(En)gendering the Post-neoliberal Social State: Change and Continuity in Chilean Social Policy
Silke Staab (University of Sheffield)

ABSTRACT
While "Washington Consensus" reforms were mainly driven by the need and desire to cut costs and reduce the scope of the state in social provision, the 1990s and 2000s have seen a re-engagement of the state in combating poverty and social exclusion. There seems to be some agreement that social policy is being renovated in Latin America and that countries are experimenting with policies that break with the neoliberal notion of minimal social safety nets, but do not necessarily return to post-war social protection schemes either. Overall, social policy has become a visible and contested issue in national debates – reflecting ongoing skirmishing over the role and responsibility of states, markets, households and communities in the provision of welfare. Further, and in stark contrast to the gender blindness of neoliberal reforms, 'new' social policies have been strikingly gender-conscious. Against this broader backdrop the paper explores two sets of issues. First, it provides insights into how post-neoliberal struggles over the relative weight of the state and the market play out in systems of social provision by looking at recent reforms in Chile, a country with the reputation of being particularly resistant to change. Secondly, it asks how gender roles, rights and responsibilities are (re) defined in the process: If the state is indeed assuming greater responsibility for social provision, does this trend provide a more favorable context for redressing social and gender inequalities in access to economic resources and social benefits?
(En)gendering the Post-neoliberal Social State: Change and Continuity in Chilean Social Policy
Silke Staab (University of Sheffield)

Dovetailing broader debates about “roll out” as opposed to “roll back” neoliberalism (e.g. Peck and Tickell 2002:54), “third way(s)” and “inclusive liberalism” (Porter and Craig 2004), analysts of Latin American social policy have argued that neoliberalism is too broad a denominator for characterizing policy approaches since the commencement of stabilization and adjustment in the region (Molyneux 2008; Macdonald and Ruckert 2009). Indeed, while “Washington Consensus” reforms were mainly driven by the desire to cut costs and reduce the scope of the state in social provision, the 1990s and 2000s have seen increasing experimentation with more coordinated state interventions to reduce poverty and social exclusion. There seems to be some agreement that social policy is being renovated in the region and that countries are experimenting with policies that break with the neoliberal notion of minimal safety nets, but do not necessarily return to post-war social protection schemes either (Barrientos et al. 2008; Molyneux 2008; Cortes 2009; Draibe and Riesco 2009).

Overall, social policy has become a visible and contested issue in national debates – pointing to a renewed political salience of the “social” and struggles over the role and weight of different societal institutions (states, markets, households and communities) in welfare provision. Far from having thrown up a coherent alternative to informal and/or market-led models of social provision, these debates are ongoing and diverse reflecting context-specific priorities, existing institutional and ideological arrangements, legacies and power relations (Cortes 2009). In the area of poverty reduction, for example, interventions range from conditional cash transfers focused on the development of children’s human capital1 to more integrated and multidimensional poverty reduction programs.2 While the state has taken on a renewed role in pension systems – which were partly or fully privatized under neoliberalism – interventions have ranged from the expansion of publicly financed, non-contributory social pensions in Chile (2006) to straightforward renationalization in Argentina (2009) and Bolivia (2010).

Further, and in stark contrast to the gender blindness of neoliberal reforms, “new” social policies have been strikingly gender-conscious (Bedford 2007). However, while the gendered implications of high-tide neoliberalism are well explored, relatively little systematic research has been carried out on the gender dynamics of what has been conceptualized as the “re-embedding” of liberalism through social policy and state regulation (Razavi 2009, drawing on Uggie 1982) or the emergence of a post-neoliberal social agenda (Macdonald and Ruckert 2009, drawing on Jayasuriya 2006).

Against this broader backdrop, the paper explores two sets of issues. First, it provides insights into how post-neoliberal struggles over the relative weight of the state and the market play out in systems of social provision by looking at recent reforms in Chile, a country with the reputation of being particularly resistant to change. Secondly, it asks how these struggles are gendered: If the state is indeed assuming greater responsibility for social provision, does this trend provide a more favorable context for redressing social and gender inequalities in access to economic resources and social benefits? Does it, more particularly, reflect a greater recognition and redistribution of the responsibilities for and costs of care and social reproduction among states, markets and households?

1 The largest of these programs in terms of coverage are Brazil’s Bolsa Familia, Ecuador’s Bono de Desarrollo Humano and Mexico’s Oportunidades (ECLAC 2009).
2 These include, for example, Chile’s Chile Solidario and Uruguay’s PANES which while more limited in coverage offer a broader range of integrated services to households in poverty.
Section 1 briefly introduces the framework used for understanding current processes of social policy change in Latin America as necessarily gradual rather than radical departures from the neoliberal legacy. Section 2 sketches out the relation between gender and social policy showing how neoliberalism put specific strains on this relationship and summarizing some of the key findings of recent work on gender and social policy under post-neoliberalism. I contend that in order to assess and theorize the gendered nature of post-neoliberal social policy more systematic empirical analysis is required. In particular, I argue that we need to move beyond the narrow focus on conditional cash transfers (CCT) that dominates current scholarship on gender and social policy in Latin America. The conclusions that can be drawn from the analysis of a single policy are necessarily limited and may not hold for broader developments across sectors such as health, pensions and family policy. To underline this argument, section 3 analyzes recent reforms in these three policy areas in Chile.

Understanding post-neoliberal social policy: Gradual, incremental and cumulative changes

Latin American welfare architectures differ markedly from those of advanced industrialized and postindustrial contexts. Incomplete welfare regime formation in the post-war era of import-substitution and industrialization left its marks on systems of social provision which have been characterized as exclusionary, stratified, dualistic and/or informal (Filguera and Filguera 2002; Barrientos 2004). Welfare retrenchment, deregulation and privatization of social protection and social services under neoliberalism often exacerbated these tendencies. Further, market reforms empowered business interests which became directly involved in systems of social provision. Commercial insurance companies flocked into the market for pensions and health and private schools mushroomed in liberalized and decentralized educational systems. As the quality of public services deteriorated due to chronic underfunding, private providers often became the privileged option for those who could afford them – further debilitating the support base for public provision and ushering in increasing fragmentation in access to benefits along class, racial and gender lines. As the social costs of these processes have become evident a renewed emphasis on the role of social policy as a tool for ‘re-embedding’ market-led development models can be observed.

Analysts differ in their assessment of recent changes in the regional social policy landscape. While some stress overall continuity with neoliberal ideologies and policy approaches (e.g. Taylor 2009), others point to important changes in terms of the role and weight of the state in social development and welfare provision (see, for example, contributions to Riesco 2007). Perhaps the question of continuity or change is less fruitful than analyzing the opportunities for, obstacles to and directions of change to neoliberal social policy frameworks. Siding with those who claim that post-neoliberal policies “emerge from within neoliberalism” (Macdonald and Ruckert 2009:7), this paper argues that policy change is necessarily gradual. This is not only due to institutional entrenchment, but also to the ways in which neoliberalism – as a project of social and political engineering – affects the political prospects of reform. Neoliberalism promised to pave the way to “a depoliticized, individualistic, and market-driven society” (Taylor 2009). Processes of decision-making were removed from public scrutiny and control – in some contexts, including Chile, aided by the installation of authoritarian and military regimes – and previously prominent collective actors, most notably organized labor, were disempowered through more restrictive labor laws, deregulation, flexibilization and often forthright repression. The social sectors saw the emergence of powerful new interests created by privatization and a paradigm shift in the principles underpinning social provision. In parallel, the integration into global financial and commodity markets has created constraints for state autonomy. While this

---

3 See Grugel and Riggirozzi (2009) for a similar argument.
4 See Huber (1996:164) for a similar argument.
new political economy makes radical reorientations unlikely, there is room for incremental, yet significant, change and adaptation at the margins.

Post-neoliberalism is hence a useful working concept, in the sense that it allows for considerations of both continuity and change in the institutional framework created and buttressed in the neoliberal period. Rather than being displaced or abandoned by equity-oriented reformers, this framework forms the very backdrop against which current political struggles — over how to reconcile sustained economic growth with equity and social inclusion (Grugel and Riggirozzi 2009) — take place. It is part and parcel of the context in which political actors and policy entrepreneurs with different resources and power define their goals and devise their strategies.

**Gender and Social Policy under Neoliberalism and Post-Neoliberalism**

Gender roles and norms mediate women’s and men’s exposure to social risks and shape their needs for social protection and social services. As the burgeoning feminist literature on the welfare state in advanced industrialized economies has documented, women face particular challenges and disadvantages due to motherhood and other caring responsibilities that society largely assigns to them (e.g. Lewis 1992; O’Connor 1993; Orloff 1993; Sainsbury 1994; Orloff 1996; Sainsbury 1996; Jenson 1997; O’Connor et al. 1999). While caregiving is a socially and economically necessary function and many of its benefits extend to society more broadly, the costs of provision are disproportionately born by women – in the form of time constraints and financial obligations, weaker labor market attachment and lower social security entitlements (Folbre 1994, 2001). Women also tend to face significant disadvantage or straightforward discrimination in the productive sphere: not only do women participate less in the labor market, their unemployment rates are also often higher than those of men⁵; and those who do find work, are more likely to be in precarious and informal employment and, across sectors and types of employment, gender wage differentials loom large.

In this context, ostensibly gender neutral structural adjustment policies have had detrimental effects on women in the global South. The relationship between market-based processes of production, unpaid activities of social reproduction and state social provision has been a central component of research on the gender effects of neoliberalism. A large body of literature has documented, for example, how the overall burden on women has increased under economic and social restructuring with rising male unemployment pushing women into (largely informal) paid employment all the while state retrenchment and the commercialization of social services shifted more responsibilities for social provision to the (unpaid) domestic sphere (Elson 1995, 1998; Benería 2003). The individualization of social risks through the introduction of private health and pension insurance systems also exacerbated the gender inequalities, tying social protection even more strongly to labor market participation and performance (see sections on health and pensions below).

Recent studies have argued that the “return” of social policy to the development agenda has paid scant, if any, attention to the underlying structures of gender inequality in labor markets and households (Razavi 2007); that economic and social policies continue to place the burden of social reproduction on families (read: women); that the particular design of social programs tends to reinforce traditional gender roles without providing long-term strategies for women’s economic security through job training or childcare provision (Molyneux 2007; Tabbush 2009); and that new social policies increase social control and surveillance of parents’, and particularly mothers’, child-rearing behavior and performance (Luccisano and Wall 2009).

---

⁵ This is the case in almost all Latin American countries (ECLAC 2009).
Feminist research on new cash transfer programs, in particular, has tended to see more continuity than change in the gendered underpinnings of social policy, stressing the persistence of maternalist orientations (e.g. Molyneux 2007; Tabbush 2009). However, the focus on a single scheme prevalent in much of the existing feminist literature on contemporary social policy in Latin America is insufficient for an assessment of the processes and policies through which women’s productive and reproductive roles, social rights and obligations are currently being (re)defined. Indeed, while some social programs take the availability of unpaid care by women for granted, other developments — including the expansion of early childhood education and care services, full-day schooling, the reform of maternity leave policies and the introduction of childrearing credits in recent pension reforms — point to an increasing awareness of gender inequalities that shape women’s and men’s differential access to labor market income and public social benefits. What are we to make of these apparent contradictions? In order to assess and theorize patterns of continuity and change in social provision from a gender perspective, more systematic empirical analysis is required.

Rather than singling out one (albeit innovative) policy area such as conditional cash transfer schemes or focusing on very aggregate constructions such as ‘social policy regimes’ I contend that a cross-sectoral approach to social policy reforms has several advantages. First, the combination of different cases – such as pensions, health and family policy – provides a more comprehensive picture of how post-neoliberal approaches to social policy are gendered, moving beyond the current focus on cash transfer programs. Second, it is likely to strike a better balance between contextual specificity, on the one hand, and wider conclusions about the scope, nature and implications of current post-neoliberal reform processes, on the other. Last but not least, it represents an opportunity for comparing and contrasting reform paths across sectors: Is there an analogous trend towards greater state engagement? Are there similar opportunities and constraints on progressive, egalitarian reform? Has the incorporation of gender concerns been uniform across cases, or has it differed? Do the reforms follow similar mechanisms of institutional change? The following sections do not pretend to answer all of these questions. Rather, they explore their relevance by looking at recent reforms in health, pensions and childcare policies in one country: Chile.

**Neoliberal legacies and recent reforms in Chilean social policy**

Chile is an interesting case for exploring the kind of gradual change processes associated with post-neoliberalism, precisely because the prospects for equity-oriented reforms would seem rather bleak. While structural adjustment policies were a general trend in Latin America, Chile experienced “the most complete application of neoliberal principles” (Filgueira and Filgueira 2002) under the aegis of a military dictatorship (1973-1989). The transformation into an open, free market economy was achieved through the combination of orthodox economic policies, including “shock therapy” (drastic monetary and fiscal stabilization) during the early years, with an authoritarian regime that centralized power and violently crushed opposition by political, social and labor movements. Deregulation of labor markets, retrenchment of public sector employment and social spending, privatization and commercialization of pension, health and education systems were some of the features that accompanied the implementation of an export-oriented economy model open to foreign trade and investment.

With the return to democracy, many of the model’s features were maintained – aided, among other things, by the persistence of ‘authoritarian enclaves’ in the political system, a constitutional framework that privileged institutional stability, and a political culture eager to avoid the kind of political confrontation that preceded the coup. Furthermore, much of the new

---

6 Early childhood education and care services have been significantly expanded in Argentina, Chile, Mexico and Uruguay, for example (Faur 2011; Filgueira et al. 2011; Staab and Gerhard 2011). Leaves have been reformed in several countries, introducing (short) paternity leaves, extending maternity leaves, or facilitating parental sharing. Pension credits for child-rearing have been introduced in recent pension reforms in Chile (2006) and Uruguay (2008).
democratic elite ideationally subscribed to ideas of market governance (Castiglioni 2005). The social policy institutions thus experienced relatively little change throughout the 1990s. Over the last decade, however, the zeal and pace of reform seems to have accelerated. Since the early 2000s efforts to expand social protection, to improve access to and quality of social services and to strengthen social rights have featured prominently on the country’s social agenda. Some have even argued that Chile may be approaching a “point of inflection” (Illanes and Riesco 2007:406). While attempts at reversing liberalization may be rather rare, a renewed emphasis on the role of social policy as a tool for re-embedding market-led development models can be observed. In other words, the overall continuity in Chile’s development model based on trade openness, macroeconomic stability, monetary and fiscal discipline and flexible employment should not mask changes in social policy. However insufficient and incremental these may be, they show that there is ongoing skirmishing over how to extend social protection against the vagaries of the market and a search for measure that mitigate the inequalities it creates.

Social reforms have taken place in a context that has otherwise been characterized by political and economic stability. In contrast to many of its neighboring countries which have experimented economic crisis and political turmoil, Chile has been ruled by the same governing coalition from the return to democracy up until 2010 and has displayed steady economic growth. This absence of exogenous shocks allows concentrating on less visible (and endogenous) change processes. As the discussion of health, pension and family policy reform shows, gender awareness (though not always equity) has been a central component of these reforms.

Health
The origins of the dual system of health insurance and provision still in place today, date back to the creation of a private health insurance industry in the early 1980s (Lloyd-Sherlock and Barrientos 2009). Formally employed workers could choose between one of the private providers (ISAPREs) or the National Health Fund (FONASA). Tripartite financing was replaced by individual accounts, with the mandatory 7% contribution being covered by the worker alone. Provision and administration of health care services were decentralized and equally opened to private sector participation (Gideon 2001). Both processes led to increasing inequalities in access to health services and growing segmentation in terms of the quality of care available to different income groups.

Inequalities were accentuated not only along class, but also along gender lines. Thus, women’s weaker labor market position acted as a key constraint in accessing insurance, particularly private insurance, on an individual basis (a classic case of ‘male-breadwinner bias’). The lack of cross-gender and inter-generational solidarity in private insurance schemes meant that women bore the costs of biological reproduction through their contributions alone with premiums for women in reproductive age tripling those of men of the same age (Pollack 2002). Unsurprisingly, many women could not afford these private plans or chose to turn to so-called planes sin útero that did not cover maternity (Sojo 2006). In case of pregnancy women with this kind of plan then ‘migrated’ to FONASA, a phenomenon that forms part of what is referred to as ‘cream-skimming’ or ‘cherry-picking’ in dual social insurance systems. Because private insurers charge according to individual risk, their affiliates are predominantly men of working age from higher income strata – a triple gender, age and class bias. FONASA, on the other hand, where risk-sharing is the norm, concentrates both “higher risk” groups (including women in reproductive age and the elderly) as well as the bulk of the country’s low income workers. This ushers in severe resource constraints which make the timely provision of quality health services in the public system difficult to achieve (Solimano and Pollack 2005).

---

7 In 2009, FONASA covered 12.5 million people, corresponding to around 74% of the population, while 16% were affiliated to private insurance. The remaining 10% were covered by special health plans, including those of the armed forces (Sánchez 2011).
Throughout the 1990s, policy efforts focused on rebuilding the eroded hospital and health center infrastructure by injecting fiscal resources as well as timid attempts at monitoring the activities of private health insurers (Infante and Paraje 2010). Nevertheless, the health system faced growing criticism related to the skewed allocation of resources to the better-off (young, male, wealthy and healthy) and correspondingly to an increasing polarization in health outcomes. High co-payments, referral problems and the discriminatory practices of private insurance providers also came under increased scrutiny.

The first serious discussion of health sector reform started in the early years of the Lagos administration (2000-2006). The reform package presented in 2002 included the introduction of health guarantees (Plan AUGE), a proposal for financing the increased public spending associated with these guarantees, modifications in the institutional and regulatory framework, the regulation of the private insurance providers (Drago 2006). However, several years should pass until an exhaustively discussed and significantly modified set of reforms was adopted in 2004/5. The delay reflected a high degree of disagreement and conflict over the character and scope of the reform.

Along very rough lines, the left-wing of Concertación, part of the Christian-Democrats as well as gremial associations favored a significant reduction and strict regulation of private sector activity, repudiating the idea of private profits in health. Commercial insurers (ISAPREs) and the political right, in turn, pushed for a preservation of market principles stressing issues like efficiency and flexibility (Drago 2006; Lenz 2007). But there were also clear divisions within Concertación. In the Ministry of Health itself, for example, the ideas of the fairly insulated Commission for health reform differed markedly from those of Health Minister Michelle Bachelet and her team (Ewig 2008). Within this complicated political setting and despite the attempt to facilitate the participation of “stakeholders” in the process (including gremial associations, private sector representatives and civil society organizations)8, neither side was satisfied with the reform package proposed in 2002, and gremial associations voiced their discontent in a six months long strike which ended with the removal of the Health Minister, Michelle Bachelet. She was replaced by a Christian-Democrat more supportive of the commission’s recommendations and willing to confront gremial resistance.

Plan AUGE (Plan Acceso Universal con Garantías Explícitas en Salud / Plan of Universal Access with Explicit Health Guarantees) was an attempt to challenge the dual system and establish a universal, rights-based package of health care services available to all citizens. For a defined number of pathologies, patients would be entitled to timely and standardized treatment as well as financial protection. This included that the publicly insured could be transferred to private health providers should the public system be unable to deliver on time. While critics feared this to be a veiled path to the privatization of health provision, the effective use of this option seems to have been rather negligent so far, despite recent attempts by the government to promote this option (author interviews).

The reform also aimed at injecting some degree of solidarity back into the system by introducing financing mechanisms that would spread health risks and costs across the public/private divide (Dannreuther and Gideon 2008). In fact, how the health reform would be financed was one of the most contentious issues and significantly delayed the passing of corresponding bills. The initial idea of the reform package was based on solidarity financing through contributions of affiliates from both the private and the public system. A Solidarity Fund would be created through which ISAPRE would transfer their share to the public system. While the left-wing of the ruling coalition supported this measure, Christian Democrats, the political right and the business sector more generally, strongly opposed the idea, albeit for different reasons (Drago 2006; Lenz 2007). For a critique of this “participatory” process (or rather the absence of real participation), see Gideon (2006).
In order to re-align Christian-Democrats, the government dropped the solidarity fund (Lenz 2007). A tedious process of alternative proposals followed which included almost everything, from a rise in VAT, taxes on tobacco, alcohol and fuel, to restrictions on and greater targeting of sick leave benefits.

After a tug-of-war of over two years, AUGE was ultimately adopted in 2004. The final financing arrangement includes a range of sources, including a 1% raise in VAT, a rather regressive mechanism (Dannreuther and Gideon 2008). The plan defines a number of health conditions to be universally covered regardless of the patient’s age, gender, race, insurance status and income, and stipulates a maximum waiting time for covered treatments. Starting out with 25, the number has gradually been increased to 72 conditions by 2011. In practice, AUGE has different implications for people covered by public and private plans. In the public system, patients now had the right to claim affordable, adequate and timely treatment for these pathologies which hitherto was often violated by long waiting lists. In the private system, in turn, the reform increases financial protection, introduces an (albeit small) component of risk-sharing into otherwise individually determined health plans and fixes a minimum coverage for complementary (non-AUGE) services. The latter implied that ISAPREs were now obliged to offer minimum coverage for maternity care, effectively ending the (hitherto legal) practice of planes sin útero (Tegtmeier et al. 2009).

Following the failure to introduce greater equity in health financing through a public-private solidarity fund, the government tried to address some of the obvious problems within the private insurance sector, including discrimination based on gender, age and pre-existing conditions, through regulatory measures. The so-called Ley Larga de Isapre, approved in August 2004, regulates the annual adjustment of health plans, putting limits on the ability of private insurers to raise prices, and reduces the number of tables used to calculate individual risk from around 2,400 to two per ISAPRE. The latter measure obliges insurance companies to group their client base according to sex, insurance status (contributor or dependent) and age range, and entrusts regulatory authorities with fixing a maximum relation between the highest and the lowest risk factor for a 10 year period for each sex in order to moderate price increases with age (Drago 2006). According to official information, these measures have had a positive, albeit limited effect on gender and age discrimination (Tegtmeier et al. 2009).

Last but not least, the law established a Solidarity Compensation Fund for AUGE guarantees within the private system. While all the privately insured contribute equally to this fund, benefits are paid out according to health risks, with the result that women of reproductive age and the elderly now ‘benefit’ from the contributions of lower risk groups (Mesa-Lago 2008b). In principle, the fund injects some degree of risk sharing into the private insurance system. In practice, however, its impact seems to have been rather limited (Infante and Paraje 2010). On the one hand, the Inter-Isapre Solidarity Fund only covers a subgroup of pathologies (those guaranteed by AUGE), while the principle of risk (associated to higher health costs depending on gender and age) continues to rule for all other contingencies and treatments. On the other hand, the use of AUGE by the privately insured is very low, partly because it is tied to a system of managed care, meaning that the doctor or health facility are allocated by the insurance company rather than chosen by the beneficiaries themselves. Many thus seem to opt for coverage outside of AUGE even if this implies co-payments (author interview).

---

9 While Christian Democrats criticized the disproportional burden this would present for the “middle class”, the Right decried a “violation of property rights” and attempt of “unconstitutional expropriation”.

10 The latter included entitlements associated with maternity leave and leave in the case of sickness of a child under the age of one, and thus linked health reform and childcare responsibilities in a rather unexpected way. Thus, Lagos’ proposal to finance AUGE by way of shifting parts of the cost of maternity leave benefits onto health insurance contributors sparked far-reaching criticism, not least from women’s organizations who argued that it was unfair to trade one set of social rights (maternity and childcare) for another (health)(CEM 2002). Since agreement could not be reached within the governing coalition either the proposal had to be dropped in 2003.
From a gender perspective, the initial 25 pathologies included several that exclusively or disproportionately affect women, including breast and cervical cancer as well as access to analgesia during childbirth. Depression, which disproportionately affects women, was added in July 2006. The main issues raised by the women’s health movement, such as attention to injuries resulting from domestic violence, sexual and reproductive rights, in contrast, found no place in the reform package.11 In the private insurance system, the reform effectively banned the practice of planes sin útero, introduced risk-sharing for AUGE pathologies and attenuated price discrimination based on gender and age in complementary plans. Since maternity care does not form part of the AUGE package, however, the costs of biological reproduction are still born by female contributors alone, with the result that health premiums for women and men in reproductive age continue to differ substantially.12

A final aspect that merits attention is women’s role as providers of unpaid health care in the home. This can be conceptualized as a de facto subsidy to both public and private health systems which has gone largely unnoticed by recent reforms. Instead, AUGE is based on the assumption that women’s unpaid labor is readily available for home-based care. Thus, documents emphasize the reduction of time spent in hospital care and the increase of home-based care for the chronically ill (Dannreuther and Gideon 2008). Critics have even argued that AUGE will worsen the conditions of unpaid caregivers (Provoste and Berlagoscky 2002). And indeed, the results of a survey conducted in Santiago showed that work and family do not only conflict in the realm of childcare. Most women who participated in the survey were in key productive years and about one third combined paid employment with unpaid care for a sick relative (Medel et al. 2006).13 This double burden, in turn, can have negative implications for the health of (predominantly female) carers. Women’s unpaid contribution to the social reproduction of care-dependent relatives and its implications for their own health hence remained invisible in the reform process.

Pensions
The pension system was privatized in the early 1980s and the public pay-as-you-go system was successively phased out. As in health, tripartite financing was replaced by individual accounts, with mandatory contributions being covered by the worker. Account management was handed over to private insurance companies (AFPs) that invest contributions in stocks and bonds against (sizeable) commission fees. Retirement benefits are thus directly linked to the amount contributed by the worker and the rate of return on investments made by the commercial insurer. Non-contributory, means-tested minimum pensions (PASIS), first introduced in 1975, were maintained under the new system, but benefits and coverage were extremely low – as the number of PASIS granted was limited for the sake of expenditure control.

It has been argued that the new system disadvantaged women vis-à-vis the previous pay-as-you-go arrangement, given that benefits were now based on individual characteristics and contributions rather than risk pooling and/or solidarity (Arenas de Mesa and Montecinos 1999; Marco 2004). Given their less favorable employment conditions women tend to have lower

---

11 While these issues could not be brought to bear on the mainstream reform process, progress was made at later stages through different institutional mechanisms (author interviews). Thus, the Ministry of Health started to implement health staff training and pilot programs regarding the detection and treatment of victims of domestic violence at the primary care level (Provoste 2007). Free and confidential access to emergency contraception was made available at the primary care level through a revision of the norms on fertility regulation in 2006, which – after prolonged political dispute – were institutionalized by law in early 2010 (BCN 2010).

12 Failure to address these issues has led to increasing litigation around the issue, culminating in a Constitutional Court sentence which in 2011 declared gender and age discrimination in private health plans unconstitutional (El Mostrador 2010). The government has since been searching for options to solve the issue, including a law which is currently being discussed in Congress and foresees the creation of a basic health plan and greater risk-sharing within the private insurance system.

13 A more recent and representative survey finds that care for dependent (sick or elderly) adults to be a major obstacle to women’s labor force participation, especially among lower-income households (Comunidad Mujer 2010).
contribution densities, lower pension account accumulations, and, as a consequence, lower replacement rates and lower final pensions. Earlier retirement and longer life expectancy further aggravate this problem.

A quarter century into the new system, the perceived shortcomings included the low density of contributions, especially among independent and self-employed workers, resulting in low coverage as well as inequitable pension benefits (particularly among women and the working poor). In fact, even before privatization, it was estimated that only a quarter of the workforce would receive more than the state-guaranteed minimum pension. More than half of the workforce would not even be entitled to the minimum pension (due to irregular contributions) and only a fraction of those were “poor enough” to receive PASIS. The deficiency of the system was so evident, that by 2005 there was unusual consensus across the political spectrum with respect to the need of reform (Illanes and Riesco 2007), although concrete proposals of how to do this differed. As Alexander Hertel-Fernández (2009) has argued, Chilean pension reform is an excellent example of endogenously generated pressures for change through negative feedback effects.

In early 2008, the legislative branch approved the pension reform based on the recommendations of a Presidential Advisory Board installed by President Bachelet in 2006 (Consejo Asesor Presidencial para la Reforma del Sistema Previsional 2006). The advisory board, consisting of pension experts across the political spectrum, also innovated with regards to citizen participation, inviting organizations and individuals to present their views and proposals at public hearings, though several organizations expressed disappointment with the outcome of this process (author interviews).

The reformed system, which will be fully effective in 2012, is based on three pillars: an expanded government-financed (targeted) “solidarity” pillar, a largely unmodified contributory pillar based on individual accounts, and a voluntary savings pillar with additional incentives. Two changes are of particular importance for women: the reformed “solidarity” pillar and the universal pension credit per child paid to mothers.14

Within the solidarity pillar two main components stand out: 1) a non-contributory basic social pension financed out of general tax revenue and 2) a government-subsidized pension for people who have contributed to the system but accumulated very low amounts. The non-contributory social pension (Pensión Basica Solidaria, PBS) covers men and women from the first two income quintiles since July 2008 and will be extended to the third quintile by July 2009. They will gradually replace the minimum pension scheme tied to a vesting period of 20 years – a major obstacle for women to claim this benefit. Age of entitlement fixed at 65 years for both men and women. The second component consists in the introduction of state subsidies (Aporte Previsional Solidario, APS) for pensioners who have contributed to the system but receive very low pensions. The reform foresees that by 2012, the state will stock up pensions to a maximum of 255,000 CH-$ for the first three quintiles. The subsidy decreases with the amount of the individually accumulated pension until it reaches the 255,000 CH-$ threshold. Thus, pensioners with a higher contributory base will receive lower subsidies but a higher final pension, with the logic of not causing disincentives for contributing to the system, as individual contributions “crowd-in” public subsidies.

Since women are overrepresented among non-contributors and low-contributors, it has been argued that they will particularly benefit from the restructured solidarity pillar, representing 60 percent of PBS beneficiaries and receiving higher average APS subsidies (Ministerio del Trabajo y Previsión Social 2008). The APS subsidy may be particularly relevant for seasonal workers (among them many women) with irregular contributory patterns. As to domestic workers, an occupation which absorbs around 14% of the female labor force (ECLAC 2008), the salary basis

14 For a detailed analysis of pension reform see Yáñez (2010).
for calculating social security contributions has been gradually raised, reaching 100% of the monthly minimum salary in 2011.

Apart from the solidarity pillar, the reform introduced a universal credit per child paid to mothers in order to “compensate” for the disadvantage faced by women who stay at home during childrearing. The amount of the subsidy is calculated at 10 percent of 18 minimum monthly salaries, to which a yearly interest rate is applied from the moment the child is born to the age of the woman’s retirement. The subsidy is paid per child born alive to all mothers from July 2009 onwards, independent of their employment history and income status (Ministerio de Hacienda and Ministerio de Trabajo y Previsión Social 2008). Even if the amount is a far cry from a real compensation for the ‘opportunity costs’ of raising and caring for children, it does represent an official recognition of women’s contribution as caregivers. Further, full-time caregivers (“housewives”) are now granted voluntary coverage. Contributions to their individual accounts may be made by a third party. The reform also authorizes pension sharing upon divorce. Thus, the main (usually male) earner’s pension benefits accumulated during marriage can be split among the couple upon divorce, if the judge considers that one of the parties faces economic disadvantage.

On the whole, the reform clearly validated the system of individual accounts, while significantly expanding the state’s responsibility for people with limited saving capacity. Since women are overrepresented among the population with low or no monetary income, the reform certainly contributed to improving their situation. There is no doubt that the incorporation and subsidization of women in occupations that are usually difficult to cover (domestic service and seasonal agricultural work), the recognition and compensation of time dedicated to childrearing, and the possibility of voluntary affiliation for housewives are important steps forward. While women are taken into account as a particularly vulnerable group when it comes to poverty in old age, the reform lacks a clear gender-equality perspective. Its measures do not challenge the gender division of labor and women’s inferior labor market status but compensate women based on gender difference. The root causes of gender inequality in old-age benefits, such as lower labor force participation and higher unemployment among women, gaps in the contributory record due to periods of unpaid full-time care, gender pay gaps and the over-representation of women in less protected jobs, remain unaddressed. Policies that promote gender equality in the labor market would thus have to be pursued in tandem, including the promotion of women’s participation in stable and productive employment, the enforcement of anti-discrimination laws, the investment in training opportunities, as well as the provision of childcare services (Mesa-Lago 2008a). The next section will turn to recent developments in the latter area.

**Childcare**

As is the case with other countries in the region, the first institutional arrangements for childcare in Chile date back to the early twentieth century, when protective labor legislation was passed in order to safeguard women’s reproductive functions. Thus, employers’ obligation to provide crèches and time for breastfeeding was introduced in 1917 for establishments with more than 50 women workers, a number which was reduced to 20 with the adoption of the 1931 Labor Code. Today, this same provision remains in place. The main concern of this maternalist body of legislation *par excellence*, was the survival and healthy development of the newborn. Only in the 1970s is there are incipient institutional concern for childcare and women’s needs as such (Rojas 2010; Casas and Valenzuela 2011). This is reflected in the creation of the National Council of Kindergartens (Junta Nacional de Jardines Infantiles, JUNJI) in 1970, product of both a growing interest in the early stimulation of children and the struggle of

---

15 Simulations projected the credit to increase women’s final pensions by an average 7,279 Chilean Pesos (approx. 15 US-$) per month (Podestà 2007:48).

16 Indeed, more radical alternatives such as the return to a pay-as-you-go or mixed system (proposed by major labor unions, for example) were never seriously discussed among the policy-making elite.
women activists from different party backgrounds for women workers’ right to childcare (JUNJI 2005). With JUNJI’s publicly provided and revenue-financed kindergartens a complementary childcare system is born, one that is delinked from workplace-based and employer-financed crèches.

Interestingly, and in comparison to health and pensions, childcare institutions are subject to relatively little transformation under military rule and neoliberal restructuring. Casas y Valenzuela (2011) describe the dictatorship as a period of “great lethargy” (35) with regards to the legal framework for maternity protection, for example. Of course, this does not mean that there were no modifications. Indeed, general transformations in employment patterns, including women’s accelerated entry into an increasingly informalized labor force, likely affected the reach and effectiveness of workplace-based childcare. At the same time, non-workplace alternatives remained scarce and provision was adapted according to the new ideological framework. Thus, JUNJI’s services were reoriented from education and care to fighting malnutrition, services were increasingly targeted at the extremely poor, and quality declined due to the lack of financing (Mideplan 2010; JUNJI n/d).

While childcare policies were largely left to drift under military rule, key institutions (such as JUNJI) persisted and, to a certain extent, could be re-activated and rebuilt after the return to democracy when early childhood education and care (ECEC) gradually acquired prominence on Chile’s social policy agenda. Throughout the 1990s and early 2000s, policy efforts concentrate on improving infrastructure, service quality, curricular development and professionalization of existing services as well as efforts to raise coverage among 4 and 5 year-olds. In parallel, SERNAM tries to negotiate greater compatibility of ECEC services with the needs of working mothers, pushing for extended schedules and programs for specific groups, such as temporary agricultural workers (temporeras). Overall, however, services for under-4s remain scarce and fragmented until 2006, when the Bachelet administration (2006–2010) turns ECEC expansion for younger children into a policy priority.

With Chile Crece Contigo ('Chile Grows with You') – an integrated child protection strategy launched in late 2006 – the government committed to a significant expansion of public crèches and kindergartens, particularly for children from low-income families (Mideplan 2007). By early 2009, this commitment had been transformed into a legal entitlement to a crèche and kindergarten place for children from low-income families (60% of the poorest households since 2011).

According to official sources, the number of public crèches has increased from around 700 in March 2006 to more than 4,000 by the end of 2009 (Ortiz 2009). The number of available places for children up to one year has more than quintupled from around 14,000 in 2005 to 61,000 in 2008, and was estimated to reach 85,000 by March 2010. For two- to three-year-olds, the number of crèches has almost doubled since 2005 (ibid.). While the right to a crèche or kindergarten place for children from lower-income families is still far from being realized, coverage has picked up significantly: from 12% in 2003 to 19% in 2009 for all children aged 0-3 years.\footnote{All figures are based on data from the triennial household survey CASEN.}

It is worth noting that Chile Crece Contigo departs from neoliberal tenets in at least two ways. First, it goes beyond the narrow targeting to particularly vulnerable groups and reaches out to middle-income sectors. The fact that services are provided free of charge breaks with another pet concept of the neoliberal social policy agenda, namely ‘co-responsibility’, i.e. the view that beneficiaries of state social benefits should not be mere recipients of state “hand-outs”, but shoulder part of the costs to be paid in money or kind. It is also interesting that the expansion of childcare services has almost exclusively has almost exclusively taken place through public institutions (Staab 2010). This is by no means the norm and particularly surprising in the larger
context of the Chilean educational system where private providers loom large. The fact that state-subsidized private delivery—a common strategy for childcare expansion in other countries such as Argentina and the Republic of Korea (Faur 2011; Peng 2011)—has not been considered in Chile may reflect the government’s reluctance to replicate a model which in the broader educational arena has led to far-reaching segmentation and social inequality (Helgø 2002). It is possible that the government tried to avoid similar problems in the ECEC system which was comparatively weakly developed when Chile Crece Contigo was launched18, and, as a result, private interests had not yet taken hold.

Clearly, the title of Chile’s child protection strategy (and much of the policy talk surrounding it) echoes well-known narratives about the “social investment state” in the European context (Jenson and Saint-Martin 2003; Lister 2003). However, while the recent expansion has essentially been framed as a strategy of guaranteeing children from disadvantaged households a “fair start”, strategies did not completely lose sight of affordable and accessible childcare services that respond to working parents’ needs. Indeed, there seems to be some agreement about the economic necessity and desirability of women’s labor force participation and “reconciliation” with the family responsibilities traditionally assigned to them. A recent example of this trend towards women’s activation is a report co-edited by the World Bank, the Chilean women’s machinery, and the Inter-American Development Bank (2007): ‘How to capitalize Chile’s economic potential through the expansion of work opportunities for women’ (World Bank et al. 2007). Consequently, the majority of the newly created childcare centers run full-day programs and there are efforts to offer extended schedules until 7.30 pm.

While this may seem in sync with post-neoliberal or neostructuralist ‘activation’ goals, it is rather a big step for a country like Chile, where maternalist ideals and conservative social norms remain widespread today (Contreras and Plaza 2010; UNDP 2011). At the same time, mothers (not fathers or parents) remain in charge of acting in the ‘best interest’ of the child. This is evident in the program rules which tie access to childcare to mothers’ not fathers’ activities (studying, working, looking for work). The idea that motherly concern about the child’s wellbeing should guide the decision about childcare arrangements is also apparent in discourses surrounding the program. While this may have produced a win-win situation for mothers and children in terms of the roll-out childcare services, once again, it does not challenge the gender division of labor.

Conclusions
The three examples show that the Chilean State has indeed been taking on a greater role in systems of social provision. It has done so, in health and pensions, by adding strong public components onto private (pensions) or dual systems (health). Attempts to increase state control over commercial provision, in turn, faced significant, and partly successful, resistance. In childcare, in turn, public provision was extended on an unprecedented scale. The fact that this policy area had been largely left unattended by the military government, that new services were basically created from scratch arguably and that private provision for under-4s was only weakly developed, arguably increased the government’s leeway in shaping the institutional set-up.

It could thus be argued that the state’s role in social welfare has been ‘scaled-up’ or ‘rebuilt’ without significantly interfering with the market providers (pensions), challenging the dual nature of the system (health), or touching labor market regulations by reforming workplace-based regulations in childcare. While the resulting changes may have been moderate and gradual, they depart from the neoliberal orthodoxy of the minimalist social state. Thus, the public pillars of health, pension and childcare policies are increasingly reaching out to middle-income segments (‘targeting’, in general the first three income quintiles) rather than merely

---

18 Coverage of children under the age of four was 12% in 2003.
attending to the needs of particularly vulnerable groups. In health and childcare we can also see a renewed emphasis on legally inscribed (and thus theoretically claimable) social rights.

Rather than challenging sectoral arrangements up front, equity-oriented policymakers have tried to work around neoliberal legacies – mainly by channeling more public funds to the population who falls through the cracks of market provision. This procedure creates its own tensions and contradictions, particularly with regards to financial (and political) sustainability. First, many problems in social provision (particularly health and pensions) originate from the labor market. However, the quality of employment remains a no-go area for active state intervention – through regulation, monitoring and enforcement of labor standards, for example – and much depends on larger transformations in the economic matrix and development strategy. Secondly, as has become clear in the context of the recent student movement, the marketization of social provision not only excludes the bottom 40 or 60%, but also represents a significant challenge to middle and higher middle-income households who have dealt with the high educational costs mainly by accumulating private debt. Pressures for more universal solutions thus loom large. This, in turn, will require services and benefits at a larger scale but also sustainable modes of financing. Increasing intra-system solidarity, engaging employers and/or progressive tax reform are some of the options, none of which has been seriously discussed in the past.

From a gender perspective, the three examples also point to an increasing acknowledgement of the importance of social reproduction. While this attention to these processes was still weakly developed in the elaboration of health reform, pension reform and childcare expansion have been more conscious of the gender division of labor and its implications for men’s and women’s access to social benefits. While some of these measures – such as the pension credits introduced for mothers’ (not fathers’) contribution to childrearing – are clearly maternalist in nature, others provide extra-familial alternatives to maternal care, thus effectively reducing the burden that falls on women. The growing acknowledgement of care (as essential to children’s wellbeing and as an obstacle to female employment) and the resulting emphasis on reconciliation is an important step forward. However, the absence of men’s parental responsibilities from recent reforms and debates has been striking: most of the care-related measures are still directed at mothers, not fathers. ‘New’ social policies thus significantly improve the material situation of many women, but do not actively challenge the status quo in gender relations. They reflect growing gender-consciousness, but a limited conception of the pathways to gender equality.

Finally and with regards to the politics of reform, it is probably fair to say that despite some limited mechanisms for citizen participation (voice, not vote), the policymaking process has been top-down and technocratic. In all three cases, expert commissions were set up to elaborate reform proposals. Post-neoliberal social policy in Chile is thus more about ‘rebuilding’ than ‘reclaiming’ the state (Grugel and Riggirozzi 2011). It has certainly not involved aspirations “to a radical redistribution of political power away from traditional elites” (ibid.) as may be the case in Bolivia, Ecuador and Argentina where more ‘radical’ projects of social change are under way. Despite Bachelet’s participatory rhetoric and timid attempts at civil society consultation during the three reform processes, formal political institutions as well as informal decision-making mechanisms have continued to favor a relatively insulated politics of expertise and elite

---

19 For example through a true solidarity fund in health that spreads resources across the public/private divide, or universal childcare services financed through a combination of fiscal resources and fees charged to higher-income parents on a sliding scale.

20 The possibility of tax reform only surfaced as an option in the context of the 2011 protests.

21 The emphasis shifted slightly in the discussion of maternity leave reform between 2009 and 2011. Yet, even after the reform adopted in late 2011, leave rights granted to fathers remain symbolic and associated with few incentives.

22 This does not mean, of course, that expert commissions were apolitical. Rather, their composition tended to be bipartisan (with members belonging to centre-left and right-wing think tanks, for example), thus ensuring that major conflicts were resolved before the Executive’s reform proposal was submitted to the legislature.
consensus. The limitations of this have been recognized by the 2011 students’ movement and its supporters. Indeed, while their main demands may be sector-specific, they have been connected to calls for a different kind of politics, from popular referenda to constitutional assembly. It remains to be seen whether this challenge from below heralds the beginning of a new (post-neoliberal) politics.
References


Drago, Marcelo. 2006. La reforma al sistema de salud chileno desde la perspectiva de los derechos humanos. In *Serie Politicas Sociales 121*. Santiago de Chile: ECLAC.


Junji. 2005. 30 años trabajando por los niño y niñas de Chile. Santiago de Chile: Gobierno de Chile - Junta Nacional de Jardines Infantiles.


Medel, Julia, Ximena Díaz & Amalia Mauro. 2006. *Cuidadoras de la vida: Visibilización de los costos de la producción de salud en el hogar. Impacto sobre el trabajo total de las mujeres*. Santiago de Chile: CEM.


Mideplan. 2007. Chile Creece Contigo - Sistema de Proteccion Integral a la Infancia. Dossier informativo para encargados comunicacionales de Ministerios, Servicios, Gobiernos Regionales y Municipalidades. 


Podestà, Andrea. 2007. La Dimensión de Género en la Reforma del Sistema de Pensiones Chileno. Tésis para optar al grado de magíster en economía aplicada. Santiago de Chile: Universidad de Chile.


Rojas, Jorge. 2010. Historia de la infancia en el Chile Republicano. Santiago de Chile: JUNJI.


Solimano, Andrés & Molly Pollack. 2005. The Search for Stability and Growth under Persistent Inequality: The Case of Chile. In Background Paper for the International Project on Pro-Poor Macroeconomics, UNRISD/University of Florence, Italy.

Author interviews
Soledad Barriá. Ex – Minister of Health.
Ana Bell. Vice - President for Women of the public sector union Asociación Nacional de Empleados Fiscales (ANEF) and councilor of the union federation Central Unitaria de Trabajadores (CUT).
Camilo Cid. Academic of the Public Health Department (Universidad Cátolica de Chile), previously Superintendencia de Salud.
Carmen Espinoza. Lawyer of the non-profit Program for Economy and Labor (Programa Economía y Trabajo).
Antonio Infante. Ex Under-Secretary for Health.
Fernando Muñoz. Académico de la Escuela de Salud Pública, Universidad de Chile, Ex Under-Secretary for Health.
María Luz Navarrete. Labor activist of the public sector union Asociación Nacional de Empleados Fiscales (ANEF).
Andrea Reyes. Head of the Department of Regional Development and Intersectoral Coordination, of the Women’s Ministry, Servicio Nacional de la Mujer (SERNAM).