

tion of oppression in the practices of everyday life; and what do we plan to do about it in our research and in our lives? 'Hegemony begins on the factory floor', Gramsci famously wrote.

It also begins in the gendered practices of everyday life, which consist for most people, above all, in the reproduction of themselves through work.

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**Marcus Taylor**

## **From Pinochet to the 'Third Way': Neoliberalism and Social Transformation in Chile**

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**Reviewed by Thomas Marois**

Marcus Taylor, a British-trained sociologist, completed his doctoral work under the supervision of Simon Clarke at the University of Warwick. His most recent contribution, *From Pinochet to the 'Third Way': Neoliberalism and Social Transformation in Chile*, offers a critical historical account of the emergence of neoliberalism in Chile, in which he explores the profound post-1970s shift in power and social relations. The book reflects the impressive culmination of (a) his doctoral research, which centres upon a theoretical examination of World Bank best-development practices and capitalist accumulation; and (b) his recent empirical research on Chile—a country which, by Taylor's account, has perhaps most closely followed, and influenced, World Bank neoliberal reform.

The book—whose narrative is clearly written, and refreshingly free of the sometimes jargon-filled style of 'globalisation' studies of Latin America—is organised chronologically, to a large extent. It begins with early twentieth-century Chilean class formation and the consolidation of capitalist development,

and ends with the recent election of Michelle Bachelet as president in 2006, and the deepening context of neoliberal capitalism. While the study is wide-ranging, Taylor makes frequent and appropriate references to history and to his previous analysis, so as to constantly recontextualise ongoing processes. Each chapter is rooted in history and richly analytical, offering specific subtheses in support of the book's central argument; namely, that neoliberalism as a social theory emerged, in Chile, as a state-led strategy for institutional transformation and crisis resolution. Over time, neoliberal social engineering has 'constructed a new social fabric upon which human interactions trans-gress and, in doing so, reshaped the way power is constituted and exercised within society' (p. 199), such that the social discipline of money and markets have been augmented.

In brief, Taylor develops this argument as follows. Chapters 1 and 2 provide historical content and theoretical context, moving from the consolidation of capitalism to the neoclass-

ical theoretical underpinnings of the transition to neoliberalism. He argues that its adoption was counter-intuitive in terms of the ideological and class interests of the day in Chile. Chapters 3 and 4 look at the initial neoliberalisation processes and motivations behind the macroeconomic, labour and welfare-policy restructuring, and the associated shifts in the productive structures, class relations and state institutions of the Pinochet regime. Chapters 5 to 8 examine the post-1989 fall of the Pinochet regime and the rise of the coalition government, *Concertación*. These chapters examine the political, institutional and material constraints experienced by the new government, and explore the contradictions of their subsequently reformulated neoliberal 'growth with equity' governing strategy. Chapter 9 synthesises the above, and draws out some conclusions regarding 'third way' neoliberalism and its capacity to rationalise the contradictory failures of orthodox neoliberalism. So, too, does Taylor reaffirm the need to locate Chilean social restructuring, and possible contestations to it, within the wider dynamics of global capital accumulation.

While Taylor makes many compelling arguments specific to Chilean transformation that are worthy of review—in particular, his argument for why neoliberalism as adopted in Chile was counter-intuitive—I will deal here with his broader analytical treatment of the emergence of neoliberalism. Here, Taylor weaves together what I see as three organising axes: society and social forces; state and social institutions; and capitalist accumulation imperatives and the world market. In doing so, he offers an excellent, Marxian example of drawing on concrete historical events and abstracting out from them so as to

present a more realistic understanding of the complexities surrounding social change. Amongst others, three important claims are made.

First, Taylor demonstrates how neoliberalism was not imposed from 'without', but was to a large extent functional to domestic class demands and power relations, which are nevertheless only comprehensible within wider structures of capitalist-accumulation patterns (e.g. p. 42). Second, investigation of these social forces in Chilean society reveals neoliberalism to be a state-authored project. Moreover, ongoing neoliberalisation has been greatly influenced by the pre-Pinochet institutional reconfiguration (e.g. Central Bank restructuring in 1989, and post-1982 labour 'flexibilisation' [p. 123; p. 152]). Third, neoliberalisation has involved deep, material-based processes of economic restructuring that in Chile are tightly linked to capital-account liberalisation and privatisation processes, which in turn have led to a greater concentration and centralisation of capital, centring around finance (pp. 61–2).

As such, relations between classes have changed, with labour losing ground to capital, as have relations between Chilean capital and the world market (p. 126). Thus the 1990s rift in world market accumulation patterns has affected the way Chilean capital competes globally amidst export-oriented overproduction patterns (e.g. see pp. 130, 140). Throughout, Taylor uses the capitalist world market as an evolving touchstone against which all domestic developments must be measured and contextualised (e.g. p. 155). To the above three claims, I would like to also add the importance Taylor places on the role of 'money' and the way it relates to questions of labour relations and discipline (pp. 47–9).

Thus, rather than positing a state that merely functions at the behest of capital, Taylor lays out the contextual rationality behind the decisions made by individual and class-based actors, both in the state and the world market. Without establishing this context, the question of why neoliberalism has consolidated in Chile, albeit in a much modified form, makes no sense without the assertion of ahistorical neoclassical truisms—truisms that Taylor effectively debunks by using history.

Since it is so rich, Taylor's synthetic historical study offers the opportunity for a critique of it from within the Marxian tradition. First, while Taylor does an innovative job in incorporating institutions into a Marxian framework and, in doing so, suggests a powerful alternative to Weberian institutionalists—who, by and large, critique neoliberalism as a matter of domestic policy error—he nowhere engages them. In other words, while he's holding the nail, there's no coffin to be found. Taylor thus foregoes an important intervention (which, I might add, can nevertheless be powerfully gleaned from between the lines). Second, while he innovatively introduces money as an important analytical category early on (e.g. on pp. 47–8), there is a glaring absence of it in the remainder of the book. Again, it is a second opportunity lost for innovative Marxian analysis.

More substantively, however, there existed a clear need throughout the book to analytically distinguish between regime, government, state institutions and the capitalist state itself, since they seemed to be used synonymously at times.

In particular, the Chilean state was presented at different times as an actor, a subject, a site of class contestation, and as a field of shifting power relations. The question of state autonomy, or not, relative to labour, capital and social struggle is ever present, but never explicitly posed. The clarification of these interrelations is critical for Marxian institutional analyses of neoliberalism, given its varying forms, from the Right's erection of a parallel state in Costa Rica to the challenges posed to Chavez's Bolivarian revolution in Venezuela, and to the historical difficulties of distinguishing between state and government in Mexico.

That said, with this volume Marcus Taylor offers a must-have resource for those interested not only in critical accounts of neoliberalism in Chile, but in the emergence of neoliberalism globally. Given its readability and sophistication of presentation, undergraduates, graduates and senior researchers interested in questions of political economy and development will find Taylor's book insightful and valuable.

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