

*J. Lat. Amer. Stud.* 42 (2010). doi:10.1017/S0022216X1000060X

Paul W. Posner, *State, Market and Democracy in Chile: The Constraint of Popular Participation* (Basingstoke: Palgrave Macmillan, 2009), pp. xv + 246, £45.00, hb.

In *State, Market and Democracy in Chile*, Paul Posner examines the relationship between neoliberalism and democracy from the perspective of the popular sectors' capacity for organisation and participation. While the bulk of the book does focus on the Chilean experience, the penultimate two chapters provide a comparative analysis by introducing the cases of Argentina and Mexico.

Drawing on the work of theorists such as James Migdal and Theda Skocpol, Posner argues that the state can be viewed as being embedded in a set of social relations that shape state structures and policies. In turn, state institutional structures and policies have a formative impact on the structure and organisation of civil society (p. 32). Using this approach, Posner argues that at critical junctures in national development state managers and their allies in civil society have radically reshaped the state's institutional structures and shifted the balance of power among competing forces in society. In particular, he argues, key shifts took place in Chile during the Pinochet regime, when neoliberal reforms were introduced under an authoritarian government while at the same time state–society relations were radically altered, with highly negative consequences for the popular sectors.

As Posner demonstrates, one critical area where such changes occurred was in relations between the business elites, labour and the state. Between the early 1920s and 1979 state evolution in Chile was relatively democratic, and growing levels of representation and influence were conferred on the labour movement and popular sectors – this was a typical populist strategy that also occurred elsewhere in the region. Under the military regime led by General Pinochet, this situation changed dramatically. The regime forged close links with business conglomerates at the expense of the labour movement; trade unions were banned, and labour activists were subject to extreme repression. During the Pinochet regime several business leaders participated directly in government; they were at times central to decision-making processes, giving rise to a close and ongoing relationship between state and business around the discussion and coordination of economic policy. The entrepreneurial class continues to have close links with the right-wing opposition parties and remains a highly unified and influential force, defending the economic interests of local conglomerates and transnational companies and having direct access to elected officials and policymakers. Although since the return to democracy in 1990 the number of trade unions has slowly started to increase, current labour practices such as subcontracting of workers and the right of business to replace striking workers has diminished the labour movement's capacity for collective action.

Subsequent chapters highlight the breakdown of historical linkages between the left-wing political parties and the popular classes. Clearly the systematic repression applied by the military government was responsible for much of this breakdown during the Pinochet regime, yet despite the return to democracy in 1990 these linkages have not recovered, and Posner seeks to explain why this is so. Chile has now experienced four Coalition governments since 1990, the latter two led by Socialist presidents (Ricardo Lagos, 2000–6, and Michelle Bachelet, 2006–10). Nevertheless, political and economic decision making remains highly technocratic, and grassroots dissatisfaction continues to grow.

What makes Posner's analysis here especially interesting is his use of empirical material, in the form of interviews conducted in 1993, 2001 and 2006 in three distinct *poblaciones* (urban shanty towns) in Greater Santiago, with a range of municipal representatives and community leaders and activists. More than anything, the interviews reveal 'a pervasive sense of alienation and frustration ... in general ... local leaders expressed serious scepticism regarding the concern of party leaders for the needs and interests of the *pobladores*' (p. 87).

Posner argues that much can be attributed to the institutional constraints imposed by the military as part of the transition to democracy – for example, the binominal electoral system – which have ensured the perpetuation of the structural conditions that destroyed the linkages between left-wing political parties and their constituents. The nature of the system has assigned greater political and legislative power to the favoured parties of the military regime than would otherwise have been the case. Consensus on economic policy between the Coalition parties and the right-wing opposition has resulted in a commitment to maintaining political stability at the expense of the mobilisation of social demands. As Posner argues, the popular sectors are mobilised for winning specific electoral contests, but this is done through modern campaign techniques such as mass media advertising that leave no space for the organisation and action of traditional party militants (p. 71).

Moreover, the binominal system compels political parties to form pacts, which has led to ideological homogenisation among the parties of the Coalition and exclusion of the far Left (p. 82). This has limited the Coalition governments' ability to implement more progressive and democratic reforms and consequently compromised the parties' ability and willingness to respond to popular sector demands. Policy debates remain technocratic, with social welfare reforms being negotiated at the highest levels of the party leaderships, removing the scope for inclusion of any demands from the Coalition's own social constituencies.

Through his comparative analysis of Mexico and Argentina, Posner is able to conclude that, despite significant differences in all three cases, overall the imposition of neoliberal reforms has created the conditions that have constrained popular sector participation and unity, and prospects for change are limited. He calls for further research to determine the extent to which this pattern prevails across the region and whether or not it represents a new state–society matrix.

Despite the heavy focus on Chile, the highly readable style of this book should appeal to readers with a broad interest in the politics of participation and processes of democratisation. The comparative element in the final chapters also ensures that the book offers something more than a one-country case study and provides a useful framework for asking what political opportunities there are for the urban poor elsewhere in Latin America and beyond.

*Birkbeck College, University of London*

JASMINE GIDEON

*J. Lat. Amer. Stud.* 42 (2010). doi:10.1017/S0022216X10000611

Diego Sánchez-Ancochea and Iwan Morgan (eds.), *The Political Economy of the Public Budget in the Americas* (London: Institute for the Study of the Americas, University of London, 2008), pp. xiii + 263, £20.00, pb.

This timely collection of essays addresses one of the most critical issues in Latin America and the United States in the early twenty-first century: the political