistic relationship between political parties and shantytown-related civil organisations in the Chilean democratic scenario, as the relevance of these movements under the military was linked to the lack of democracy in the country, which included the suppression of all traditional forms of civil organization such as political parties and labour and professional unions. Hence, with the arrival of elections and the legalization of traditional forms of civil organization the significance of grassroots movements diminished dramatically.

The strategy followed by the Concertacion Alliance to secure the transition to democracy at the beginning of the 1990s, further contributed to dismantle the civil movement that emerged under the military. To secure

the return to democracy, an objective that was considered at risk given the reluctance of the military to release power, the Concertacion Alliance negotiated a transition process with the regime, involving a gradual introduction of a fully democratic system to avoid an eruption of repressed popular movements that may have destabilized the fragile new democracy. As a result, the Chilean transition to democracy has been described as an act of securing the consolidation of democracy at the expense of limiting its deepening (Roberts, 1998:141). As an illustration, when describing the Concertacion Alliance position during the negotiating process with the military to transfer power, Boeninger states that,

“securing the transfer of government was considered the fundamental element, despite not securing simultaneously the equivalent transfer of power” (Boeninger, 1998:364).

In addition, some authors note that popular movements distrusted political parties as they perceived them as a threat to their autonomy rather than as potential partners to channel their demands (Graham, 1994:50). According to this view, *pobladores* (shantytown dwellers) viewed political parties as a source of division inside their organisations, and considered that political discussions were not directly linked to their particular concerns (Graham, 1994:51).

Other authors concur that the Chilean democratic political system has been dominated traditionally by government elites that limit the development of a participatory policy process (Oxhorn, 1995:282; Hershberg, 1997:340; Roberts, 1998:139; Foweraker, 2001:9). These elites are characterized by being insulated from base-level organisations. Graham (1994:51) explains the non-participatory character of Chilean governments as political parties build their base on labour and professional unions rather than on grassroots movements, consequently excluding *pobladores* from their central committees. In synthesis, the non-participatory legacies of the military government, the transitional character of democracy during the 1990s and the traditionally elitist style of Chilean democracy generated an adverse environment for the participation of popular groups in political activity.

### **7.1.2 The lack of interest groups**

It has been suggested that during the policy-making process, policymakers contrast the costs and benefits of the innovations that they plan to introduce (Navia and Velasco, 2003:275; Court and Cotterrell, 2006:9). It may be postulated that the existence of interest groups in a specific policy area may prompt the government to develop policies more openly, in such a way that resistances from interest groups are assessed and anticipated. This might allow the government to negotiate with these groups, thus avoiding confrontations that may generate political costs.

In this respect, the area of poverty lacks any interest or pressure groups such as labour or professional unions, and private sector organisations involved in social policy. For instance, no labour or professional union related to the implementation of poverty-alleviation programmes exists, mainly because the implementation of most of these programmes is carried out autonomously by municipalities at the local level, whose workers are involved in a variety of activities apart from implementing pro-poor programmes. This lack of poverty-related unions may reinforce the government's perception that this is a policy area where significant room of manoeuvre exists to control the policy-making process without risking political costs.

This feature contrasts sharply with what occurs in other social policy sectors such as health and education where powerful interest groups are present in the policy process, as documented by literature focused on the Latin American region and Chile in particular (Grindle, 2000; Molina, 2000; Navia and Velasco, 2003; Foxley, 2004). These authors indicate that in the health and education sectors pressure groups have tended to block government's initiatives.

For instance, Foxley highlights that Chilean health workers and teachers represented a considerable blocking force when reforms were introduced into their sectors (Foxley, 2004:11). His words leave no doubt about this issue,

“doctor and health care labour unions have consistently opposed health reforms in Chile for 12 years, and governments have not been willing to endure work stoppages in hospitals and emergency care units, with the consequent political costs attached to it” (Foxley, 2004:11).

Foxley present a rather similar panorama for the educational sector, where teachers resisted the introduction of reforms involving the evaluation of their activities (Foxley, 2004:11). When recalling his experience as education minister during the Frei administration, Molina (2000) highlights that teachers complained about their low participation in the design of the educational reforms introduced in Chile during the 1990s. Given their lack of identification with the reform, Molina states that they became opponents to change rather than leaders of the reform. A final example for the Chilean case is provided by Boeninger (1998). He documents the social conflicts that the Aylwin’s first Concertacion Alliance government confronted, mentioning that these conflicts involved almost exclusively public workers (Boeninger, 1998:494). In particular, among these conflicts the gravest one was a dispute between the government



and the powerful *Colegio Medico* (Medical Doctor's Union). The pressure of the union forced the minister of health to resign, as a prerequisite for negotiations between the two parts to resume (Boeninger, 1998:495).

When comparing the policy process in the poverty-alleviation arena with the processes in other policy areas, Contreras (interview, December 2006) explains:

“from a conceptual point of view there are some non-controversial subjects, such as health and education, which present the problem that it is hard to accomplish things because the private sector intervenes, so when you want to introduce a reform you start bothering different actors . . . this is not the case in the area of poverty as there is no participation of the private sector here”.

Navia and Velasco (2003) analyse the reforms adopted in Latin America during the 1990s, which they label as second generations reforms, stressing that these reforms confronted significant vested political obstacles when compared to the reforms applied in Latin America during the 1980s (first generation reforms). According to their opinion, in the case of second generation reforms the potential 'victims' of innovations were less atomistic and more organized groups than during first-stage reforms. Among these groups, they list teacher's unions, upper echelons

of public bureaucracy and the medical establishment (Navia and Velasco, 2003:268).

Other pressure groups affecting the policy-making process of the health and education sectors in Chile are actors from the private sector that participate in social policy. As mentioned in Chapter Four, the Chilean social policy sector allows the participation of private actors in different areas, particularly health and education. There exists evidence that these actors were interested in the policy-making process of specific government initiatives when they perceived that their interests were at risk. For instance, when the laws to put forward a health reform under the Lagos administration were introduced, the *Asociación de ISAPRES* (Health Insurance Private Institutions Association), expressed their opposition to this legislation as they considered it inadequate. Particularly, the head of the *Asociación de ISAPRES* expressed that some of the ideas debated in Congress,

“were jeopardizing the stability of the [health] private sector and that a government proposing such an aggressive reform will lose ISAPRE’s support” (Merino, 2002).

Another example of the intervention of private sector related-groups into the Chilean social policy process is provided by Contreras (interview, December 2006). During 2006 he was invited to participate in a

government's advising group to study how to improve the quality of education. He recalls that,

“while participating in the group, I saw teachers defending their union, as well as *Sostenedores* (Subsidized Private School Managers) defending their sector . . . I was never sure if [their] opinions were focusing on the long run or if they were just addressing the circumstantial problem that they were confronting” (Contreras, interview, December 2006).

In synthesis, no organized pressure group such as popular organisations, labour and professional unions, or interest groups from the private sector was present in the poverty area in Chile, in sharp contrast to what was observed in other social areas, particularly health and education. This palpable absence may have accentuated the policy monopoly that the government enjoyed in the poverty area, as no pressure existed to develop a more open and participative poverty-related policy process.

### **7.1.3 A complacent political opposition**

As was explained Chapter Six, sending to Congress a law relating to the programmes occurred only in some of the cases under investigation. It was also noted that in some cases, having a law was irrelevant to begin

implementing some of the programmes. In any case, when a law is sent to Congress it is necessary to specify the level of opposition that the government found when discussing these laws. This may have indicated that at least in the legislative arena the poverty-alleviation innovations created by the Concertacion Alliance were challenged.

Interviewee's opinions as well as relevant literature indicate that when a law related to some of the poverty-alleviation programmes under study was sent to Congress, as was the case in the FOSIS and the Chile Solidario programmes, no significant challenge from the political opposition existed. The views of Sergio Molina provide critical support for this point as he witnessed the behaviour of the opposition when the law that created the FOSIS programme was approved. He highlights that there existed a wide support in Congress for the creation of the programme, with the only doubts from the opposition linked to the potential political use of the funds that the FOSIS will allocate (Molina, interview, June 2003).

In Molina's own words (interview, June 2003):

"I would say that there generally was support, aside from a slight reluctance from the political opposition until it was sure that these resources had social and productive ends rather than purely political goals. We tried to be as transparent as possible".

Later, when commenting on passing the FOSIS law, Molina (interview, June 2003) explained:

"there was a law that created FOSIS and MIDEPLAN, and this legislative procedure was quick. We had to explain what FOSIS was, and that it was designed to have little staff in order to avoid bureaucracy".

The legislative process of the Chile Solidario programme may also be considered an expedite one, bearing in mind the consensus that was reached in Congress to pass the law that created the programme (Chile Solidario, webpage). The law was approved unanimously by the lower chamber and with a majority by the Senate, after some modifications to the original project were introduced to limit the action of the programme's representatives to avoid any political use of their activities (Chile Solidario webpage).

In contrast, many examples sustain the view that the political opposition confronted more decisively the government's policy innovations in the areas of health and education. For instance, Molina states that the educational innovations that he headed while serving as education minister under the Frei government generated significant conflicts with the political opposition. He highlights that an agreement with the opposition was reached in Congress but only after a negotiation as,

“the opposition congressmen expressed that they were not willing to approve a partial [education] legislation, but policies and laws congruent with the broader [educational] context” (Molina, 2000).

Also, the legislative process of the health reform that Ricardo Lagos introduced in parallel to the law creating Chile Solidario followed a strenuous road. The law was sent to Congress in June 2002, and was approved two years later, in February 2004, after a heated debate between government representatives, opposition leaders, the medical union, and actors linked to the ISAPRES (Sanchez, 2004:1). The government's original proposal suffered important modifications during this debate. In particular, the government was forced by the political opposition to remove the idea of creating a *Fondo de Compensacion de Riesgo* (Health Risk Compensating Fund) to finance the reform, where all

Chileans would have contributed to finance the medical services guaranteed by the reform. This was the only way to have enough votes to pass the law, given that the political opposition strongly rejected the idea of such a fund (Sanchez, 2004:2).

The lack of political opposition to the introduction of poverty-alleviation programmes may be explained by the perception that the government's poverty-alleviation approach was providing good results, and because addressing poverty was a shared aim of all political parties. As already explained in this thesis, poverty incidence displayed a continuous reduction during the 1990s in Chile<sup>61</sup>. This positive trend has been interpreted by the government and by international organisations as the result of the mix of policies that the Concertacion Alliance applied during the 1990s, including the set of poverty-alleviation programmes under study in the present thesis (MIDEPLAN, 1996; World Bank, 2000; De Ferranti et al, 2004)<sup>62</sup>.

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<sup>61</sup> See: Chapter Five, table 5.0.

<sup>62</sup> Official poverty figures are generated by the government, which are not challenged by non-government experts or politicians, or by international organizations. They are constructed from the CASEN socioeconomic survey, a widely accepted instrument in terms of its technical validity. Besides, the methodology employed to construct the poverty indicators, is backed and promoted by the UN's Economic Commission for Latin American and the Caribbean (ECLAC), for the entire Latin American region. See Appendix 3.

The fact that during the 1990s poverty was a non-pressing problem is confirmed by Contreras (interview, December 2006) who states that,

“fortunately poverty levels have been diminishing . . . as a result I do not see too much opposition or difficulty [in this area] . . . it seems that [poverty] trajectory helps”.

As Chapter Four illustrated, the aim of addressing poverty is widely shared in Chilean society, particularly across the political establishment, as this goal has been present in a series of Chilean government with different ideologies since the 1960s. Significantly, the military regime that followed a right-wing political approach also integrated the problem of poverty into its agenda, particularly by creating a safety net directed to protect the poor from the economic cycle. The Concertacion Alliance emphasized the goal of addressing poverty into its agenda, in line with the broad goal of introducing equity enhancing policies to the country. In relation to this point, Contreras (interview, December 2006) mentions that,

“in the political arena nobody is willing to abandon the aim of fighting poverty, consequently it is easy to obtain the votes and the allies required to approve projects of law, there is no resistance . . . opposing may be seen as impolite”.



#### **7.1.4 A small group of social policy experts**

It is noted in the literature that the activity of Chilean social policy experts was harmed by the military regime. During the 1970s and 1980s the military restricted academic discussion in order to suppress all forms of civil debate and deliberation. Immediately after the coup, all universities were temporarily closed and occupied by the armed forces, which "occupied them as if they were a battle field" (Lladser, 1989:220). *Rectores Delegados* (Assigned Directors), usually military officials appointed by the regime, were introduced to manage all Chilean universities<sup>63</sup>. They reduced universities' personnel; specially academics from the left, closed some academic centres, particularly those dedicated to social sciences such as sociology, and applied a strict control of curricular contents (Lladser, 1989:223).

Despite this adverse scenario, some forms of social policy analysis occurred under the regime, mostly inside NGOs that received international cooperation and developed small scale social policy initiatives (Egaña, 1989). The role of institutions related to the Catholic Church was crucial during this period. In 1975 the *Academia de Humanismo Cristiano* (AHC) (Human Christian Academy) was founded, as a reaction to the military intervention of the prestigious *Universidad Católica de Chile* (Catholic University of Chile). The AHC produced social sciences studies,

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<sup>63</sup> By 1973 there existed two public and six private universities in Chile, all publicly financed (Lladser, 1989:217).

contributing to fill the gap created by the military in the academic sector (Lladser, 1989:224).

During the 1980s, some social sciences academic centres, relating mainly to international organisations such as the *Facultad Latinoamericana de Ciencias Sociales* (FLACSO) (Latin American Faculty of Social Sciences) and the UN's Economic Commission for Latin America (ECLAC) based in Santiago, increased their participation in social sciences studies. By the mid-1980s, more than twenty different centres were involved in social sciences academic activity (Lladser, 1989:254-255). These centres focused their investigations and activities on the immediate problems affecting particular sectors of society, such as shantytown dwellers, the unemployed, women, urban citizens, rural inhabitants, human rights, labour unions, ethnic minorities, and so on (Lladser, 1989:234). Not surprisingly, these centres lacked coordination and articulation, given the context where they emerged. Lladser recognizes that,

“the sprouting of these centres has been anarchical . . . sometimes the lack of communication between them has produced mutual ignorance of their activities, generating duplications of efforts and initiatives” (Lladser, 1989:263).

During the 1990s, academic activity related to social policy expanded. Social policy experts were located in academia, government institutions,

think tanks, NGOs and international organisations. Contreras (interview, December 2006) provides a positive view of their activities in Chile by the mid-2000s, by saying that,

“I can see them quite active. I observe many transversal seminars, books with different views being published; I see that [poverty] statistics are available and that we all use the same data. . . I would say that the [poverty-related] academic sector is fairly dynamic”.

Contreras’ opinion confirms the view that social sciences academic activity returned to normal under democracy.

As an example of an active NGO that generated significant poverty-related analysis during the 1990s, the case of the *Fundacion Nacional para la Superacion de la Pobreza* (FNSP) (National Charity to Overcome Poverty) NGO is worth citing. As mentioned in Chapter Five, the origins of the FNSP go back to 1994 when president Frei decided to create the *Consejo Nacional para la Superacion de la Pobreza* (CNSP) (National Board to Overcome Poverty), a civil society group to assist the president in the efforts to overcome poverty. In 1996 the CNSP was dissolved, but their members, a prestigious group of civil society representatives, decided to continue their activities as an NGO, renaming it as the FNSP.

In 1999, the FNSP elaborated a document called *Propuestas Para la Futura Política Social* (Proposals for the Future Social Policy), postulating a series of reforms and innovations that covered most social sectors, including poverty, health, education and housing (FNSP, 1999). At the core of all proposals was the creation of 'social minimums', a group of basic social benefits that the government should guarantee to all citizens to have a worthy life. In the particular area of poverty, the document proposed updating the method employed by the government to measure poverty.

Notwithstanding the fact that the FNSP was a respected civil society actor in the poverty arena, and that its 1999 proposal was widely known among social policy experts, both its representatives as well as its ideas were entirely ignored in the Chile Solidario policy making process that occurred in 2001 and 2002, as explained in Chapter Five. The opinion of Leonardo Moreno, FNSP executive manager between 1999 and 2000, confirms this situation (Moreno, interview, December 2006). He stresses the preponderance of political variables behind the creation of the Chile Solidario programme and the absolute absence of the FNSP in the process.

Another important opinion about the degree of influence that the FNSP had in the Chile Solidario policy-making process is provided by Cecilia Perez (interview, January 2007). As MIDEPLAN minister during the final part of the Chile Solidario policy-making process she enjoyed a privileged

position to witness the process. Besides, prior to this post she worked as managing director of the FNSP, which makes her an ideal informant regarding the degree in which the FNSP may have affected the Chile Solidario process. While Moreno's opinion is highly critical about the omission of the FNSP in the process, Perez views are less critical, but still confirming the undeniable omission of the FNSP in the Chile Solidario policy-making process<sup>64</sup>.

In Peres' own words (interview, January 2007), the Chile Solidario policy-making process,

“[lacked] a previous debate about the programmatic and methodological dimensions of the programme, because this was an internal process, endogenous to the state . . . its design, the reason why [the programme] was going to have a particular form, its particular operating mode, was informed later to people”

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<sup>64</sup> At the time of this interview (January 2007) Perez was director of FOSIS, inside MIDEPLAN.

When referring to the meeting between President Lagos and a group of social policy experts (**CS-EE4**) she added that,

“this was a sort of checking for the [Chile Solidario] programme, a procedure that the President usually employed, but it was a totally internal construction, with political and financial logic” (Perez, interview, January 2007).

After this recognition, Perez states that some modifications to the original Chile Solidario design were added during the implementation phase of the process, implying that this allowed introducing elements that were omitted during the policy-making process. She mentions that as soon as she assumed as MIDEPLAN minister, she tried to influence the programme in order to incorporate as much as possible some social policy principles that were part of the FNSP agenda.

Besides, she explains that presently in his post of head of FOSIS, and as responsible for managing the Puente programme which is at the core of the Chile Solidario programme,

“we have been trying to gradually incorporate [into the Chile Solidario programme] elements that belong to a programmatic matrix different from that of the state, such as the development of social capital capabilities linked to community networks, issues that probably would have emerged in a wider [policy-making] debate. . . in fact, comparing the original [programme] design to what has really happened there exists a tremendous difference” (Perez, interview, January 2007).

The opinions of Perez are highly relevant to an understanding of the Chilean poverty-alleviation policy-making process, at least in three respects. First, they indicate that the implementation phase of the process allows modifying programmes in order to introduce elements that were neglected during the policy-making phase.

Second, her experience as an NGO-related expert posted to a high rank inside government, demonstrates that a channel in which the policy-making process may be more suitable to the introduction of knowledge

and research considerations relies on the possibility that non-government social policy experts secure top-level posts inside government.

Calderon (interview, September 2003) confirms this view:

“people bring their experiences to the programmes in which they participate, their stories are key, if they know the poor by the way they smell . . . how things are done depends on people and their experiences”.

Finally, Perez' opinions highlight that ideas and proposals generated outside government are more suitable to be adopted in the medium to long run, indicating that a slow introduction of ideas from non-government experts into government programmes may exist.

In synthesis, there exists solid evidence that throughout the Chilean poverty-alleviation policy-making process that occurred during the 1990s, governments were able to ignore the opinions of non-government social policy experts, and to exclude the participation of non-government experts from the policy-making process, thanks to the policy monopoly that it enjoyed in the area of poverty.



## **7.2 THE LACK OF AN INSTITUTIONALIZED LINK BETWEEN POLICYMAKERS AND RESEARCHERS**

The distribution of power that exists in the poverty field in Chile, where the government has been uncontested when creating policies has been fundamental to formulating the type of policy-making processes of the three programmes studied, particularly regarding the absence of non-government experts in the process. However, an additional institutional consideration may also have been relevant.

Existing literature indicates that the availability of instances to link policymakers and researchers appears to be basic for scientific knowledge to influence policy. In this regard, the level of trust, legitimacy, openness and formalization of networks are seen as important factors that facilitate the researchers-policymakers link (Court and Young, 2004:6). Furthermore, strong links and feedback between researchers, policymakers and those involved in practical application of programmes may be particularly fruitful. For example, these authors explain that a strong researchers-policymakers link existed in Rwanda when a minimum standard policy for humanitarian agencies was created. In this case the existence of solid networks between government and researchers resulted central for the bridging of research and policy. In particular, a structure that institutionalized the link between those who made the research and

the policy-makers to whom the findings were directed was created (Court and Young, 2004:6).

The opinions of a number of interviewees support this last point in relation to the relevance of having spaces or structures that facilitate the connection between researchers and policymakers:

“I think that there is no important academic-political discussion, because political parties have no capacity to enter this debate, neither universities . . . there are no instances, no centres dedicated to these subjects” (Egaña, interview, January 2007).

“there exists ‘grey matter’ [inside government] but it is atomized and limited by certain fears. If more spaces were available for a freer and more open discussion, [policy] design would be better . . . [however] this may affect some interests, as well as governance and smooth administration . . . participation may be viewed as a threat at some levels” (Calderon, interview, September 2003).

“definetly there are no places to debate and explore all these subjects . . . I believe there is a disdain for reflexion among policy makers, and that there exists very litle critical thought” Montes (interview, July 2003).

“someone should have a long term view [of social policy], and MIDEPLAN failed to achieve this . . . the government is not interested . . . and everyone in the government is opposed to the creation of a social authority as current powers from the social sectors and the Ministry of Finance make it unviable” Moreno (interview, December 2006).

“there is litle space inside the public apparatus to reflect and analyse what is being done . . . it is common to proceed without considering impact indicators or evaluation” Celedon (interview, September 2002).

Hence, rather than point to a lack of interest in the issue, interviewees allude to the absence of formal spaces inside government where policies can be disscused and debated, which would facilitate the introduction of academic and technical views during the policy making process.

### **7.3 CONCLUSIONS**

The present chapter has seek to explain the absence of a policy stream in the Chilean poverty-alleviation policy making process during the 1990s. Evidence was presented to support the idea that this area lacks policy contestants and interested pressure groups, such as organized popular movements and labour and professional unions, in contrast to what occurs in other social policy areas and to the predictions of the Multiple Streams Model. These absences reduce the possibilities for a policy stream to exist because the government has the power to control the entire policy-making process, including the phase when policy alternatives are generated, and to restrict the participation of non-government actors and ideas in the process. In particular, the Chapter demonstrates that this monopolization of the process allowed the government to ignore the unarticulated and atomized group of poverty experts that existed in the country during the 1990s; a result that demonstrates that the sole agency and activities of researchers were insufficient to generate a policy stream. Egaña's comment about how the Chile Solidario programme was created illustrates this point (interview, January 2007):

“it is not something that was thought of as a design, as in the case of health and education programmes where there was more design, more discussion. Chile Solidario was much more related to political urgency”.

The Chapter has illustrated that the lack of effective actors in the poverty arena resulted from a mix of causes, including the legacies of the military regime, the elitist form of democracy that has prevailed in Chile and the transitional character of democracy during the 1990s, all features that prevented the participation of popular groups in the process.

Besides, it has highlighted that contrary to what happens in other social policy sector such as health and education, no labour or professional unions linked to the area of poverty existed as poverty-alleviation programmes are implemented by autonomous Municipalities at the local level, a fact that prevented the type of participation that this kind of groups had in the policy-making processes of health and education reforms.

Finally, it showed that the poverty arena lacks institutional links to facilitate the researchers-policymakers interface, which according to some authors and a key interviewee, may have contributed to the absence of a policy stream in this area.

# **Chapter Eight**

## **Conclusions**

### **8.0 INTRODUCTION**

Three sections are included in this final Chapter. The first one draws upon the previous Chapters of this thesis to provide a summary of the main theoretical contributions obtained. The second section offers potential areas for future research, and the final one suggests a number of policy implications that arise from the research findings.

### **8.1 THEORETICAL DEVELOPMENTS**

The thesis recognizes the relevance of the environment in which the policy process occurs, especially in relation to the weight that inherited institutions have in conditioning the policy-making process. In the case of Chile, the notion of an environment that surrounds and conditions the policy process, introduced originally by Easton (1965), is palpable in the sense that prevailing government structures incorporate rigidities in the process. Ministries and departments inside ministries are highly autonomous in being able to develop their duties, particularly when they engage in the process of creating a new policy initiative. This scenario limits the number of interactions between different actors that may occur along the policy-making process, and ultimately diminishes the chances of

applying knowledge and experiences from existing programmes when a policy innovation is introduced.

The thesis also confirms the complexities existing within the policy process, making evident the limitations of the stages approach (Laswell, 1956) in properly understanding this phenomenon. As stated in Chapter Two, dividing the policy process into sub-phases has been used to simplify the analysis of a complex phenomenon, and from the notion that different forces and actors may be present in each stage. While in general terms this approach is reasonable, the fact that many deviations exist from a clear-cut division of the policy process into sub phases must be emphasized.

Particularly, the thesis has demonstrated that two forms of subdividing the policy process - into agenda-setting and alternative specification and into policy-making and policy-implementation - may be misleading<sup>65</sup>.

Kingdon's proposal of separating the policy-making process into agenda-setting and alternative specification is not sustained by the research. It may be argued that in some of the cases under analysis, the phase of alternative specification differed from the agenda setting stage as it allowed the participation of a few new actors in addition to the presidents and his ministers, such as mid-level officials and government experts.

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<sup>65</sup> See Chapter Two, Figure 2.1

However, this one point is not sufficient to justify the division of the policy-making process into sub-phases. On the contrary, the cases presented no clear difference between policy actors along the policy-making process, and the weight of political forces was equally important when the agenda was set as when policy alternatives were selected.

The sharp division between policy-making and policy-implementation also deserves a closer look when analyzing the policy process in a country like Chile<sup>66</sup>. Notwithstanding the fact that this thesis did not investigate the implementation phase of the case studies, the closed nature of the process suggests that the implementation phase of the process provides a window of opportunity for introducing important changes to the programmes. Key informants support this point:

“with [the original] FOSIS now dismembered, it is good to know why this was the case, to observe the entire history of its evolution” (Molina, interview, June 2003, regarding the evolution of FOSIS).

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<sup>66</sup> Section 8.2 in this Chapter proposes the study of the implementation phase of the programmes under investigation as a potential area for future research.



“the design of the social intervention as it should have been from the beginning is occurring right now . . . the infrastructure remains the same as in 1997 but the social intervention, the complex part of the programme . . . has evolved since its original design” (Araos, interview, August 2002, speaking about the Chile Barrio programme).

“when the Chile Barrio programme started being implemented, it changed, and the profiles of regional directors were key . . . in all programmes, persons who implement them are of great importance” (Celedon, interview, September 2002).

“the development of social capital and social nets was never considered in the original design, although these elements probably would have been considered in a wider debate . . . so with time we have been trying to incorporate these elements . . . in fact, from the original design to what exists today there is a tremendous change” (Perez, interview, January 2007, speaking about the Chile Solidario programme)

In this regard, the possibility that the programmes are still in the making during their implementation phase, as a number of interviewees indicate, may reflect that it was only during this phase of the process that it was

possible to incorporate views and opinions that were excluded or absent during the policy-making process. This may explain why these three programmes have been successful in contributing to poverty alleviation in Chile, as positive results have become known only in the long run when the shortcomings of a secluded policy-making process may have been compensated for by the more open implementation stage.

The thesis shows that among the theoretical frameworks that study the policy-making process, those that emphasize competition and advocacy by different actors are not supported by the three cases under investigation, as poverty-alleviation may be a policy area where the policy-making process is monopolized by the government. In particular, Chapter Seven provides an explanation of this result by confirming the absence of relevant actors that could balance out the powers and privileged position of government during the policymaking processes. These missing actors include civil society organizations, workers' unions, business organizations, think tanks, and so on. In addition, this result is also explained by the fact that the government has enough control of the policy making process to be able to ignore the opinions of non-government actors.

The thesis demonstrates the usefulness of the Multiple Streams Model as a theoretical framework to shed light onto the way in which the poverty alleviation policy-making process evolved in Chile during the 1990s. The model proved especially valuable for identifying the particularities of the

policy-making process in a country characterized by a presidentialistic political system like Chile. In particular, the Multiple Streams Model presents the advantage of modelling the policy-making process as a result of the influence of three different forces (streams), and a variety of actors (policy entrepreneurs) who may be located in different institutions. Besides, the model proposes a policy-making dynamic resulting from precise events (policy windows) where the three streams merge to produce a new policy.

The thesis confirms the relevance and prominence of the politics stream during the process. In other words, political events and actors are central to explain and understand the poverty alleviation policy-making process. In particular, results show that the political leanings of the Concertacion Alliance as well as the turn-over of administrations affected the process significantly.

The thesis also illustrates the importance of the problems stream during the policy-making process. Particularly, it shows that the existence and visibility of a problem as well as the interpretation of a situation as a problem are important elements of the process. In this regard, a very relevant factor for a programme to emerge is the availability of poverty statistics. Cases indicate that poverty statistics allow policy makers, public opinion and independent experts to have a clear picture of the problem

and its evolution. In turn, this clear picture enables the recognition that this phenomenon constitutes a problem requiring government response.

The research also supports the Multiple Streams Model view that feedback from existing programmes may bring problems to the attention of policy-makers. As Chapter Five showed, this was the case during the the Chile Barrio and the Chile Solidario processes. A last point related to the problems stream corresponds to the Concertacion Alliance's socio-economic principles and views. Cases indicate that they contribute to an understanding of poverty as a problem requiring prompt action from government.

Another theoretical finding related to the Multiple Streams Model corresponds to the type of policy entrepreneurs that were present in the cases. The cases demonstrated that entrepreneurship in the Chilean social policy arena is a rare phenomenon, especially in relation to supporting a particular policy alternative when a window of opportunity arrives. The closest resemblance to this type of behavior is found in high-ranking government officials who participate in the policy process by promoting a particular policy approach derived from their privileged position inside government and from their proximity to the President. But they are not found everywhere, as Kingdon suggests, nor did they employ a varied bundle of resources to push for their preferred policy solution. On the contrary, policy entrepreneurs in the cases under analysis are mainly top-

level government officials using their hierarchical position to influence the policy-making process.

The thesis identified the kind of policy window that existed in the case studies. Fleeting events that fitted the definition of policy windows were found, as well as other events that resembled more a policy window of significant duration, and which provided an ample lapse of time for the government to introduce new policies. It was also significant to find that in two of the cases a self imposed deadline to launch a new programme existed – the yearly presidential address to the nation – suggesting that these events closed one of these long windows of opportunity to introduce policy innovations.

The most significant divergence that was found between the cases and the Multiple Streams Model corresponds to the absence of a proper policy stream in the poverty-related Chilean arena, and the alternative way in which solutions to problems are created. While the model predicts that three independent streams participate in the policy-making process, the cases show that the policy stream is inexistent; a result that modifies the dynamic of the process. In this scenario, the existence of a policy alternative to address a problem was not an issue, as the only required conditions for a policy to emerge were the perception of a problem by the government and the adequate political circumstances to facilitate addressing this problem. The lack of a policy stream forced government

officials to autonomously generate a policy alternative, usually by looking for ideas of programmes in the Latin American region. The overwhelming weight of political forces in the process tended to limit the timespan available to design the programmes, thus limiting the chances of more openly discussing alternatives. In addition, the policy-making process was open only to a few top-level government officials, a fact that minimized the chances of leaking news of the new programme that was reserved for the president to announce to the entire country.

An additional theoretical point the thesis advances is related to the irrelevance of Congress in the process. As mentioned previously, recent studies of the policy-making process in Latin America, especially those that examine the policy-making process of mainly economic policies, focus their attention on the legislative phase of the process when the government should confront the opposition of legislators to pass its laws. The present research has demonstrated that the Chilean government was able to bypass Congress to implement a poverty-alleviation programme, as no law was pursued in one of the case studies (Chile Barrio). Besides, it was shown that when a poverty-related law was sent to congress a benign opposition was found, instead of a "veto-player" as some literature predicts. As a result, the study of the policy-making process that unfolds before the legislative stage arrives appears highly relevant in the case of a presidentialistic country like Chile.

## **8.2 AREAS FOR FUTURE RESEARCH**

### **To contrast the results of the thesis with the policy-making process that exists in other social policy areas**

Interviewees provided consistent testimonies showing that the policy process that occurs in social policy areas outside poverty-alleviation present a different policy process:

“I think that there are two examples that remain positive, despite all the conflicts that occurred, and they are the educational reform and the penal process reform. In both cases there was a great deal of participation from experts and non-experts, as well as complaints from the users of both systems. Both reforms were approved during a long period of time and not during a single electoral period, and when a long-term reform is negotiated in parliament, it is not used for electoral ends, which provides a lot of opportunities for experts to work in these reforms” (Baranda, interview, September 2003).

Hence, a straightforward area for further research refers to expanding the scope of the thesis to other policy arenas. This thesis has shown that the poverty-alleviation policy-making process that existed in Chile during the

1990s had characteristics that are particular to the subject of poverty, and to the place and time when these innovations were introduced.

It may be fruitful to investigate whether the findings obtained in the present research hold true in policy areas other than poverty, such as health, education and housing. Circumstantial evidence obtained in the present research indicates that it is likely to find a different type of process, mainly in relation to the existence of pressure groups and other actors that are able to contest the government's policy proposals. In this sense, it may be interesting to apply a similar methodology as the one employed here, to map and explain the policy-making processes in these areas. This type of analysis will help confirm the findings obtained here, particularly with regards to the importance of different actors interested and involved in the policy-making process breaking the policy monopoly that the government may enjoy.

The following set of questions may be posed in a cross sector analysis of the policy-making process: First, the extent to which problem-related elements such as the problem's trend and intensity, the perception of success or failure of the government's policies in addressing it, and the degree of consensus about the need to address the problem, modify the policy-making process. Second, the manner in which differences in variables related to the politics stream, such as the willingness of government to address the problem, alter the process. And third, the



degree to which variables related to the policy stream, such as the number of academics and institutions involved in policy analysis and the level of policy discussion that exists inside and outside government, affect the process.

**To study the implementation phase of the poverty-alleviation programmes under analysis, to map and understand the entire policy process of these programmes**

Another area for future research involves integrating the implementation phase of the policy process into the analysis. This will allow having a full picture of the policy process, thus avoiding introducing any artificial separation of the process, particularly in cases when policies evolve significantly during the implementation phase.

As already mentioned in this Chapter, many interviewees concurred that the three programmes under study evolved significantly during the implementation stage.

Hence, the analysis of the entire policy making process will provide answers to questions such as the degree to which the original design of programmes is modified during the implementation phase. Furthermore, if this is the case, it will elucidate whether these changes result from

technical factors or whether they respond to other forces, such as the interests of street level bureaucracies (Lipsky, 1980).

### **8.3 POLICY RECOMMENDATIONS**

In general terms, the following policy recommendations are intended to stimulate the development of a policy stream in the poverty-related policy area, thus allowing a greater consideration of experience-based and theoretical knowledge in the policy-making process.

#### **To create bodies inside government to discuss policies**

The research indicate that the Chilean poverty-alleviation policy-making process during the 1990s differed from the predictions of the Multiple Streams Model, particularly with regards to the way in which solutions to problems were created. While Kingdon's model considers numerous actors that form policy communities, where policy views are contrasted and discussed and from which policy proposals emerge, the cases investigated suggest that only a few top-level government actors generated policy alternatives. These actors had considerable room for manoeuvre in terms of the lack of resistance or contestability to their policy proposals. Clearly, this lack of policy discussion during the policy-making process may put at risk the soundness of policies, or delay the introduction of knowledge and experience-based elements into policies.

As a result, strengthening the capacity of governments to introduce scientific and evidence-based knowledge into policies during the policy-making process may be vital to the design of policies that generate positive results in a reasonable length of time.

### **To create an office inside government devoted to the analysis of government approaches to poverty-alleviation**

As explained in the thesis, the idea of having a social authority inside government has existed in Chile since 1990, when democracy returned to the country. According to advocates of this idea, such an authority might facilitate coordination of all the government's programmes with a poverty-alleviation character. The thesis also showed that this aim has proved difficult to achieve for a variety of reasons, particularly the resistances of existing ministries to cede part of their powers and spheres of influence to a coordinating agency.

The present policy recommendation is more modest than the idea of creating a social authority as it focuses only on having an institutionalised body inside government to help coordinate policymakers, researchers and implementers involved in the poverty-alleviation field. This type of body would contribute to filling the gap existing in the policy-making process of the programmes under study by creating a flow-like process of discussion

and debate about the most appropriate government strategy for addressing poverty, thus increasing the chances of developing a poverty-related policy stream.

### **To stimulate the poverty-alleviation debate inside Congress**

The Chilean Senate organizes its discussions of projects of law around different *Comisiones Permanentes* (Permanent Discussion Groups) formed by five senators with an interest in a particular policy topic. As part of their duties, *Comisiones Permanentes* have a series of meetings with individuals involved or interested in the project of law where they are invited to express their views. Academics and experts are frequently invited to contribute to the discussions. A very similar picture is found in the chamber of deputies, where a number of *Comisiones Permanentes* are devoted to the study and discussion of different projects of law. Hence, *Comisiones Permanentes* constitute a formal space inside Congress where politicians, researchers and interested groups interact and dialogue during the legislative process.

In the social policy field there are *Comisiones Permanentes* for the health, education, social security and housing sectors. It is striking to find that among the near forty *Comisiones Permanentes* that exist inside Congress, none is devoted to the area of poverty. This unusual shortcoming may prevent the existence of a fluid debate between politicians and academics

when poverty-related projects of laws are sent to Congress. Correcting this omission may contribute to building a policy stream in the area of poverty in Chile which ultimately may help to obtain more effective and appropriate poverty-alleviation policies.

### **To ensure continuous generation of relevant socioeconomic data and indicators**

The thesis suggested that the availability of socioeconomic indicators and statistics was an ingredient that contributed to the creation of the three poverty-alleviation programmes under study. In particular, Chapter Six showed that poverty data that started to be available in the country during the 1980s and continued to be generated during the 1990s, informed policymakers about the severity of poverty as well as its evolution. In addition, appendix 3 showed that the methodological soundness of these statistics contributed to the validation of poverty indicators.

In the same vein, it may be argued that having sound socioeconomic data and indicators providing regular information about all relevant socioeconomic areas may be highly important for the generation of adequate programmes to address social problems. Ideally, these data and indicators should cover traditional social areas and problems (health, education, housing, poverty, etc.) as well as emerging topics. For instance,

intra-household violence, crime, drug consumption, neighbourhood regeneration, and so on. The comments of Alina Oyarzun, head of the Department of Social Statistics of MIDEPLAN (interview, September 2003), illustrates this point:

“[the CASEN survey] continues to be the only source of valid information for all [social] ministries; today all ministries have the [CASEN] database and can work with it if they want . . . [social] ministries may organize to make a survey highlighting factors of vulnerability that are not measured today and which the CASEN survey does not include . . . [and] to produce a new instrument or set of instruments as the demands [for socioeconomic statistics] cannot all be fulfilled by the CASEN survey alone”.

The use of a validated methodology is equally important to produce these indicators, which may occur if academic and international organizations participate in the process of designing and generating these statistics.

“The *Universidad de Chile* has been a key partner in the CASEN [process] . . . [alongside] ECLAC in correcting the income and poverty estimates. They have also provided an external check to ensure that the estimates have not been adulterated” (Oyarzun, interview, September 2003).

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## **APPENDICES**

## APPENDIX 1: LIST OF INTERVIEWEES

Interviewees are listed below according to the fieldwork in which they were interviewed. All interviewees authorized their names to be disclosed in the thesis. However, in relation to some topics, some of them asked to remain anonymous. Hence, in these cases their opinions are assigned to an anonymous interviewee.

### FIELDWORK 1

Name	Relevant position	Date(s) of interview(s)
Araos, Silvia	Chile Barrio	August, 2002
Calderón, Carlos	Under-Director FOSIS, Under-director Chile Barrio	August, 2002
Cardenas, Jose	Analyst, Social Studies Department, MIDEPLAN	August, 2002
Celedón, Maria Angelica	Head, Unidad de Difusion y Fomento, Ministry of Housing	September, 2002
Cortes, Consuelo	Head, Social Studies Department, MIDEPLAN	August, 2002
Crispi, Jaime	Head, Studies Department, DIPRES (Budget Office), Ministry of Finance	September, 2002
Guzman, Guillermo	Assessor to the Minister, Ministry of Housing	September, 2002
Marquez, Francisca	Anthropologist, SUR NGO	September, 2002
Mercado, Olga	Housing analyst, Social Studies Department MIDEPLAN	August, 2002
Moreno, Leonardo	Head, Social Division, MIDEPLAN	August, 2002
Nieto, Maria de la Luz	Analyst, Housing Policy Division, Ministry of Housing	September, 2002
Salazar, Guillermo	Assessor to the Minister, Ministry of Housing	September, 2002
Zuloaga, Maria E.	Analyst, Social Division, MIDEPLAN	August, 2002

## FIELDWORK 2

<b>Name</b>	<b>Relevant position</b>	<b>Date(s) of interview(s)</b>
Baranda, Benito	Director, Hogar de Cristo NGO	September, 2003
Calderón, Carlos	Under-Director FOSIS, Under-director Chile Barrio	September, 2003
Cardenas, Jose	Analyst, Social Studies Department, MIDEPLAN	June 2003
Espocito, Monica	Hogar de Cristo (NGO)	September, 2003
Etchegaray, Alberto	Minister, Ministry of Housing	September, 2003
Feres, Juan Carlos	Consultant, ECLAC	September, 2003
Fernandez, Patricio	Head, FOSIS	August, 2003
Flaño, Nicolas	Head, FOSIS	August, 2003
Garcia, Alvaro	Under-minister, MIDEPLAN	July, 2003
Gatica, Jaime	Head, Planning Division, MIDEPLAN	September, 2003
Irrazabal Ignacio	Independent Consultant	September, 2003
Mercado, Olga	Housing analyst, Social Studies Department MIDEPLAN	June 2003
Molina, Sergio	Minister, MIDEPLAN	June, 2003
Montes, Carlos	Deputy, Socialist party	July, 2003
Oyarzún, Alina	Head, Social Statistics Department, MIDEPLAN	September, 2003

## FIELDWORK 3

<b>Name</b>	<b>Relevant position</b>	<b>Date(s) of interview(s)</b>
Contreras, Dante	Economist, Universidad de Chile	December, 2006
Moreno, Leonardo	Executive director, FNSP NGO	December, 2006
Egaña, Rodrigo	Head, AGCI	January, 2007
Perez, Cecilia	Minister, MIDEPLAN	January, 2007

## APPENDIX 2: QUESTIONNAIRES

As mentioned in Chapter Three, a narrative interviewing method was applied. This is a semi-structured interview where the interviewer invites the interviewee to narrate a particular episode, posing later specific questions according to the content and evolution of the narration, particularly if some topic of interest was not covered in the narration. After asking interviewees to narrate the process, the following set of questions and related questions was applied (if necessary) during fieldworks 1 and 2.

### Questions applied during fieldwork 1 and 2

Question number	Initial question	Related question	Related question	Related question
<b>1</b>	How was originated this programme?	When this idea was initially consider?		
<b>2</b>	In your opinion, who were the most important individuals involved in the creation of this programme?	Why?	What was their activity and position by that time?	What is their present activity and position?
<b>3</b>	According to your view, was any institution especially relevant in the creation of this programme?	Why?	In particular, did actors such as the media, political parties, research institutions, etc. played any role?	
<b>4</b>	Which events or circumstances (past or contemporaneous) were related to the creation of this programme?	Why?		

Interviews applied during fieldwork three were focused on obtaining interviewees' opinions about specific research findings. As a result, these interviews started with an introduction that described the research, particularly the cases under study and the main characteristics of the Multiple Streams Model. Next, the main research findings were described. The following table presents the questions applied after this introduction.

### Questions applied during fieldwork 3

Question	Initial question	Related question	Related question
<b>1</b>	What is your opinion about the policy-making process of Chilean social policies during the 1990s?	Regarding the community of Chilean poverty experts, how active do you see this community compared to what happens in more developed countries?	Do you think that in the area of poverty the government enjoys more room for manoeuvre than in other policy arenas?
<b>2</b>	From your experience, would you like to give me your general opinion about my research finding?	What is your opinion about the level of participation of non-government actors in the poverty-alleviation policy-making process?	In this respect, do you perceive that the poverty field is different to other social policy arenas?

**Total word count: 75,243**