

## CHAPTER 5



# THE NEOLIBERAL STATE AND POST-TRANSITION DEMOCRACY IN CHILE

## Local Public Action and Indigenous Political Demands

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### Introduction

The corporatization of the state in Chile occurred under a neoliberal economic model imposed by the 1973–1990 military dictatorship, which even today still transversally affects different aspects of people's lives. By analysing indigenous policies and indigenous tourism, this chapter examines the relationship between the corporate state and the country's indigenous peoples in a bid to gain a deeper understanding of the different forms of expression of corporatization and the role of the market, both in public and private actions.

Indigenous peoples have historically been most disadvantaged by state actions, and this is still apparent today. State occupation of their territories, public policies and the arrival of resource-based companies mean that they have lost not only a large part of their traditional lands but also cultural and political elements. In addition, poverty rates are higher than among the non-indigenous population. According to the Chilean government's 2017 CASEN survey, multidimensional poverty<sup>1</sup> among indigenous peoples reached 30.2 per cent as compared to 19.7 per cent for the non-indigenous population (CASEN 2017). Similarly, the region with the highest multidimensional poverty in Chile is the Araucanía Region with 28.5 per cent, above the national average of 20.7 per cent. This region is also the heart of the Mapuche people's historical territory, and at 34 per cent the percentage

of indigenous inhabitants is the second highest in the country, according to the 2017 National Census (INE 2018).

These indicators confirm that, despite the general economic success achieved by Chile under the neoliberal model, gaps exist and the development of some sectors of society is limited, such as the indigenous population. These figures are at odds with the numerous policies and programmes implemented in the Araucanía Region to improve the living conditions of the indigenous population since the restoration of democracy in 1990 and the introduction of an Indigenous Law in 1993. Moreover, conflicts in the Araucanía Region between Mapuche communities, resource-based companies and non-indigenous landowners have worsened, and the state has responded with policies of repression.

Based on several years of ethnographic work on the state in intercultural and indigenous contexts, this chapter seeks to illustrate how the neoliberal model and the Chilean political system can be permeated by the interests of the market and business, using the concept of the common good as opposed to the rights of individuals, indigenous peoples and the environment. We assert that the concept of the oligarchic corporate state (Kapferer 2010) can be analysed from the perspective of the state as a cultural construction (Das and Poole 2004; Gupta 2005; Hansen and Stepputat 2001; Nuijten 2003; Sharma and Gupta 2006). In this way, it is possible to study the state ethnographically, denaturalize it and show that it is not a single body but multiple, diverse and contextual; its margins are diffuse and it affects people's everyday life far beyond its territorial jurisdiction. This helps us to understand society's forms of containment and the role of the design and implementation of public policies and of public agents themselves.

From an ethnographic perspective and that of construction of the state, this chapter examines, in the context of a corporate state, the ways in which policy manifests itself, are geared towards indigenous peoples and, in particular, the Mapuche people of the Araucanía Region of central-southern Chile. First, it provides a brief description of the Chilean neoliberal context and its relationship with indigenous peoples before moving on to the concept of a diffuse and contained state, taking specifically ethnographic and local spheres of indigenous policy. This is followed by an analysis of the Mapuche people's use of institutions as a channel for their demands and, finally, of indigenous tourism as an example of a specific public policy.

## **Chilean Neoliberal Context and Indigenous Peoples**

On 11 March 2018, Sebastián Piñera assumed office as Chile's president for the second time (his first period was between 2010 and 2014). He is a

businessman, one of the richest people in Chile and represents the political right. His election occurred in a context of political and social criticism of the centre-left coalition, the Concertación por la Democracia, which governed Chile for twenty years after the restoration of democracy in 1990 (with four consecutive presidents: Patricio Aylwin, Eduardo Frei, Ricardo Lagos and Michelle Bachelet) and for a fifth period, as the Nueva Mayoría coalition, between 2014 and 2018, under the second government of Michelle Bachelet.

The military dictatorship meant the installation, through force and political repression, of the 'laboratory' of the neoliberal economic model. This model comprises a set of economic, social and political measures that include the privatization of state companies, healthcare and education and a reduction in public spending, introducing the free market into various aspects of national life. This neoliberal shift, which began in 1975, foreshadowed the model's installation in other countries such as Great Britain and the United States (Espinoza, Barozet and Méndez 2013; Gaudichaud 2016). It meant the transformation of Chilean society in favour of a market that still affects people's daily lives today as a result of the privatization of the education, health and pension systems, the spatial segregation of poorer segments of the population from more affluent sectors and the installation of department stores, affecting small industry.

Democratic governments since 1990 have maintained the neoliberal system but sought to correct its consequences in terms of poverty and social exclusion. They incorporated new concepts such as equity and social protection, implemented assistentialist public policies and looked to labour market insertion as a means of fostering social mobility for the poorest segments (Espinoza et al. 2013; Gaudichaud 2016)

The model's maintenance was a forced consequence of the way it had been locked in by the dictatorship and the agreements it reached with the incoming democratic government, which imposed political restrictions on the so-called post-dictatorship democratic transition. This resulted in a limited democracy, which prevented great transformations of the economic and social model established by the dictatorship.

The concept of corporate state (Kapferer 2005, 2010) is understood by the Chilean state as a significant and growing political construction that permits the creation of new configurations of power that are related to social effects, particularly in the most unprotected segments of the population, within which political-economic alliances are established transversally.

The concept of corporate state helps us to visualize the processes of restructuring the social order that allow the market to expand. This has resulted in a reordering process that obliges us to rethink the concept of the state in the context of a new economic determinism and of globalization, generating new sociopolitical forms (Kapferer 2005).

In this framework of transition from dictatorship to democracy under the neoliberal model, spaces emerged for the discussion and incorporation of recognition policies (Taylor 1993) or multicultural policies (Boccaro and Bolados 2010) for the country's indigenous peoples. This resulted in a participatory discussion of the Indigenous Law, which was finally promulgated in 1993 with various limitations compared to what had been proposed by indigenous organizations. Under this Indigenous Law N° 19.253, a number of policies targeting the indigenous population were promoted and institutionalized in the state apparatus through specific actions or transversally.

According to the 2017 National Census, 12.8 per cent of the country's population identifies as belonging to an indigenous people (INE 2018). Out of these, 79.8 per cent are Mapuche, the largest of the nine indigenous peoples recognized in Chile. There is the issue of the so-called 'Mapuche conflict' in the Araucanía Region and neighbouring regions, which is due to historical territorial disputes, the presence of resource-based and, particularly, forestry companies and other projects that affect families' daily lives.

In the early years after the restoration of democracy, the indigenous organizations that had been formed in opposition to the dictatorship (Mariman 1995) as well as other social and political organizations (such as students, shantytown dwellers and political parties) went through a period of less participatory intensity, since many of them had been very active in mobilizing against the dictatorship.

However, over the years, many factors conspired to foster the emergence of new causes of social discontent. They included the expectations of social and political transformation created by the return to democracy, mainly as regards political reparation and judgment of those involved in human rights violations. Along with this, and complementing it, there was also strong criticism of the perpetuation of the neoliberal model and the role of the market and the economy as the key factors in decision-making, often at the expense of people. As well as causing discontent and political and social frustration, this had direct consequences for different aspects of people's daily life (for example, as regards education, pension and health systems, environmental protection and respect for indigenous rights). It was also reflected in the perpetuation of a well-off political class with its origins in the dictatorship. In some cases, its members were supporters of, or close to, the dictator; in other cases, they were opponents, but ties of economic and political power were common to all the different democratic governments, cutting across the classic left-right binomial.

From a more macro perspective, the forms of contention (Roseberry 2002) and social mobilization included the emergence of organizations opposed to the neoliberal model in, for example, the environmental and indigenous spheres (as in the case of hydroelectric plants, mining projects and

aquaculture) and among students (the second university student movement) (Rifo 2013). This led to the appearance of new leaders and organizations that became relevant in this context of demands. Some of the leaders, with their origin in the student movements of 2006 and 2010, have gone on, along with other organizations, to form the Frente Amplio, a new political coalition that brings together some of the organizations opposed to the neoliberal model and the traditional political class. This new more radical body is constituted as a political and social movement that aims to democratically change the unequal structures of power and comprises fourteen movements and parties. In the past general election, its presidential candidate came third, with a high vote, and it obtained important parliamentary representation: one senator and twenty deputies.

Opposition to some investment projects has its origin in indigenous territories whose organizations appeal to indigenous rights and are joined by environmental groups. One such emblematic case was the construction of hydroelectric dam in the Alto Bío-Bío area of central-southern Chile. The original project envisaged the construction of several dams, which would have affected not only the natural environment of the river and its basin but also the historical territory of the Mapuche-Pewenche people,<sup>2</sup> involving the resettlement of some of its communities. This conflict, known as Ralco and Alto Bío-Bío, brought into play both environmental and indigenous demands and resulted in the dismissal of three Mapuche directors of the National Indigenous Development Corporation (CONADI), an institution created by the 1993 Indigenous Law to lead public policy for indigenous peoples, after they refused to approve land swaps permitted under the Indigenous Law. In 2003, under the government of Ricardo Lagos, an agreement was reached with the communities after long negotiations and pressure from the government and the company; Pewenche land was subsequently flooded and families were resettled.

There has been a sustained increase in environmental conflicts associated with indigenous peoples, including conflicts in regard to mining projects in northern Chile, such as Pascua Lama (Yañez 2005) and Pampa Colorada (Bolados 2014), and the hydroelectric plants in the south. In these, environmental or ecological movements make common cause with the indigenous population and their territorial demands.

This meeting of ecologists and indigenous peoples is interesting because this interaction of opposition movements brings conceptions of indigenous society into play in an often external and decontextualized struggle, giving rise to disputes for power, protagonism and imagery about the relationship with nature and the territory. In the case of territorial conflict and the installation of companies in indigenous territories, organizations often come under strong pressure to negotiate with business agents and state interests,

leading to fatigue and internal conflicts in the organization that can culminate in negotiations with companies. The discourse of ecological struggles is often based on essentialist narratives of indigenous life, which have more prominence than the indigenous people themselves. In these negotiation processes, mediators, usually hired by the company, or environmental leaders, with important networks of influence in both the political and business worlds, play a key role.

This opposition to the ways in which the public and private spheres operate, with policies favouring the privatization of services and social rights and the installation of resource-based companies, without taking into account living or natural conditions in the territories deepens the idea of a crisis of the resource-based or neoliberal model. However, there is another important aspect of this discussion.

A post-transition political crisis, related to corruption, which had historically been invisible, aggravated discontent with the neoliberal model. In recent years, revelations about the management of money for election campaigns or its personal use by politicians and government officials of different political colours, at different levels and in different parts of the public administration, have provided evidence of institutionalized corrupt practices. This led to a new way of problematizing the public discourse about corruption, relativizing and calling into question the picture of Chile as a non-corrupt country.

Established common practices such as the use of influence in appointments to certain positions, political contributions by companies and lobbying began to be seen as corrupt, deepening the concept of the corporate state. The concept of corruption at the state level permits closer examination of how the state itself, together with the market in a context of globalization, can generate its own mechanisms of containment, transformation and dynamism of its activities. We understand corruption as forms of political practice that are at the limit of the norms defined as institutionalized but which, nevertheless, form part of the political game of the state. These are exercised from the margins and diffuse spaces, which allow different agents with some power over their context to promote actions that benefit certain sectors, often politically. These practices, which can be termed corrupt, are subtle and hidden but are accepted by different actors. Although they are usually individual, they should be understood as an institutionalized practice that forms part of the power relations within the society (Anders and Nuijten 2007).

It follows that the role of the economy and the market has transformed the very concept of the nation-state and the public sphere, even beyond its own jurisdiction and the limits of its action. It is, therefore, key to understand that the construction of the corporate state occurs within the nation-state; it depends on local contingencies and takes different forms, but it has reduced

its presence and increased that of other actors. In light of this, it is necessary to ask whether this loss of presence and control could also be a way in which the state reformulates itself in the current neoliberal and mercantilist context. Here, this chapter takes the idea of Mosse (2004; 2005), who examines development programmes and shows how unwanted forms are also part of the machinery of development agencies. This is demonstrated, for example, by the fact that more fundamental transformations, such as those proposed by Bachelet's second government, were limited and resisted by different sectors, including within her own coalition.

Following Kapferer (2010), it is impossible for the nation-state to be the only entity of control and social order, leading to the emergence of autonomous citizen movements that become institutionalized, in this case through parliamentary positions or positions of representation.

### **Diffuse and Contained State: Construction of Chile's Indigenous Policy**

The Indigenous Law N° 19.253 came into force in 1993, shortly after the restoration of democracy. It has limited weight because, depending on the case, other laws can take precedence. It is, in other words, a 'second level' law compared to others of 'national interest' or that appeal to the 'common good'. This was evident in the Ralco conflict and other local projects where the opposition of indigenous communities, their demands and history were not respected on the grounds of national interest. This indicates a hierarchy within which indigenous people are subordinated. Although the law is valued as an achievement of the indigenous organizations that actively participated in efforts to restore democracy, it must be viewed in its context. One of the demands of the organizations that participated was constitutional recognition as peoples, something they have yet to obtain. One sector of Congress opposed the incorporation of the concept of people in the indigenous law (reducing it to 'ethnic groups') and has, indeed, resisted various attempts to give the country's indigenous peoples constitutional recognition. This reinforces the political hierarchy of Chile's unitary national project. Nowadays, demand for constitutional recognition goes further in that a number of sectors are claiming plurinational recognition. While, on the one hand, rights were denied at a certain historical moment, indigenous peoples have, on the other, advanced in their demands, creating a lag between legislation and demand for rights backed by international legal instruments.

Generally speaking, the policies implemented on the basis of the Indigenous Law varied over time and according to the territory of the country's different indigenous peoples. This reflected factors that included contexts, environmental and political conflicts, negotiations and diversity in the de-

mands of the indigenous peoples themselves. In other words, despite being unidirectional, policies were developed on the basis of a relationship with the indigenous peoples (De la Maza, de Cea and Rubilar 2018). The first four *Concertación* governments differed in their focus but all brought both progress and setbacks. Their measures included the introduction of specific intercultural health and education programmes from 1995, the creation of different instances of dialogue and participation and, in general, the implementation of indigenous policies in the different territories of the country.

Little by little, an official discourse of recognition of the indigenous peoples was established from the restoration of democracy, influenced by the demands and political actions of the indigenous peoples themselves, who today are viewed as important actors in this process of democratization and participation (Boccara and Bolados 2010; Richards 2013), but also by sources of conflict and the possible destabilization of some territories such as the Araucanía Region and neighbouring regions, where the processes of political vindication and territorial demands are concentrated. In these areas, some sectors, which are attacked and questioned by radical Mapuche organizations, maintain that the state has lost control, making decisions that are at odds with the common good, economic development and the promotion of investments, and failing to ensure the safety of part of the population.

However, CONADI has also shown itself to be dependent on central government interests, with its directors having to accept presidential decisions without the right to dissent. Indigenous demands are becoming ever stronger. One of the issues faced by governments was the application of the anti-terrorist law to Mapuches involved in acts of protest, such as the occupation of private property and attacks on it, in the context of territorial conflicts.

The use of this law was clearly disproportionate for prosecuting crimes – mostly against property – that the Mapuche may have committed in this context. Its use intensified in 2002 when a Senate Commission declared that, as a result of the action of the Mapuche in the south of Chile, the rule of law had ceased to prevail, and called for the application of the maximum rigor of the law against the Mapuche (Aylwin 2010). Since the latter part of the second Bachelet government and now under the Piñera government, the issue of security has continued to be a key issue in addressing the conflict in the Araucanía Region and the surrounding area. In this context, the construction of indigenous policy continues its course.

Policies of recognition have been geared to the ‘development’ of indigenous peoples. They include the Orígenes Program financed by the Inter-American Development Bank (IDB 2001–2012). It has had an impact on public policy by helping to establish the concept of interculturality transver-



sally across different institutions and levels, focusing on actions for indigenous people.

Anti-poverty programmes constitute a new way of disciplining and creating dependence (Foucault 1991), with their application and nature depending on the particular government in power. In the case of the indigenous population, they can inject important resources for investment and development, but as strategies they fail to take account of the political variable, resulting in policies that some authors have defined as neoliberal multiculturalism (Boccaro 2007; Hale 2002; Richards 2013).

The power of the state is increasingly hidden, and the boundaries between the state and private world are ever more diffuse, since, as seen in the Chilean case, both are closely interwoven, and there is not a clear distinction between state and private actions. An important milestone occurred in 2008, when, after almost twenty years of demands, Chile ratified ILO Convention 169 concerning Indigenous and Tribal Peoples, positioning indigenous rights as a matter to be considered in the definition of public policies and in business expansion within indigenous territories.

After more than twenty-five years of policies for the indigenous population, a number of actors, including indigenous intellectuals, leaders and government officials had strengthened their position and were to play a key role in implementation of this policy, which reproduces the vision of a neoliberal state but also permits identification of contentious spaces.

The state's corporatization also produced new ways in which the state attempted to control the most radical Mapuche demands. A key example of this occurred in the second half of 2017, under the second Bachelet government, when the intelligence unit of the uniformed police carried out 'Operation Hurricane'. This consisted in the coordinated and simultaneous arrest, on 23 September 2017, of eight Mapuche community members for illicit terrorist association on the grounds of their alleged responsibility for a series of recent arson attacks in southern Chile. This included the leader of the Arauco Malleco Corporation (CAM), one of the most visible organizations associated with radical political demands. The arrest was widely reported in the media. The evidence presented included intercepted telephone calls and WhatsApp messages. A number of sectors, including business associations in the Araucanía Region, applauded the arrest. However, on 19 October the Supreme Court ordered the release of the eight accused, who had been remanded in custody for alleged terrorist offenses, because it had been discovered that the supposed evidence against them was false (Sepúlveda and González 2018). This cost the head of the police service and the director of its intelligence unit their jobs.

The operation was intended to demonstrate the state's power to control dissidence and the radical movement, but its failure and false basis triggered

a crisis in the institutions involved and, in fact, undermined the vision of a strong and non-corrupt state. However, in recent months, the current government has maintained this national security approach, increasing the number of police specialized in combatting terrorism assigned to the 'Mapuche conflict'. Analysis of this policy clearly reveals communications and political weaknesses that make the situation worse rather than calming it.

### **Institutional Option for Mapuche Protest in the Araucanía Region**

Historically, Mapuche leaders have opted to make their demands heard through institutional channels (Foerster and Montecino 1988). For example, the first Mapuche deputy was elected in 1924, only a few years after the end of the military occupation of the Mapuche territory and its absorption by the Chilean state. In other words, their option has been to use the system and become part of it as a means of establishing their identity seals and as a mechanism of resistance.

The Mapuche people's strategies are diverse, ranging from the most radical to the most institutionalized, but together form an active vision of the Mapuche movement or movements.

These different strategies were seen soon after the restoration of democracy, when a number of indigenous leaders joined traditional political parties and took positions in CONADI or political posts at the regional and local levels, though some organizations refused to participate in discussion of the Indigenous Law or other bodies convened by the different *Concertación* governments. A milestone in the Mapuche movement of the late twentieth century occurred in 1997, when forestry trucks were burned in the Lumaco sector in the north of the Araucanía Region (Pairican 2014) in protest against forestry companies practising monoculture of pine and eucalyptus on vast tracts of land in the region (and neighbouring regions) to the detriment of the diversity of the area's native woodland. These plantations of exotic trees successively harm the environment, directly affecting soil quality and the availability of surface and groundwater as well as creating conditions of payroll employment. The business logic and the economic 'interests' of the country took precedence over the agreements and projections of the indigenous policy defined after the restoration of democracy. It is in this context of forestry industry expansion that the most radical Mapuche organizations emerged, associated with recovery of their territory; Mapuche lands are small and of poor quality as a consequence of the historical process of indigenous resettlement in which the Chilean state distributed land unequally, giving priority to foreign and national colonists and confining the Mapuche to reservations.

Other Mapuche leaders and organizations have nonetheless opted for institutional channels. Over the past two decades, in a demand related to the processes of democratization and recognition policies, the Mapuche have sought spaces of power and political representation at the municipal level. Indigenous candidates have participated in municipal elections, some standing for traditional parties and others for more emerging organizations, and some have been elected as mayors and councillors. In these positions, not all focus on ethnic claims, but in one way or another, most have generated local mechanisms of Mapuche power that have been important for their continuity as local representatives (Espinoza 2017).

The Wallmapuwen Party was founded in 2005 as a political movement. This Mapuche party, which has a nationalist and regionalist stamp, seeks to use institutional channels to obtain local and regional power. However, due to the nature of the Chilean electoral system, it was only able to register as a political party in 2006, and in 2017 it did not achieve sufficient signatures to maintain its registration. It has, however, joined with other parties, whose members have obtained positions as mayors or councillors. In the 2012 election, one of its candidates was elected as mayor of a municipal district in the Araucanía Region where the Mapuche language was co-officialized. This is important for indigenous demands because indigenous languages have not been recognized at the national level; with a Mapuche mayor, however, this was possible at the local level. Bureaucratic obstacles have, however, impeded the larger changes demanded by indigenous organizations, and this has caused discontent among the Mapuche with their own elected authorities. The political work of this mayor was strongly influenced by the participation of members of the Wallmapuwen Party, but some local organizations strongly questioned his management of the role of municipal officials. These factors, together with others, meant that he was not re-elected in 2016.

In this framework of indigenous institutionalization at the local level, indigenous officials play a key role as the principal implementers of public policy. In general, they have a strong sense of belonging to their people, with an important history of leadership in their communities. Many were also opponents of the military dictatorship and actively participated in organizations in support of the restoration of democracy and, therefore, identify with the governments of the centre-left coalition.

Through their role in the implementation of development programmes and the containment of resource-based projects, these officials serve as important cultural and political mediators. Trust, acceptance, support and help are crucial for advancing social relations and for the state to project a cohesive and pro-active image (De la Maza 2012). The conduct of these officials is fundamental for establishing positive relationships between both sides. However, this balance is precarious and depends on the political and

social context at the time and on the establishment of new resources or programmes that can be accessed. The role of these officials has been discussed in the framework of the focus of neoliberal multiculturalism (Boccaro 2007; Hale 2002; Richards 2013) as regards their capacity for action and state control and manipulation. Ethnographic information shows that this black and white vision does not reflect the complexity of the role of the indigenous official. Spaces for state interaction are complex and are also spheres of resistance. As a result, the official's dual role, as representative of the state and belonging to an indigenous people, generates constant tension – the management of which depends on personal experience and capabilities.

Other relevant actors include the leaders and direct participants of programmes (referred to as 'users' in public policy terms) or, in other words, the indigenous counterparts of public policy. Some mechanisms, such as the working or coordination groups in which the different actors involved in a programme participate, have been institutionalized while others are created or develop in response to them. Undoubtedly, the temptation for the state is to generate clientelistic and assistentialist relations of dependency, which are difficult to resist or protest against. As indicated, this is a form of developmentalist policy, but there are certainly also margins of the policy, which by means of a more assertive response is possible to negotiate, modifying these institutionalized practices.

Third actors are the consultants or persons to whom the state outsources implementation of policy in the local, regional or national space. Their role has become ever more important since the restoration of democracy in the context of an agreement-based transition and the neoliberal model, which the democratic governments sought to temper with equity. Consultancy companies manage the resources allocated to the policy, and some now employ Mapuche professionals, who can access these funds and put their own stamp on the work, which can go beyond what is strictly necessary.

State practices associated with indigenous policies have not been able to eradicate poverty in some indigenous sectors. In their programmes, they reproduce representations of the Mapuche as small subsistence producers, failing to consider that many Mapuche live in towns and cities in the south of Chile or in Santiago.

The state is viewed as an autonomous being that must negotiate in the face of conflict and with the most radical organizations and that must, therefore, recognize the indigenous people and give back what it took from them. This is embodied in mechanisms of state control through both the promotion of development programmes and security measures, which leave porous spaces where officials and other actors can resist and incorporate their own imprint.

## **Transferring Development to Private Entities: The Case of Indigenous Tourism**

Tourism in indigenous territories has expanded in recent years, particularly in the case of special interest tourism, with the resulting adaptation of the territories to these new demands. This has brought different actors into play, such as private agents, who see these spaces (with their landscapes, natural resources and even their culture) as a business opportunity. The installation of tourism companies without state control and with little input from the local participation has put some sectors under great pressure.

However, under the model of multicultural or recognition policies and the transversal installation of interculturality at the level of public policy, a policy to strengthen indigenous tourism has been implemented in recent years. Today, indigenous tourism is defined by the state as tourist services offered by indigenous persons, families or organizations that incorporate part of the indigenous culture (Programa Orígenes 2003). This incorporation of indigenous culture as a tourist value is not only practised by indigenous entrepreneurs but appropriated by external agents (De la Maza 2018).

The development of tourism by Mapuche people has its origin primarily in rural tourism initiatives promoted by the state but also in other initiatives more geared towards indigenous identity promoted by non-governmental organizations. Since 2007, however, its development in the Araucanía Region has been fostered more explicitly through incentives for related studies and contributions to the development of what is referred to as Mapuche tourism (SERNATUR 2011).

The concept of the indigenous entrepreneur is key to understanding the insertion of tourism. It is resisted by more fundamentalist sectors, both Mapuche and non-Mapuche, who reject the capitalist model and refuse to use neoliberal words in the context of indigenous-related matters. Other Mapuche sectors have, however, accepted and adopted the concept as part of their ability to move forward and achieve insertion in the market like any person, albeit with respect for their identity and a different proposal.

Since 2015, this regional phenomenon has acquired relevance at the national level as an inter-ministerial concern, and the government plans to define an agenda for the development of indigenous tourism, led by the Undersecretariat for Tourism. This concern arose in 2014–15 at the beginning of the second Bachelet administration, due to a combination of situations under which the interests of certain officials coincided with those of private organizations. Officials at the Undersecretariat for Tourism and the National Tourism Service, who were sensitive to the indigenous issue and had ties with civil society actors also interested in it, were key to this process of

bringing together their personal interests and those of external agents and installing the concept of indigenous tourism as a national policy.

These officials-mediators sensitized the agents or bureaucrats to this type of indigenous tourism, proposing the preparation of studies. A private organization close to these experts was commissioned to carry them out. The initial studies revealed a need for more in-depth and applied studies, which were again tendered to the same organization. As well as being a consultancy company, this organization also acts as an operator, offering indigenous tourism experiences to overseas visitors.

In this way, state-financed studies strengthened a sector of indigenous entrepreneurs, a group that already had experience and was able to develop as a result of processes to promote leadership in indigenous tourism through training, tours and the provision of resources, which are, at the same time, the experiences that the organization will offer privately. In addition, the national institution that defines tourism policies incorporated the concept of indigenous tourism, and its officials appropriated it.

A relevant point to analyse is the fact that indigenous tourism as a public policy seems remote from the indigenous political conflict. It seems to correspond to another sphere of reality in which indigenous peoples live their 'ancestral' culture quietly and profoundly and about whom a narrative and tourism product are promoted to attract a special type of tourist. This tourist, interested in the indigenous culture and way of life, will approach the experience with expectations related to an imagery of the indigenous and often mediated by the tour operators that would adapt to demand. This situation of a quest for indigenous peoples, accompanied with great admiration and respect, can invisibilize their social and cultural conditions.

In the Araucanía Region, this national policy of development of indigenous tourism appears to be moving in a different direction. In contrast to the central level, the conflict and the difficulties of coexistence between Mapuche and non-Mapuche are evident there and form part of daily public life, meaning that the dynamics are totally different. One example of this involves a Mapuche official who is the regional head of tourism development at an agricultural development institution. This official's work is carried out in a context in which indigenous tourism has grown in the region and is also geared to all the rural population, both indigenous and non-indigenous.

This indigenous official has a political and professional commitment to his people that is reflected in the particular attention he pays to indigenous tourism, fostering initiatives and focusing resources. His particular approach is not to the liking of non-indigenous entrepreneurs or other non-indigenous officials from institutions that are not particularly concerned with indigenous economic development. This has caused problems that reveal the tensions that can arise between an indigenous official, committed to

his people and in a position not exclusively related to indigenous affairs, and other non-indigenous officials not focusing on indigenous matters.

These tensions have led to rumours among other non-indigenous officials about the role of this official, along the lines of 'you work only for indigenous people' and 'we (non-indigenous entrepreneurs) get less attention and resources'. The rumours put pressure on the indigenous official, who defends himself and argues that he works for all equally. Rumours can serve as a means of social control and bring to light practices that, for some agents, can be considered corrupt. However, they often reflect disputes over power and political projects within the institutions themselves.

According to a non-indigenous official, the indigenous official has focused resources on specific territories and entrepreneurs, taking advantage of his position to offer/sell privately and make a profit with these entrepreneurs. In other words, he not only gives priority to his own interests but also takes advantage of the entrepreneurs.

This indigenous official had already been stigmatized as conflictive and working mainly in the interests of indigenous people. Now, corruption is added to the charges. As in the case of any rumour, what matters more than if it is true or false is to understand the ways in which a type of state action can generate a story that discredits the role of an indigenous official. This interpretation may be based on discrimination on both sides as well as forms of resistance imposed by the indigenous official in the margins of the state or abusive practices.

Finally, a case at the municipal level reveals a third dimension. In a municipal district where Mapuche tourism had become important, the authorities decided to create a new position: head of municipal indigenous tourism. An indigenous entrepreneur, with experience in indigenous tourism, was appointed, becoming an indigenous official-expert. At the beginning, his work was well evaluated because he was someone whom 'everyone knows', with good relations with the district's inhabitants. He was proactive in his work, establishing ties with the district's indigenous tourism entrepreneurs and seeking to promote this economic, but above all, cultural activity.

A female indigenous entrepreneur from the district reports that this indigenous official had to leave his position. In a bid for funding for indigenous tourism entrepreneurs, several applied on the advice and encouragement of the indigenous official, but when the results were announced, this official, who had also participated in the bid, was declared the winner. This caused many problems and distrust because the other entrepreneurs felt he had cheated by concealing his participation from them. This caused divisions among the entrepreneurs, and the official finally had to leave his job.

The problems arose because the indigenous official did not inform the rest of the applicants that he would also participate in the bid, implying a lack of

transparency and potentially the use of inside information to the advantage of his own personal business. Transparency is a corporate mechanism that has penetrated the state apparatus. Like rumour, it serves to exercise control and, today, is a central principle of public policy under which different agents can access information and, if necessary, 'control' or supervise state practices. However, transparency is also subject to the agents' role. Not everyone can access these sources of information, and this once again reproduces relationships of power, communication and access.

The indigenous official returned to being an entrepreneur. After a time, social ties between the actors were rebuilt and many have again formed partnerships. The former indigenous official is, indeed, an outstanding entrepreneur at the municipal level.

These cases of indigenous and Mapuche tourism illustrate institutionalized forms of state practice. None has operated outside the law. Many of them are judged from the perspective of non-indigenous and indigenous relations or relations between indigenous persons. The judgements are moral at different levels and depending on the case. At all levels, internal power disputes within institutions are apparent and within the community itself. The cases also illustrate the role of decision-making. Officials can focus resources on their own groups of interest, internalize concepts at a public level and generate private and personal programmes from public institutions.

In this particular analysis of indigenous tourism as public policy, the corporate state is seen in profound and complex terms. Private actors influence policy design and foster a kind of relationship with the state and with leaders of the state. In addition, regional and local officials have the power to make decisions and promote different interests through, for example, the use of rumour and access to information in their role as mediators of public policy. Under the neoliberal model, these policy margins exist and are controlled not only by the state but also by citizens and citizen-officials involved in the process.

## Conclusions

This chapter sought to analyse the Chilean case from the perspective of the corporate state by identifying areas where it manifests itself with force, often in a hidden and subtle way but revealing key characteristics of the Chilean neoliberal model.

It first examined the concept of political crisis associated with the neoliberal model and the post-dictatorship political period when protest movements against the institutional framework emerged, installing a vision of the overrunning of state control in areas such as education, the environment, indigenous peoples and, recently, political corruption.



A key actor for this analysis were the indigenous peoples, particularly the Mapuche, as one of the most disadvantaged sectors of society, due to systematic state occupation of their territory and a generation of specific policies that when combined with a history of resistance and confrontation of some sectors against the state and companies reinforce the idea of instability, especially in the Araucanía Region. One of the key factors in deepening this conflict was the introduction of a resource-based economic model that permeated indigenous territories through companies that put pressure on natural resources, which directly affected the quality of life of communities.

In addition, the promotion of indigenous tourism illustrates in depth the way in which the state operates from the perspective of both public agents and indigenous organizations. Different agents, including private mediators and indigenous leaders as well as agents of the state itself, are involved in the installation of the concept of indigenous tourism. Control no longer takes only the institutionalized form of policies but also includes the margins of policies, led by officials and, often, indigenous officials with their own agendas and interests.

Finally, corporatization is seen not only in the relationships built between the state and society in general but also among indigenous groups themselves. The neoliberal model permeates the way in which citizens, as well as the state and its officials, act. The company-state transforms daily and political relations, whose limits are resisted at different times by movements that also become institutionalized. Their capacity to corporatize their actions means that the limits of resistance are diffuse.

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## NOTES

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1. This measures five dimensions of poverty: education, health, work and social security, housing and surroundings, and networks and social cohesion.

2. Pewenche is the name given to the indigenous inhabitants of the area's Andes Mountains because of the central role of the *pewen* or *araucaria* in their way of life.

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