Victims of Time, Warriors for Change
Victims of Time, Warriors for Change:
Chilean Women in a Global, Neoliberal Society

By

Evelyn A. Clark
For My Children Aria and Roen
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ACKNOWLEDGEMENTS

I would first like to thank my dissertation committee at the University of Kansas who provided invaluable support first in the development of my dissertation and then in its transformation into a book. In particular, I am extremely grateful to my advisor, Mehrangiz Najafizadeh, for her patience and overwhelming support for the past ten years. Your unending faith in me, support through numerous revisions, thoughtful comments and suggestions made this project possible. It was your seminars on women in the Third World that inspired me, and you helped me every step of the way. Thank you, Mehrangiz. I would also like to thank the members of my committee, Robert Antonio, Shirley Hill, Lew Mennerick, Joane Nagel, and Brent Metz, for their thoughtful suggestions at the onset of this project and their time throughout this process. Thank you again. Finally, I want to thank two fellow graduate students, Ophra Leyser and Melissa Frieburger, who never gave up on me, pushed me through the difficult stages of the process, and inspired me throughout the program. Thank you both so much and congratulations of your success.

This project would not have happened without the enthusiasm and support of my family. My parents, Janet and Cal Clark, not only helped finance this project but put in countless hours of editing, making suggestions, and giving unending encouragement. Thank you, Mom and Dad. I would never have finished graduate school had it not been for your mentoring and support. You made this possible. I also must thank my husband Carlos Benavides, who gave up his home in Scotland to move to Kansas and support me with his love, patience, and hard work. You have commuted for over two hours a day for the last ten years to support our family, held my hand during the rough patches, and encouraged me to continue every time I wanted to give up. Thank you, Carlos. I love you!

I also appreciate the hospitality of my family in Chile who made this project possible. Thank you, Abuelita and Tia Sonia for sharing your home with an American stranger. You showed me love and support that kept me going in a new country. I especially joyously thank Nancy Valenzuela who sacrificed her time and her health to be my faithful companion and interpreter in this project. You were my guide and close friend. You broke your arm during our adventures! You opened all the doors to your country and community, I am very grateful. Finally, I want to thank all the
participants in this study. You were patient with my questions and shared with me your important perspectives. Thank you very much.
CHAPTER ONE

INTRODUCTION

Globalization is the biggest example. It is presented as an advance and prosperity in countries. But obviously it means impoverishing the workers, impoverishing the least protected class, exploitation of the least protected class. But it is sold as an idea, above all in Chile, as the maximum thing, development, high economic figures. We gain this all thanks to globalization. But we all know that workers and women are impoverished by globalization (Interviewee #1, Amanda).

What is very bad in this system is the increase in the concentration of wealth in a small group. The inequalities are the worst thing we have here in Chile . . . For women there are many new opportunities. You cannot say that all women are being affected in a negative way. No. It is very complex. We have the opening for opportunities for women in banks and services and financing that we have never had before. Our struggle is to help to control the negative impact (Interviewee #2, Tanya).

These two Chilean women described globalization in subtly different ways. Amanda, a full-time employee and union organizer, associated globalization’s impact not only with growing class and gender inequalities but also with a cultural paradox women and poor people must live with: the image sold to Chileans of economic success and growth but the reality of living within a world of poverty which contradicts that image. On the whole, Amanda envisioned globalization as having a negative impact on her life both as an employee and woman within Chilean society. Tanya, a full time paid member of a non-government organization (NGO) and academic, described globalization in a more nuanced way. Like Amanda, Tanya associated globalization and Chilean neoliberal policies with growing class divisions among Chileans. However, Tanya acknowledged that women are gaining work opportunities within the economic system as well as an agenda for a women’s movement. Both women’s responses mirror a growing debate among neoliberal and globalization scholars. Have neoliberal reforms and the rise of globalization benefited women, and if so how? Both Tanya and Amanda believed that there are winners
and losers within the neoliberal system, but they disagreed on the extent to which women benefit from Chilean neoliberal economic and political policies.

In this book, I examine how globalization and Chilean neoliberal policies, which include the opening of the Chilean economy to foreign direct investment, the changing role of the Chilean state in implementing and controlling economic policies, the privatization of social services, and the growing emphasis on individual consumerism have impacted women in Chile over the last forty years. In particular, I discuss how these policies affect Chilean women in contradictory ways in which women gain opportunities as individuals to engage in work, collective action, and community life but also face exploitation and sexism that prevent them from participating as equals within their society. Specifically, I analyze the following three areas. First, I describe Chilean political history and economic policies prior to and during the Pinochet dictatorship (1973–1989), the Post-Pinochet democratic governments of the 1990s through 2005, and the Bachelet administration (2006–2010). I discuss how these policies have affected Chileans in terms of economic development, social inequalities, and working conditions. Second, I explore women’s perception of the impact of globalization and neoliberal policies on gender and class relations in Chile. I examine the ways in which Chilean women describe how political and economic policies shape their lives as employees, mothers, and citizens. Third, I examine women’s activism and the activities of various non-governmental organizations (NGOs) in addressing current economic policies and the increasing social and gender inequalities within Chile.

This introductory chapter contains three major sections. The first introduces the theoretical framework of the effects of globalization and neoliberalism; the second presents a brief profile of Chile focusing upon the economic impact of its neoliberal policies and the status of women in Chilean society; and the third outlines the significance and organization of my project.

**Theoretical Framework:**

The Effects of Globalization and Neoliberalism

Over the past twenty years, globalization has become a major focus of scholars in multiple disciplines including economics, political science, geography, and sociology. Defining what all scholars mean by globalization is not an easy task and goes beyond the scope of this book. However, several globalization theories do provide important explanations...
of the changing nature of economic development throughout Third World countries and demonstrate how global, political, and economic processes impact women throughout the world. Exploring these processes is vital to understanding the changing status of women within Chile.

What Is Globalization? The Importance of Neoliberalism and the Changing Role of the State

Globalization refers to the social processes that emerged in the late twentieth century that promoted political, economic and social integration among people within a global community. While there is no consensus about how successful these processes have been at creating a global society, globalization theorists do agree that there are important changes within and between nation states that have had impacts on how people, governments, and international organizations interact across national borders. Although this global system is not entirely “new,” it represents an economic change from Keynesian policies based on rigid, state-regulated, long-term planning to neoliberal regimes. These new policies include: flexible accumulation of wealth, time-space compression, increasing “commodification” of all services, financial and market liberation, and unregulated growth and profit (Dicken, 2007; Harvey, 2010, 2003, 1990; Soros, 2002). States are replaced by transnational corporations (TNCs) as the primary economic actors. Globalization also represents a change in the world political order from a bi-polar configuration based on division and big-state involvement to an order based on United States economic and military power. Hence, international economic and political organizations reflect Western economic interests (Held, 1995; Cable, 1995, 1999; Stiglitz, 2002, 2010; Soros, 2002). Finally, globalization refers to two opposing cultural forces. One creates a homogenized culture based on American values of liberalism and consumerism. The second reinforces ethnic and local cultural differences that divide people by class, race, and ethnicity (Ritzer, 1993; Latouche, 1996; Barber, 1996; Jameson and Miyoshi, 1998; Tomlinson, 1999). These transformations are driven by technological changes that allow greater movement of capital, information, and people across national borders at cheaper and faster rates (Friedman, 2000, 2005; Stiglitz, 2002, 2010; Sassen, 2002; Castells, 2009; Benkler, 2008). Although often ignored or underplayed, gender plays a crucial role in the economic, political, and cultural era of globalization.

One of the most prominent areas within the globalization literature is the focus on the emergence of a global economic market with the rise of neoliberalism. In essence, economic globalization refers to the adoption of
neoliberal economic policies. Often the terms globalization and neoliberalism are used interchangeably. Unfortunately, this makes defining both concepts difficult. Neoliberalism refers to the policies of finance and market liberation that lead to an integrated global market. Based on liberal ideas discussed by Adam Smith and David Ricardo, neoliberalism promotes economic policies that include: the privatization of public enterprises, deregulation of the economy, liberation of trade and industry, tax cuts, economic policies that keep inflation low, reduction of public expenditures, and the removal of government controls on global financial flows (Isbister, 2006; Ellwood, 2001; Friedman, 2000, 2005; Singh, 2000; Hoogvelt, 2001). These are policies that promote international commerce and production. At the heart of neoliberal economic policies is the promotion of a global market based on trade and financial liberation from government controls. Countries become integrated, not through international relations between governments, but rather through the integration of markets, production and finance which leads to economic globalization. Dicken (2007) associates economic globalization with the change from shallow to deep integration, the creation of a separate financial system, the emerging importance of foreign direct investments, and the increasing importance of the service sector. Deep integration between nation-states, in turn, is associated with a need for flexibility and time-space compression in order to link global markets. More so than other markets, financial services have become more global and have influenced global trade, increased profits, and increased direct foreign investment among nations (Dicken, 2007; Strange, 1996; Cerny and Evans, 1994; Cable, 1995).

Neoliberal economists argue that these policies allow for more economic freedom which leads to more economic development. Markets rather than governments determine what is produced and by whom. Through freedom from government regulation and tax burdens, economic actors including investors, businesses, and individuals are free to pursue their own interests. The market decides which risks to take. There is flexibility to move capital to the most productive sectors and ultimately accelerate more efficient growth across global spaces (Easterly, 2006). Supporters of neoliberalism point to several global success stories as evidence of the benefit of neoliberal policies and economic development. First, countries in Latin America, including Chile and Argentina, embraced neoliberal strategies beginning in the 1970s and were successful at lowering inflation, curbing large national deficits and promoting strong economic growth by the late 1980s (Stiglitz, 2002). Second, economic development in East Asia in the early 1980s was based on industrialization,
aggressive export promotion of their manufacturing sector, and limited government intervention. The high levels of economic growth demonstrated that the private sector rather than state planning was more effective for achieving economic goals. Also the private sector was more effective in combating poverty than traditional models of state planning (Isbister, 2006). Finally, the end of the Cold War, with the breakup of the Soviet Union, became a symbol for both developed and developing nations of the failure of state-owned production (Steger, 2009). Thus starting in the 1980s, various countries throughout the world began to adopt some version of neoliberal policies (Krueger, 1997).

While some countries then adopted neoliberal policies on their own, most developing countries adopted economic programs of globalization through pressure from the international community. The World Bank (WB) and International Monetary Fund (IMF) govern financial relations among nations through loans and projects. The World Trade Organization (WTO) governs international trade relations by enforcing global trade agreements (Stiglitz, 2002). Since the late 1970s these three organizations have promoted neoliberal policies through development projects and structural adjustment programs in developing countries. Developing countries with massive debts from the 1970s had little choice but to open their markets and shrink their governments in order to receive international aid to repay loans (Yates, 2003; Jackson, 1990; Isbister, 2006).

Structural Adjustment programs were requirements imposed on developing countries by the IMF, World Bank, and other international lending organizations. They required governments to open their economies to the global economy by reducing and sometimes eliminating trade tariffs and barriers on foreign goods and services thus promoting free trade with other nations. The programs also forced countries to devalue local currencies as a means of making exports cheaper and reducing the dependency on foreign imports. States were required to eliminate subsidies and price controls over local agricultural products and manufactured goods, and reduce state spending. This often led to decreased spending on social programs such as education, health services, and assistance to the poor. These policies differed from previous modernization policies, as they adopted neoliberal ideology over the role of the state. Unlike modernizing policy makers, neoliberal policy makers do not believe the state is an effective economic actor at providing both infrastructure for development and a check on the instability of capitalist growth. Rather, creators of structural adjustment programs believe that government becomes an obstacle to economic growth and must significantly reduce its
role in economic policy and development (Isbister, 2006; Rich, 1994; George, 1994; Stiglitz, 2000; Jackson, 2005).

Neoliberalism is a political theory as well as an economic one. Neoliberal theorists argue that not only should individuals be free from government control over their economic relations but also they should be free from government intervention in their cultural and social relations. Thus, neoliberalism is associated with the reduced power of the state over economic production and social welfare programs and with the increased power of economic institutions to distribute resources and create order within a society (Friedman, 2000, 2005; Gill, 1998; Faulks, 2000). However, most neoliberals recognize the importance of the state in supporting economic production by protecting property rights, providing some infrastructure for business, and providing protection from outside threats and disorder within the society. Neoliberalism, therefore, seeks to promote democratic governments that have limited powers and budgets.

The Effects of Globalization and Neoliberal Policies on the State

The effects of the liberalization of finance, trade and production on state economic policies are almost undeniable. Over the past thirty years, states all over the world have had to cooperate over economic development, trade, and finance with transnational corporations and other states through global economic agreements and organizations. Due to the changing nature of states’ roles in their national economies and the growing power of transnational organizations like the WB, IMF, and WTO, there is disagreement over how much power the state retains in the era of globalization.

“Constraint” globalization theorists (Luttwak, 2006; Ohmae, 1995, 2005; Strange, 1996) argue that the globalization of finance, trade, and production threatens state sovereignty in a variety of ways. First, Strange (1996) argues that changes in technology prevent states from controlling financial markets since they will be unable to control the faster, cheaper transportation of capital, ideas, and people. Second, the shift in the structure of production from local and national markets to global markets has created the greatest challenge to state economic power. In essence, production has shifted from producing goods and services for national markets to producing goods and services for a global market that is controlled by transnational corporations (Strange, 1996; Dicken, 2007). Third, states are no longer the main investors in or purchasers of technology and infrastructure, and their attempts to regulate TNCs have
often been unsuccessful (Strange, 1996). Fourth, states no longer have sovereignty over trade. Finally, employment in developed countries has changed from a primary emphasis on manufacturing to services, thereby decreasing labor rights and states’ ability to manage labor and corporate disputes. The decline of unions and the threat of capital flight have transferred labor management and protection to TNCs (Harrison, 1994; Korten, 2001). In essence, constraint globalization theory emphasizes that globalization will lead to the reduction of the welfare state, the loss of state economic power to transnational organizations, and the decline of security for the poor.

“Moderate” globalization theorists (neoliberals and competition state theorists), such as constraint theorists, also associate globalization with the decrease in sovereignty and authority of the nation state. However, while neoliberals often emphasize that capitalist firms are more effective in controlling global markets, they do recognize that the state still plays an important role in protecting the infrastructure of the economy and society (Swank, 2003; Freidman, 2000, 2005; Weiss, 2003a; Dicken, 2007). In essence, globalization both enables and constrains the state because the state both enables and constrains the market. Globalization enables states in three ways. First, global markets and competition among states actually increase the need for state intervention to both promote foreign direct investment and protect national economies. Second, globalization often provides incentives for TNCs to enter into middle-ground relationships with states which prevent exit strategies to other havens of free enterprise. Third, competition pressures threaten key sectors of national economies which in turn urge governments to devise new strategies to protect national producers (Weis, 2003a, 2003b, 2003c).

Skeptics of globalization contend that both constraint and moderate globalization theories over-emphasize the extent to which finance, trade, and production have become globalized as well as the degree to which they preclude state action (Wade, 2009, 2007, 1996; Anderson, 2008, 2000, 1995). Wade (1996) argues that the globalization of trade and production is still insignificant in comparison to production and trade within national economies. Moreover, Anderson (1995) argues that it is a myth that the economy has or could operate autonomously from the state. Furthermore, increasing levels of foreign direct investment (FDI) are generally dominated by a few countries and in a few sectors and do not necessarily apply to the world economy as a whole (Hirst and Thompson, 2002, 1995, 1992; Hirst et al., 2009). As with FDI, most international trade and production is occurring between a few countries and a few TNCs and does not constitute a “globalized” economy (Hutton, 1995; Hutton and

According to skeptic theorists Boyer and Drache (1996), global markets cannot challenge the innovations of the state during crisis periods, and the imperfection of markets will continue to require state economic intervention. Helleiner (2005; 1999, 1996) argues that financial globalization is not irreversible and will lose elite support during crises. Moreover, the creation of regional blocks may or may not challenge state sovereignty. Gilpin (2002) argues that nation states have lost little sovereignty as there is still no higher authority to enforce international cooperation and agreements. Transnational organizations rely heavily on the cooperation of core nation states. These theorists do recognize that states are sharing power over their economies with other economic and political actors, but they argue that the extent of the loss of sovereignty is highly debatable (Pickle, 2005).

While there is little agreement about the extent to which states will continue to have power over their national economies or maintain sovereignty within the international system, most theorists today do recognize that globalization is impacting the daily lives of people around the world. More specifically, it negatively impacts populations within developing nations through economic development programs. First, development projects continue to implement “top-down” approaches that emphasize industrialization and global capitalism promoted by western economists and developing nations’ government and business elites. These approaches promote the neoliberal principles of limited government spending and free market capitalism. Due to economic recessions in the 1970s within both developed nations and developing nations, political and economic experts argued that government social programs must be eliminated in order to promote capital growth (Stiglitz, 2002, 2010; Dicken, 2007; Friedman, 2000, 2005). These policies often eliminated much needed support for the poor by slashing welfare programs (Kerr, 1999). Second, during the 1980s development approaches began to rely heavily on structural adjustment programs that altered Third World economies, creating political, economic, and social chaos in many of these nations (Stiglitz, 2002; Passe-Smith, 1998a, 1998b). More specifically, these structural adjustment loans opened Third World economies to more exploitation by developed nations and TNCs which ultimately led to the growing Third World debt crises and growing unemployment throughout the 1980s and 1990s (Stiglitz, 2002, 2010; Passe-Smith, 1998a; Kirk and Okazawa-Rey, 2004). More specifically, neoliberal policies have greatly affected the world’s poor and women in particular. Therefore, it is
important to examine the ways in which globalization, neoliberal policies, and structural adjustment policies have impacted the lives of women in developing countries, their roles in the global economy, and their responses to neoliberalism and globalization.

The Effects of Globalization and Neoliberalism on Women in Developing Countries

Global feminist theory focuses on the nature of gender inequalities within developing countries. This theory provides the foundation for how this book conceptualizes gender inequalities within Chile. Chile has been practicing neoliberalism for forty years and has been highly influenced by Western economic and political policies throughout its history. It is a developing country. Thus, of all the feminist theories, global feminist theory is the most appropriate for analyzing women’s conditions there.

While other feminist theorists focus on patriarchy as the source of women’s inequality, global feminists include racism, classism, and colonial subjugation in their analyses for understanding women’s statuses in developing countries. Mohanty (2003) argues that gender hierarchies are very complex and variegated in their forms, causes, and consequences because they are interwoven with hierarchies of class, race/ethnicity and sexuality. She maintains that, in order to understand the complexity of women’s status within any particular society, researchers must study how women are impacted by global economic forces (global capitalism, international organizations, economic and political treaties) within particular local spaces (labor laws, women’s legal status, social norms, and cultural constructions of gender). She also argues that the global economy exploits all women albeit in different ways. Understanding women’s lives requires studying their individual lives as well as the global and local policies and institutions that shape them (Koggel, 2006, 2008). Global feminists also focus on what they perceive to be more practical issues of development and the well-being of the population. They call for the abolition of global as well as local forms of political, economic and social exploitation (Koggel, 2006, 2008; Mies, 1982; Basu, 1995, 2000; Mohanty, 1991; Lorber, 1998). Moreover, these feminists continue to resist the dichotomy between men and women and public and private spheres that are emphasized in some feminisms.

Naples (2002) also notes that women in developing countries are not passive actors within their society, but actively fight against the global economic forces that affect their lives. Global feminists argue that women in the Third World often mobilize as mothers and that they politicize the
everyday (Basu, 1995, 2000; Naples, 2002; Hrycak, 2002; Bickham Mendez, 2002). They are actively seeking better lives for themselves, their husbands, and children. They often see poverty and racism at the heart of their subordination rather than patriarchy. Global feminist theory provides an insight into the types of political activities in which women in Chile have participated as well as the ways in which they have framed social inequalities (Desai, 2002). Thus according to global feminists, in order to understand gender inequalities within developing societies like Chile, it is important to study the ways in which women fight against these policies on local, national and international levels (Mies, 1986; Mohanty, 2003; Koggel, 2006; Naples, 2002; Desai, 2002).

According to global feminist theory, the effects of neoliberal policies on women are complex. In traditional debates, proponents of neoliberalism claimed that these policies were either gender neutral or beneficial to women. Most proponents study the relationship among gender, globalization and neoliberalism by studying the impact of WB and IMF structural adjustment programs on women. Economists and supporters of neoliberalism argue that these policies are not gender specific but rather based on economic development through trade liberalization and free market principles that facilitate economic and social relationships based on supply and demand, consumption and greed that do not target men and women specifically. The unit of analysis is not a group of people but rather the individual; thus economic policies do not necessarily need to account for gender, class, and racial differences (Spar, 1994a, 1994b). Most feminists and globalization scholars reject the notion that neoliberal policies are gender neutral; however, there are scholars that argue that these policies positively impact women through their increase in freedom within their society through development (Spar, 1994b, Sen, 1999, Sassen 2002). For example, Sen’s (1999) argument is not that neoliberal policies and globalization do not have negative impacts on societies. They do, but they also increase women’s freedom within the home and outside the home by providing them with work opportunities and greater access to activism through social mobilization.

In contrast, early global feminist critics argued that neoliberal policies exploit women’s labor both within and outside the home. These feminist accounts argue that globalization and neoliberal policies negatively impact women in a variety of ways including: increase in the feminization of poverty, dependence on women’s labor to absorb the negative impacts of these policies, loss of care work provided by the state, and, thus, an increase in women’s unemployment, and a decrease in labor protection through deregulation (Wichterich, 2000; Rakowski, 2000). Current global
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feminist theory and research, in contrast, point to the importance of moving away from these either/or debates and take a more nuanced approach to understanding how globalization impacts women differently in local spaces. For example, Koggel (2006) examines the either/or debate and finds that in most theories and research on neoliberalism and globalization, women are neither victims nor winners but rather both sides do not adequately address issues of power and oppression within local contexts. Rakowski (2000) also shows that while it is clear that neoliberalism is not gender neutral, the literature does show that women are both exploited and empowered by neoliberal policies.

Stiglitz (2002) and Chang (2004) argue that the adoption of neoliberal programs, required by global economic and political regimes including the IMF and World Bank, is not only ethnocentric but also inappropriate and often dangerous. Overall these programs have been detrimental to the world’s poor because governments cut needed social support and provide growing wealth to a small percentage of the population while they often destroy local environments. Throughout the Third World, political regimes vary greatly in terms of their overall power, their stance on women’s social and political rights, and their enforcement of gender discriminating practices (Zhang, 1995; Kumar, 1995; Jahan, 1995; Kirk and Okazawa-Rey, 2004). However, despite this variation, all government development policies rely on women’s productive and reproductive roles within societies and have profound influence over women’s lives.

Globalization and neoliberal policies affect women in contradictory ways. First, neoliberal economic policies push women into the workforce which empowers them through earned income. Even though most women earn low wages, several studies have found that even low wages bring these women higher self-esteem, dignity, and higher aspirations, as well as the ability to challenge patriarchy within their families (Ferree and Subramanian, 2001; Bayat, 2000; Sen, 2000; Elson, 1992; Korzeniewicz, 1997; Blumberg et. al., 1995; Ariffin, 2004). Low wage work also exposes women to new forms of exploitation. Changes within the global economy create pressures for governments to rely on the work of women in order to promote development and more generally to provide support for poor populations (Ehrenreich and Hochschild, 2002). For example, poor women in some developing nations often make up the majority of workers in free trade zones where they make low wages and have no job security as transnational corporations do not provide formal contracts and frequently leave for cheaper labor in other free trade zones (Jackson, 2005; Aguilar, 2004; Sassen, 2002). Immigrant women leave home to fulfill service jobs in cities within developed nations which expose them to informal work of
long hours, low wages and little or no job benefits (Eviota, 2004; Sassen, 2002; Hondagneu-Sotelo, 2001; Parrenas, 2000). These immigrant workers provide state revenues through remittances back to their countries when working abroad, as well as creating new niche markets through sex industries (Ehrenreich and Hochschild, 2002). Globalization is also associated with the migration of women from the farms into crowded urban and free trade areas where they often face long work hours, inadequate shelter, exposure to dangerous working conditions, and little or no job security (Sassen, 2002; Fernandez-Kelly, 2001; Ariffin, 2004). Moreover, women face double duty. They enter the workforce in order to provide support for their families by supplementing their husbands’ income to provide for basic necessities. Also women have the added burden of providing social services to their families, services that were previously provided by the state. These services include providing money for their children’s education, their families’ health services, and support for their aging relatives (Desai, 2002; Ehrenreich and Hochschild, 2002; Border Committee of Women Workers, 2004; Churchill, 2004).

Second, although globalization has forced some women into dangerous and difficult working conditions, it has at the same time created new avenues for women’s activism and participation in social movements (Naples, 2002; Desai, 2002). This advocacy has enriched women’s individual lives and brought important social change for them. Women in various communities and regions in the Third World have organized women’s groups and movements to address economic hardships and provide survival networks for struggling families (Weber, 2002; Purkayastha, 2002). In Venezuela, for example, poor women organized into mothers’ groups in order to help each other overcome economic hardship and the increase of women entering both formal and informal jobs to support their families. While these groups began as survival networks to deal with hunger and lack of credit, they evolved over time and addressed specific women’s issues within the family and at work, including child care, domestic violence, and police harassment. These local groups also created networks with middle class and professional women and were the foundation of more organized activities that have pushed for legal reform and policies that improved women’s lives (Rakowski, 1998). Women around the world, including Latin America, Africa, and the Caribbean, assert that organizing on local, national, and international levels has improved their own self-esteem and ability to deal with problems both within the family and at work. Also organizing has led to their ability to challenge male dominance and domestic violence within the home, to gain legal status for loans and homeownership, and to join
larger political and social movements (Rakowski, 2000; Barron, 1994; Barkin et. al., 1997; Safa and Antrobus, 1992). Indeed, the international civil society allows movements to go beyond the state to pursue social change and to give voices to social advocates, specifically women, who may or may not find representation within their national political arena (Naples, 2002; Desai, 2002; Richards, 2004; Held, 1995, 2002; Roseau, 2002; Sassen, 2002; Pugh, 2002; Kaldor, 1998; Jatawardena, 1996; Johnson-Odim, 1991).

Sassen (2002) also argues that globalization provides new spaces for women and feminist movements to promote gender social policies. It has also changed the very structure of the state. Women continually challenge economic and political policies that bring social hardships. For example, women garment workers’ movements in Bangladesh used factory work to rework traditional practices of purdah, or the legal segregation of women in the public sphere. They also used labor mobilizations to fight oppressive working conditions (Zaman, 1999; Judd, 1999). Women throughout the world have joined fights locally and globally to combat unfair labor practices in manufacturing plants, to gain rights and recognition as domestic employees, and to protest structural adjustment programs that continue to disadvantage them and their families (Mora, 1981; Peña, 1990; Rose, 1995, 1990; Ross J., 1995; Rose A., 1997; Soares and Buargue, 1995; Hondagneu-Sotelo, 2001; Louie, 2001).

Held (1995) argues that both global and national decision making and, more importantly, global democracy are challenged by the changing nature of state sovereignty. International laws and nationalist movements are shaking notions of states’ accountability to their members and states’ legitimacy because many of these economic and political organizations are not democratic. Markowitz and Tice (2002) argue that international pressures for non-governmental actors to professionalize lead to new forms of power divisions within the international women’s movement. For example, in Chile, many NGOs, especially those comprised of working-class and poor women, have lost funding opportunities due to the lack of credentials or grant-writing skills. Thus many grassroots groups are overlooked in international meetings or are not asked to participate in certain settings because they are perceived as being less able to define gender issues (Markowitz and Tice, 2002; Ray and Korteweg, 1999).

Finally, although women may gain more representation and power through participation in various levels of NGOs many critics argue that relying on NGOs as a means to solve social problems requires women to be the “shock absorbers” of the negative impacts of neoliberal policies (Pearson, 1997). In other words, women must increase their labor outside
the home to provide protection and support for their families and communities from the instability of privatization and free trade policies. States heavily rely on women’s labor for a variety of reasons. Women’s cheap labor is often used as a means of attracting foreign investment, providing vital state revenue through remittances, and as a means to support families when wages fall below family subsistence levels (Ehrenreich and Hochschild, 2001; Elson, 1991; Safa and Crumment, 1996). States rely on women’s unpaid labor to provide social support to their families and communities to make up for declining social services. It is often women who will start NGOs to address poverty, human rights protections, daycare facilities, and informal support to ensure family and community survival. Thus, states no longer have to do so. In essence, the neoliberal system both economically and socially relies on women’s labor to support the system. How women adapt locally is vital to understanding how they are both winners and losers within the neoliberal economic system (Koggel, 2006).

There is little consensus about the gendered impact of globalization and neoliberal policies. Globalization theorists, like Sassen (2002) and Sen (2000), argue that globalization brings employment to women within both informal and formal sectors that empower them within their homes and their communities. Other global theorists like Mohanty (2003) and Koggel (2006) argue that jobs within neoliberal economies tend to exploit women and create vast economic, racial and gender inequalities within society. Thus, women do not gain power within these economic relationships. Globalization and neoliberal policies also impact women as they join together in grassroots and non-governmental organizations to improve the lives of women. Sassen (2002) and Rakowski (2000) argue that employment increases women’s options for community work and social advocacy, which empowers them individually and provides ways in which women fight for more social justice within their societies. On the other hand, other theorists including Pearson (1997) argue that states exploit women’s community activities and that women provide the social services that states no longer provide. In this book, I utilize these theoretical debates among both globalization and global feminist theorists to explore class and gender inequalities, women’s political and social activities, and women’s empowerment in Chile during the Post-Pinochet era, 1990–2007.

**Chile: a Brief Profile**

Chile, a former Spanish colony, gained independence in 1810. Today, it is considered to have one of the most successful neoliberal economies
Introduction

and stable democracies in Latin America. In terms of development level, Chile ranks above many of its Latin American neighbors. The gross national income (US$8,350) is one of the highest in the region and among all developing nations (World Bank, 2007). For much of its history, Chile has been a stable democracy changing governments through elections, except between 1927 and 1932 under the Ibanez dictatorship and between 1973 and 1990 under the Pinochet dictatorship. It has become an urbanized nation. The population is highly metropolitan with about 85 to 88 percent living in urban areas. Its estimated population in 2009 was 16.6 million, with a growth rate of 0.881 per cent. It is relatively homogenous since 70 percent are Catholic and 90 percent are Mestizo. Ten percent of Chileans identify themselves as indigenous. Of the six indigenous groups, the two largest are the Mapuche and the Aymara. As in other Latin American countries, the lighter the skin, the more access to resources and power (US State Department, 2009; CIA, 2009).

In comparison with its neighbors and other developing countries, Chile is considered a success story (often called a miracle) especially by neoliberals including officials of the IMF, the United States (U.S.) government, and U.S. media commentators of The New York Times and The Wall Street Journal. They claim that the path to development requires opening domestic markets, export-orientated growth strategies based on comparative advantage, and slashing national spending especially on welfare programs (Collins and Lear, 1995). Chile first began adopting these policies under the Pinochet Dictatorship in 1973. It was one of the first social experiments of the neoliberal policies promoted by economist and Nobel Prize winner Milton Friedman of the University of Chicago which have become the cornerstone of economic globalization throughout the world (Klein, 2007). However, while the democratically-elected governments have continued to follow the neoliberal policies of Pinochet, they have also had to contend with the other side of the story: those left behind in the Chilean miracle (Borzutzky and Oppenheim, 2006).

In addition to being one of the first countries to experiment with neoliberal economic policies, Chile is also ranked as one of the leading countries embracing economic globalization. In the early 2000s, the A. T. Kearney Foundation published in Foreign Policy a ranking of nations in terms of economic, political, social, and technological indicators of globalization. These rankings included countries’ openness in economic trade, foreign direct investment, participation in international and regional treaties and United Nations (UN) peacekeeping, use of internet, telephones and television, and travel. While ranking thirty-fourth overall in globalization, Chile was among the top ten in terms of economic
globalization, mostly due to its openness in trade and to foreign direct investment (A. T. Kearney Foundation and *Foreign Policy*, 2005). Chile is an active regional and global trading partner. It is an associate member of MERCOSOUR (Mercado Comun del Cono Sur) and entered into bilateral free trade agreements with Canada in 1996 and the US in 2004. It has free trade agreements with the entire Latin American region as well and has signed more bilateral trade agreements than any other country (CIA, 2009). Chile was also an active member in both the Uruguay Rounds of the General Agreement on Tariffs and Trade (GATT) and is a member of the WTO. In terms of market openness, Chile ranked nineteenth in the world because of the lack of tariffs, price controls, and government intervention. Regarding political transparency, Chile ranked fifth, just behind the US, in internet availability of government policies and contact information. Chile also ranked just below the US in levels of political corruption. However, its level of technology does not fare quite as well as the US, Europe, or Asia. Chile does have an estimated 3.5 million internet users with a fairly widespread and stable internet server network (A. T. Kearney Foundation and *Foreign Policy*, 2005).

By examining the history of its neoliberal policies and their effects on Chileans in terms of economic growth, unemployment rates, labor rights, and growing social inequalities, one can understand how these policies have affected not only the power of the state over economic relations within Chile but also the ways in which they have affected Chilean society as a whole. Chile provides a longitudinal case study that can provide insights into the changing role of the state and whether or not neoliberalism benefits societies on the whole or rather creates social rifts that divide people in terms of class and gender.

Chile’s long history with neoliberal policies and commitment to globalization has made it an important part of the growing literature on globalization. Recent studies have focused on the impact of these policies on employees within various industries and the role of the government within the Chilean economy (Bresnahan, 2003; Winn 2004a, 2004b, 2004c; Borzutzky and Oppenheim, 2006; Berg, 2006; Reinecke, 2006). Specifically, Oppenheim (2006) explored how Chile’s commitment to neoliberalism expanded and changed within the re-democratization period. Oppenheim argued that Chile’s commitment to neoliberal policies did not change within the democratic administrations following Pinochet because of political necessity. Its commitment to this model explains much of the growth during the 1990s. Winn (2004c) found that in regard to the textile industry, the commitment to strict neoliberal policies has gone beyond the neoliberal policies of the later Pinochet regime. The democratic
governments decreased textile tariffs below the rates set in the Pinochet era, further altered exchange rates to favor exports, and reduced anti-dumping protections against foreign competitors. Commitment to these neoliberal policies has created growth in many industries. Despite impressive economic growth based on its export economy, Oppenheim (2006) acknowledged that this growth was based on nonrenewable resources and growing economic inequalities that may be unsustainable through the future.

Several studies have focused on the growing economic and social inequalities within Chile during both the Pinochet dictatorship and re-democratization. Collins and Lear (1995) first challenged the economic miracle of the Chilean economy by addressing the often overlooked economic crises during the Pinochet Regime as well as the growing social inequalities. Berg (2006), focusing on the cosmetic industry and agro industry, found that these industries experienced growing wage inequalities since Chile’s commitment to neoliberalism and that growth within them was based on the exploitation of low-wage workers. Mechanization, competition with international producers, and the lack of an organized labor force have increased the demand for low-skill labor that has not improved the lives of most workers within these industries. This research provided important evidence that, while some industries within Chile may benefit from globalization and economic growth, many of those industries did not provide benefits for all Chileans. However, neither study explored the ways these policies affected women in Chile.

Winn (2004c), Stillerman, (2004), and Schurman (2001, 2004) also explored the status of workers in other industries including the textile, copper, and fishing industries and found that neoliberal policies in both the Pinochet era and democratic eras led to the increase of low wages and insecure and dangerous working conditions. Pinochet’s commitment to the dismantling of labor organizations in these sectors benefited employers and left workers with little political and social power to fight for better working conditions. Reinecke’s (2006) study compared the working conditions within the textile and metal-working industries and found that neither industry produced stable jobs nor did the workers inherently receive new opportunities for skilled and better-paying work. Workers in the textile industry faced massive layoffs as Chilean producers failed to compete with foreign producers. Big textile manufacturers have been replaced with micro-producers (those with ten or fewer employees) through subcontracting as a means to reduce costs. On the whole, those within the textile industry work with short-term or no legal employment contracts in highly exploitative conditions. While the metal working
industry did employ new technological strategies to increase productivity which led to increases in real wages within this industry, the use of temporary workers, the lack of union power, and the increase of overtime had not improved working conditions or the types of jobs done by the majority of workers within the industry. The feminization of most of these industries has clearly occurred, as women have replaced men in most of them demonstrating that women in Chile have been directly affected by neoliberal policies.

Recent studies of women in the Chilean workforce have emphasized the contradictory nature of that work. Waylen (1992, 1995) documents the growing number of women employees in the lower classes within Chile since 1972. Although structural changes in the Chilean economy account for the increase of women entering the workforce, Waylen argues that it is important to understand women’s and men’s choices with regard to whether or not women work and more importantly how these choices empower women. Delano and Lehmann (1993) studied women in the fishing industry and found that women faced dangerous working conditions at low pay but that they gained economic security and autonomy for themselves and their children within the family. Tinsman (2004) directly examined women workers in seasonal farm work within the Aconcagua valley. She warned that while past research tended to view women in globalized industries as victims who faced dangerous working conditions and exploitation, only examining their work as a burden misses an important aspect of the story. Women within the agricultural sector in Chile did face terrible working conditions and were exploited; however, through wage labor, they gained financial independence from husbands, new validation of their work within the family, and new roles within their communities. Thus neoliberal policies within Chile both hurt and benefited women within this industry. All of these studies point to the need for a better understanding of the complexity of employment, social advocacy, and neoliberal policies within Chile beyond specific agriculture and industrial sectors.

In addition to exploring the relationship between neoliberalism and working conditions for women in Chile, a growing number of studies have focused on women and politics, women’s social movements, and women’s activism in Latin American and in Chile specifically (Franceschet, 2005; Baldez, 2001, 2002; Richards, 2004; Schild, 1994, 2000, 2002). Women played important roles in popular movements during the Pinochet dictatorship (1973–1990), and they continue to struggle to gain political representation and to promote empowerment for women in the government, in the economy, and in the family. Both historic women’s