



## **The façade of the Green Economy approach in neoliberal Chile**

Student name: Petra van der Toorn  
Student number: s1672274  
Student e-mail: petravandertoorn@msn.com  
Master Thesis  
International Relations  
Leiden University  
Supervisor: Prof. Dr. Patricio Silva  
Date: June 27, 2020  
Word count: 14931

## Table of contents

<b>Introduction</b>	3
<b>Chapter 1</b>	
<b>Neoliberalism and the Green Economy: Theoretical considerations</b>	6
<ul style="list-style-type: none"> <li>1.1 The Green Economy: The dilemma of growth versus sustainability and the lack of governance</li> <li>1.2 The Green Economy and Governance: States and institutions, lack of worldwide communication and urban dimensions</li> <li>1.3 Green Economy and Neoliberalism: Allocation to the wealthy, the legitimisation of neoliberalism and being engrained in neoliberalism</li> </ul>	
<b>Chapter 2</b>	
<b>The state, governance, and neoliberalism in Chile: A historical contextualisation</b>	16
<ul style="list-style-type: none"> <li>2.1 Governance: The State, Corporate Governance and Ownership Concentration in Chile</li> <li>2.2 The Pinochet Regime, The Chicago Boys, and the Rise of Neoliberalism in Chile</li> <li>2.3 The Concertación coalition and beyond: The Success and Criticism of Neoliberalism with a Human Face</li> </ul>	
<b>Chapter 3</b>	
<b>Chile's Green Growth Strategy, Environmental Governance and Struggles of Civil Society: Analysis</b>	26
<ul style="list-style-type: none"> <li>3.1 Assessing Chile's Green Growth Strategy</li> <li>3.2 Environmental governance in Chile: Networking Governance and the Neoliberal Framework</li> <li>3.3 Struggles of Civil Society: 'Patagonia Sin Represas' and social unrest in Chile</li> </ul>	
<b>Conclusion</b>	36
<b>References</b>	38

## Introduction

Climate change has finally captured public interest. Environmental awareness increased as many started to worry about the immediate and long term impact of increasing temperatures, numerous natural disasters and the rapid deterioration of species within certain ecosystems. Sustainability has become of critical concern on the political arena. One significant proposal that has been put forward by the United Nations Environment Programme (UNEP) is the green economy idea. This approach advocates economic growth through renewable practices. The approach upholds three steps. First, to reduce carbon emissions, second to improve energy efficiency and finally to prevent further biodiversity loss (United Nations Environment Group 2011, 31). The United Nations has been introducing the green economy idea in countries since it was formally proposed during the 2012 Conference on Development and the Environment in Rio de Janeiro (Loiseau et al. 2016, 361). Because of the global impact of the climate crisis, all countries at the conference were encouraged to start implementing green measures. In Latin America, Chile welcomed the green economy approach and has begun to incorporate green practices into its economy (OECD 2016, 17). Because of Chile's neoliberal past and positive economic development of the past years, the country is confident in achieving more growth through sustainable practices.

This thesis understands the neoliberal approach as follows; it is a political, economic vision that believes well-being can be reached when individual freedom is promoted through private property, free markets, and free trade. For states, this means they need to keep intervention limited as neoliberals believe the market mechanism operates best independently (Harvey 2005, 2). Neoliberal practices include deregulation, privatisation, and limited state involvement. Because neoliberals believe in the power of the market, it promotes technological innovation and investment because the market will guide towards the most efficient practices (Harvey 2005, 3). This thesis discusses the implications concerning governance in terms of institutional governance, decision-making, policies, and regulations. Most specifically, environmental governance will be discussed as this is a key component for the functioning of the green economy.

This thesis analyses the single case study; the green economy approach in Chile. This thesis will analyse the extent to which the green economy has been conditioned by neoliberalism. When doing research, a gap in the literature arose since the green economy idea is discussed in academic debate, and environmental destruction due to neoliberal practices such as economic growth. However, the connection between neoliberalism, environmental governance, and the green economy approach in Chile has not been discussed. Chile has been chosen as a case study because of its neoliberal past since Chile was the first neoliberal experiment nation-wide (Harvey 2005, 7). Moreover, the green economy approach has been criticized for mostly focusing on economic growth and, with this, further allowing neoliberal practices while it ought to focus on environmental protection (Goodman and Salleh 2013, 412). This makes Chile an interesting case to research because of its neoliberal nature, and willingness to implement the green economy approach. Furthermore, environmental governance is significant for the case study as it helps to analyse whether a green economy is possible in the context of Chile since governance is the key to implementation. The research question of this thesis is: To what extent has neoliberalism conditioned the Green Economy Approach in Chile?

The methodology used is a literature analysis through a single case study. Since this thesis analyses an approach and not a theory, the structure of the thesis is based on understanding, debating, and analysing the green economy approach within the context of neoliberalism, governance, and Chilean history. The green economy is a vision that is solely discussed in secondary literature and, therefore, is best analysed through an in-depth discussion of the current academic debate. The structure of the thesis triangulates the three different concepts into three chapters. The first chapter discusses the general academic debate on the green economy, the green economy and governance, and the green economy and neoliberalism. The second chapter analyses the historical contextualisation of Chile. Governance in Chile is discussed, the rise of neoliberalism in a military regime, and the implications of neoliberalism in a social-democratic arena. Finally, the third chapter analyses Chile's Green Growth Strategy, the environmental governance in Chile, and social struggles in response to neoliberalism in Chile. The thesis structure goes from a general discussion of the green economy to a specific analysis of the feasibility of the green economy in Chile. The

structure helps to understand the general concepts before going in-depth to the case study, and finally to understand the case analysis of the green economy in neoliberal Chile. The conclusion will review the arguments and answer the research question of this thesis.

## Chapter 1

### **Neoliberalism and the Green Economy: Theoretical considerations**

This chapter discusses the theoretical considerations of neoliberalism and the green economy in three sections. The first section focuses on the rise of green economy as a concept, the dilemma of growth versus sustainability, and the lack of global governance. The second section focuses on the green economy and governance by discussing the importance of states and institutions, the lack of communication worldwide, and the urban dimension of the green economy. The third section focuses on neoliberalism and its symbiotic relationship with the green economy approach. This section will discuss how the green economy allows the allocation of resources to the wealthy, and how the green economy is engrained in neoliberalism.

#### **1.1 The Green Economy: The dilemma of growth versus sustainability and the lack of governance**

Different authors have described how the use of the green economy in research gave the approach significance within international politics. The concept of green economy has evolved over the years as sustainability became more prominent on an international scale. During the conference held by the United Nations on the environment and development in Rio de Janeiro in 1992, the term sustainable development was introduced (Onestini 2012, 33). In the late 1980s, the Brundtland Report defined sustainable development as development that meets the needs of both current and future generations. The next conference held in Rio de Janeiro in 2012, twenty years later, introduced the approach 'green economy' (Loiseau et al. 2016, 361). The green economy idea aims at achieving prosperity and progress while also limiting environmental depletion. The term is similar to that of green growth, which aims to achieve economic growth without damaging the environment (Loiseau et al. 2016, 362). The 2012 conference reviewed the participation on the commitment of states to pursue sustainable development and their progress so far. Towards the end of the conference, the participating countries came to a consensus that the current economic system as it stands is harmful as its implementation is detrimental for the

environment (Le Blanc 2011, 151). This created a perceived dilemma that economic growth and adherence to environmental sustainability could not coincide because the current system is wholly reliant on economic growth to prosper. Therefore, progressively people became aware that a continuous strive for economic growth increased the depletion of the world's natural resources. (Jackson 2009, 102).

The increasing significance of the green economy approach within international politics can be traced back to the financial crisis of 2008. This is due to the increasing criticism of neoliberalism and the capitalist system. The green economy idea proposes an alternative to neoliberalism (Wanner 2015, 23). The United Nations has provided the most functional approach to a green economy. Before the 2012 conference, UNEP defined the concept of the green economy as an economy that strives for prosperity while also limiting environmental harm. It upholds three actionable conditions. Firstly, reducing carbon emissions, secondly, improving energy and resource efficiency, and finally, preventing a further loss of biodiversity (United Nations Environment Group 2011, 31). Countries execute this by aiming for green growth, which focuses on economic growth while limiting environmental impact and being socially inclusive (United Nations Environment Group 2011, 37). These conditions are essential for a green economy to function, but environmental governance is also critical as effective governance is able to implement enforcement and thus limit environmental depletion.

Steve Charnovitz shares this concern about global governance. He pointed out that there has been no other realistic proposal since the proposal made by UNEP (2012, 44). The implication is that there are no global organisations that safeguard the execution of the green economy (Bleischwitz 2011, 645). Charnovitz explains that the United Nations Environment Organization was supposed to be the global authority on realising multilateral agreements on sustainability. However, because of a missing enforcement mechanism, they were never accepted as such an authority (Charnovitz 2012, 45). Additionally, the perceived dilemma of sustainability versus growth has proven complications. Because states have been reluctant to fully execute green proposals as they are afraid it will hurt their economy (Hegmon 2017, 6). The goal of growth remains possible because there is no form of governance that allows counteraction. As proponents of the green economy focused on

changing national economies into more sustainable systems, and allowing the main goal to be economic growth through already existing neoliberal institutions (Barr 2014, 232).

Moreover, the execution of the green economy asks for investment, which is currently dependent on the private sector. In the current system, nature is a commodity because of profit-based practices. When the private sector is not guaranteed such profit, it will not invest in a green economy (Bryant 2015, 100). The dependency on technological innovation can result in competition between private investors whose focus is maximising financial profit (Hyder 2015, 10). Currently, it is unclear who is supposed to control the green economy. The focus is more on promoting the idea of an economy based on green markets and not on implications such as neoliberal dominance of markets and privatisation. The green economy is a way of promoting neoliberal practice by creating new green markets (Hyder 2015, 3). The green economy is supposed to initiate new technologies that step away from resource exploitation, and its success is dependent on investment by the private industry (OECD 2011, 66). Supporters of the green economy highlight the benefits of neoliberalism through forestlands. REDD+ is a programme in Indonesia based on market mechanisms that motivate investors to use protection schemes for the forest to ensure carbon or biodiversity preservation. This programme is beneficial since it uses nature as a commodity for acquiring capital while the commodity itself ensures the protection of nature (Astuti and McGregor 2015, 2274). This example shows the advantages of market regulations; however, the challenge lies in governance as these initiatives need proper management so that environmental progress can be made (Astuti and McGregor 2015, 2287).

Furthermore, the dependence on the private sector is due to the theory of free-market environmentalism because it assumes that property rights motivate the buyer to use it to its fullest potential. Moreover, this theory promises environmental preservation (Hyder 2015, 7). The green economy can also be linked to Adam Smith's idea of self-interest because, in a free market, every individual will always strive for maximum profitability and will use their resources as efficiently as possible (Barbalet 2012, 416). The comparative advantage theory by David Ricardo can be attributed to the green economy because countries must focus on producing goods in which they have an advantage. In this way, a country would be efficient



because it would only use resources that are needed in its production process (Ruffin 2002, 731). These examples show that globally there is no management of resources because it is controlled by financial dominance and profit through the neoliberal system. This analysis shows that the green economy has the same characteristics of a capitalist economy but is advertised to be sustainable (Hyder 2015, 9). Hence, the dilemma of growth versus sustainability and the lack of governance for the green economy points out the flaws of the current approach to greening the economy.

## **1.2 The Green Economy and Governance: States and institutions, lack of worldwide communication and urban dimensions**

Good environmental governance is reliant on institutions, decision-making, and systems that have green objectives. The green economy relies on the governance of states and institutions to be able to organize its economy towards sustainability (Bigg 2011, 459). This can be done by improving resource efficiency since that is a way to achieve economic growth and limit environmental harm (Berchicci, Dowell and King 2017, 2461). However, what often goes unnoticed is the challenge when implementing such proposals (Huppel and Ishikawa 2011, 645). Furthermore, without such governance, these proposals will be less effective and thereby lead to environmental harm. In some countries, natural resources are scarce, which gives them incentives to start looking for greener alternatives (Ebenhack and Martinez 2013, 137). However, there is still no reliable multilateral system that stimulates such action for all countries (Bigg 2011, 462).

Moreover, there is a lack of proper communication worldwide, which is needed to have good environmental governance. Elizabeth Desombre proposes institutions to improve communication on information and practices for global sustainable behaviour (2011, 467). Due to globalisation, practices such as deforestation, agriculture or transport are currently not domestic issues anymore but impact the environment globally (Ervin 2000, 118). Desombre acknowledges that UNEP has changed global behaviour in that climate issues are now taken seriously. Next to that, countries have altered their behaviour in trying to limit emissions (2011, 467). The lack of governance comes from the fact that states are not

obliged to participate. This results in agreements that are centred around self-interested states whom do not prioritize environmental factors (Gupta and Sanchez 2012, 15). Institutions ought to take responsibility in making states live up to their promises. Enforcement can be done through more transparency because everyone will know what states ought to do, which makes monitoring easier. States might be more inclined to take responsibility because of shame and public humility if they do not comply (Desombre 2011, 468). Additionally, incorporating trade advantages into sustainable agreements makes it cheaper to join the agreement because otherwise the state must pay sanctions (Desombre 2011, 469). These are merely some practical steps for institutions to improve and implement sustainable agreements.

Governance in a green economy is also dependent on proper functioning urban dimensions, in particular cities. Because of globalisation, decision-making occurs mostly within large corporations who position themselves in cities (Puppim de Oliveria et al. 2013, 138). This type of decision-making shows that such arrangements cross the city's boundaries, and depending on the influence of the corporation, it can affect the environment more widespread (Gupta and Sanchez 2012, 13). Moreover, about 70 percent of economic production also occurs in cities, which increases the impact on the environment as well. Incorporating a green economy in cities would mean that economic and decision-making processes include human and environmental well-being (Puppim de Oliveria et al. 2013, 139). Cities are significant for governance as they possess political powers that influence decision-making that cross the city's border as well. Examples being processes such as transportation, resources, waste control, planning, etcetera. It is crucial to create a governance framework that includes all local interests as well as external parties (Jagt et al. 2016, 12). Moreover, it is essential to keep in mind that decisions made within the city concerning green practices have effects on other parts of the world. This means that the governance of local politics influences the green economy as well (Jagt et al. 2016, 14). This analysis shows that global governance is necessary for countries to be motivated to green their economies and stick to it. Governance within countries is also significant for upholding the green economy. Therefore, this shows that internal politics and governance is essential in all countries that try to create a green economy.

Moreover, the international community has recognised that a framework is needed globally to ensure that the norms and values of a green economy are pursued (Droste et al. 2016, 426). However, the current framework needs additional support in moving beyond market mechanisms towards a natural and societal focus (Bosselmann, Brown and Mackey 2012, 24). Because the market system cannot put limits on the Earths' processes of the commons, is why criteria for using these are needed (Smith 2000, 74). The commons is understood as the total material world that all mankind has to share to be able to continue living (Parr 2015, 85). A new organisation needs authority for such action to execute a green economy mandate (Droste et al. 2016, 428). This agency ought to oversee the commons and should be allowed to stop parties when they degrade goods in ways that pollutes the Earth further (Bosselmann, Brown and Mackey 2012, 27). This organisation would ensure participation of all parties because it provides legitimacy to sustainable agreements that have been made (Bosselmann, Brown and Mackey 2012, 28). Different levels of commitment by states is currently a hindrance to effective environmental regulations (Gupta and Sanchez 2012, 21). However, when creating an organisation that oversees environmental agreements, it would legitimise these agreements and motivate states to live by these.

Consequently, all authors agree that global governance is currently lacking when it comes to a green economy. Desombre proposes transparency for actions of institutions, so that monitoring them is manageable. Moreover, environmental regulations should include trade advantages for states who join. This means states are more inclined to do so otherwise they must pay sanctions (Desombre 2011, 469). Puppim de Oliveria agrees that local politics are vital for global governance because the impact of economic decision-making crosses borders (2013, 141). Klaus Bosselman also agrees on implementing a global authority by creating a new organisation that has legitimacy to hold states accountable (2012, 28). These arguments show that good environmental governance is necessary for a green economy to have an impact.

### **1.3 Green Economy and Neoliberalism: Allocation to the wealthy, the legitimisation of neoliberalism and being engrained in neoliberalism**

Neoliberal believers claim improving human well-being is by liberating individuals through a free market and by trade. Furthermore, neoliberals discourage the state from intervening because the state is unable to understand the market signals (Harvey 2005, 2). This is why the theory prefers market regulation over state regulation when allocating resources or capital. The initiative of the green economy approach is a way of greening existing capitalist and neoliberal institutions. In this way, neoliberal practices such as privatisation, deregulation, and marketisation can continue but are portrayed as sustainable (Thoyre 2015, 148).

Lamphere and Shefner explain three different types of discourses that connect the green economy to neoliberalism. The first discourse they discuss is that economic growth, according to the green economy, is focused on technological innovation and competitiveness on the market, in turn neglecting social issues. Environmental concerns are acknowledged, but economic growth remains the main focal point (Lamphere and Shefner 2015, 114). This example overlaps with neoliberal practices because the market mechanism is seen as an economic driver, while the market does not account for social welfare. Also, the market ensures that economic benefits allocate to the wealthy, and the environment and social actors are neglected (Freund 2016, 146). The second discourse that Lamphere and Shefner discuss, is that the green economy promises job growth because of new opportunities in the green market (2015, 114). Nevertheless, such a promise does not ensure labour rights. In addition, these kinds of promises align with neoliberalism because the focus is on growth and not on regulation (Militaru, Stroe and Popescu 2010, 37). The third 'discourse' is that institutions are focused on economic profit and opportunity, not on alternative modes of production (Lamphere and Shefner 2015, 114). Economic profit links to neoliberalism because the environment is regarded as a commodity instead of something to be protected. However, commodifying nature is positive, according to proponents of the green economy. For instance, nature-based tourism allows neoliberalism to accumulate capital (Duffy 2015, 529). The green economy can be seen as a component of tourism as it

shifts economic practice to sustainability (Duffy 2015, 530). Green tourism can create more green jobs because tourists demand more sustainable practices. This cycle further engrains neoliberalism into the green economy framework. For instance, through initiatives such as renewable, community-based, ecosystem, backpacking and adventure tourism (Duffy 2015, 531). Hence, tourism is a way of achieving economic growth on a sustainable level but also intensifies neoliberalism as it allows for the accumulating of wealth (Duffy 2015, 532). To ensure proper environmental justice, Lamphere and Shefner propose that the state should re-intervene and counter neoliberalism (2015, 115). Besides, the green economy should actively promote democracy to reverse environmental degradation, because politics has to be the driver for environmental justice and not the wealthy corporations and institutions (Roberts 2007, 296).

Furthermore, neoliberalism uses the green economy to legitimise the continuance of business as usual. That is because the goal of achieving sustainable development made at the Rio conference in 2012 has not succeeded since the levels of environmental pollution are still alarming (Onestini 2012, 33). Sam Adelman argues this is because the green economy paradigm is a neoliberal legitimisation of continuing similar business instead of changing the system and implementing sustainable measures (2013, 6). The current system is still prioritising production and economic gain over environmental preservation while such neoliberal policies lead to climate crisis (Bakker 2010, 715). Consequently, food security in underdeveloped countries such as Africa will become scarce. Especially when climate change continues as the current Western pattern of consumption and production focuses on meat and biofuel consumption instead of directly focusing on human consumption. Besides that, land grabbing in South America is occurring because companies need land for production while this land was owned by communities that end up displaced and in food shortage (Adelman 2013, 7). Adelman also argues that neoliberal policies cause more inequality and environmental injustice (2013, 9). The green economy approach is a façade of how markets fail to solve the climate crisis and their resistance to alternative economic understandings to address this crisis (Adelman 2013, 10).

However, advocates of the green economy explain that markets are an enhancing tool for sustainability. Because it incentivises investors and companies to create or improve practices

of renewability. The logic is that by increasing sustainability, there needs to be demand to enforce this process, and this increases through commodifying nature and green technology (Adloff and Neckel 2019, 1018). For instance, financial markets promote green bonds or investment, which promises the investor a high return if demand for the green investment increases (Adloff and Neckel 2019, 1019). Nevertheless, the green economy still ignores the expansionary trait of capitalism and how it damages nature (Droste et al. 2016, 429). The green economy approach uses nature as capital where commodifying nature promises the buyer economic gain. This is because investing in sustainable policies will result in a long-term benefit (Bakker 2010, 726). This neoliberal practice allows privatisation and marketisation of natural assets to gain economically while the economic practice itself is the problem (Adelman 2013, 13). Nature and humans are thereby variables in another cost-benefit analysis to trade off against something else (Harvey 2014, 250), instead of providing justice for the Earth and changing the ways of producing and consuming (Adelman 2013, 29).

Nonetheless, the green economy is engrained in neoliberalism since it is a cover to continue commodifying and exploiting nature (Wanner 2015, 23). This green approach is not about preserving nature but is about preserving capital accumulation since sustainable practice often means less economic output and thereby less economic gain (Harvey 2014, 260). By establishing a green framework that is practicable within the neoliberal system, this ensures continuous economic profit (Wanner 2015, 26). The green economy is a way of maintaining the hegemony of neoliberalism since it represents a way of making the current practices more sustainable. At the same time, it is just another approach to legitimising the capitalist system (Goodman and Salleh 2013, 412). UNEP highlighted the positive outcomes of a green economy because it would create new green jobs, decrease poverty and increase social well-being while growing economically. This shows that the green economy's focus is on greening economic growth (Wanner 2015, 28). However, the United Nations does not explain how different power structures in developed and underdeveloped countries impact the feasibility of incorporating a green economy (Wanner 2015, 29). The neoliberal focus of the market over state regulation creates a reality where green policies are focused on efficiency, profit, and consumption. This is because the power lies in the hands of profit-making corporations and institutions and not with politics (Foster, Clark and York 2010, 194). This issue is not in the hands of society nor politics, but the market controls it (Goodman and Salleh 2013, 417).

Hence, this discussion on the green economy and neoliberalism has shown as follows; that the wealthy, powerful corporations and institutions control the green economy (Lamphere and Shefner 2015, 115). The green economy is a façade to continue neoliberal practices (Adelman 2013, 6), and the green economy is a way of upkeeping the neoliberal hegemony (Wanner 2015, 23). These claims show that the discussion surrounding neoliberalism and the green economy is significant.

To conclude, these three sections have discussed the green economy, governance, and neoliberalism. A green economy is an approach to green the current economy to limit environmental harm while still aiming for economic growth. However, it showed that for effective implementation, current environmental governance is inadequate for the green economy to function. There is no authority which can ensure countries to act. It demonstrated that the market is still essential for the green economy to function and that it does not prioritise politics or society. Therefore, the green economy approach is steered by the wealthy and powerful and not by political engagement. These issues are connected because it shows that the green economy approach is not independent, and therefore it is not clear if it will effectively impact the environment. Therefore, this thesis will investigate and research the conditioning by neoliberalism of the green economy approach in Chile.

## Chapter 2

### **The state, governance, and neoliberalism in Chile:**

#### **A historical contextualisation**

This chapter discusses the historical contextualisation of Chile's state, governance, and neoliberalism. The first section will discuss the governance system in Chile concerning the role of the state and analyse the formal institutions that are in place to carry out environmental governance. Additionally, this section will discuss how corporate governance influences decision-making in Chile and the high concentration of ownership in the private sector. The second section analyses the military dictatorship of General Pinochet. His rule over Chile resulted in the economic framework of neoliberalism that is known today. Therefore, this section discusses the rise of power by Pinochet and the implementation of neoliberalism by the Chicago Boys. Finally, the third section describes the Concertación coalition. They were praised by institutions such as the World Bank because of their social democratic approach to achieving prosperity. Since 2011 there have been numerous demonstrations against the Chilean government because of social distrust and critique against neoliberalism (Stromquist and Sanyal 2013, 160). This section will investigate the path of how neoliberalism got a human face in Chile, meaning that Chile has continued implementing neoliberalism but in a social-democratic way. This will be researched as the continuance of neoliberal practice is currently seen as problematic by the society.

#### **2.1 Governance: The State, Corporate Governance and Ownership**

##### **Concentration in Chile**

Chile's governance on sustainable development is organised formally through the Ministry of the Environment. This Ministry has the responsibility of cooperating with the Chilean president on the execution of policies and programmes that are related to the environment (OECD 2016, 17). The Ministry's mission is to create a workable policy to achieve sustainable development. These policies and generations seek to improve the environmental education of civilians. Moreover, their long term vision is to achieve sustainable development for Chile



and improve the quality of life for current and future generations (Ministerio del Medio Ambiente, n.d.). In addition, the Ministry has an environmental advisory board, which is a mechanism to ensure societal participation in the policy and regulative process (Ministerio del Medio Ambiente, n.d.). The existence of environmental governance within the institutional structure of Chile shows potential when having to implement the green economy approach. Chile will not have to begin from scratch but can build on the already existing system to implement a green economy.

Moreover, in 2019 the Ministry created a programme called: *Estado Verde* (Green State). This programme's goal is to promote environmental practices within governmental institutions. Limiting the use of electricity and national initiatives that limit environmental pollution are behavioural changes which they encourage others to endorse (Orihuela 2010, 111). The Ministry expects that Chile will become the leading country in Latin America in terms of sustainable governance in the public sector. Moreover, they promote a greener economy encouraging norms such as saving on energy supplies. The Ministry hopes the present supplies will be used more efficiently, and to generate a culture of awareness amongst public officials. By 2022, they hope to work with 140 public organisations and by 2025, 505 institutions (Ministerio del Medio Ambiente, n.d.). These progressive initiatives demonstrate that the implementation of the green economy is not unimaginable. The official strategy outlined by the state will further be analysed in chapter 3 which shows the state is willing to make changes.

However, in order to successfully incorporate environmental practices, it is essential to have strong corporate governance. A window of opportunity is in the network of shareholders since they do business in comprised circles of dominant shareholders. Smaller shareholders are therefore often excluded (OECD and CIPE 2003a, 1). That is also the case for Chile since ownership is often highly concentrated by a few actors (Ashley 2012, 82). Chile's capital market is quite advanced. The banking sector holds legislation that prevents banks from lending to related actors. The banking law of 1986 prevents them from using the bank for their benefit (OECD and CIPE 2003b, 79), since that was one of the causes of the banking crisis in 1982. Also, investors of institutions can monitor the functioning of the institutions, which gives them more influence in decision-making since shareholders are not allowed to

participate (OECD 2004, 16). In this way, they can monitor whether regulations get adhered to (OECD and CIPE 2003b, 79). Since the implementation of neoliberalism in Chile, from the mid-1970s, governance changed. This is due to transfer of control of companies by the state to a handful of powerful corporations (Hoffman and Centeno 2003, 367). From the 1930s until the military coup in 1973 (OECD and CIPE 2003b, 81), the state was in control of opening corporations and guiding economic activity. Then, from 1974 to 1979, many companies were privatised and owned by wealthy individuals and financial conglomerates. During the debt crisis of 1980, many of these companies went bankrupt, and the state aided in their recovery (Taylor 2006, 72). Then from 1985 to 1989, the second wave of privatisations occurred, and most companies became privately owned once again (Ashley 2012, 83). Chapter 1 highlighted the instance that the corporate structure of Chile prioritises decision-making being done in the private sector. Because neoliberalism ensured the limited power of the state, influence shifted to privatised company owners. Chapter 3 will further analyse how the private sector currently does not favour green regulations, which complicates the realisation of the green economy in Chile.

Currently, most companies in Chile are characterised by having a high concentration of ownership. Companies are owned by a group that holds a large amount of capital which they use to reinvest in their own firms (Lefort and Urzua 2008, 615). Moreover, the concentration of ownership is through small groups that have shares in multiple companies, consequently giving them a monopoly on the market (OECD 2011, 17). Due to the banking law of 1986, these owners are not allowed to own banks, but they execute their power through pyramid structures (Lefort and Walker 2007, 285). This high concentration leads to different consequences in Chile's economy. First of all, these business groups tend to provide each other with capital to expand, which can be called an internal capital market (OECD 2011, 19). Since they invest through funds or earnings between members of the pyramid, with that creating dependence and debt within the pyramid structure. Moreover, banks tend to finance prominent firms more than smaller firms, which helps sustain this structure (Lefort and Walker 2007, 288). A common issue that arises because of this, is that functioning boards must implement regulations that are preferred by the owners (Silva, Majluf and Paredes 2006, 316). Because the power lies mostly within the private sector, this shows the complexity of the decision-making process in implementing the green economy. Since the

private parties' focus is on accumulating profit, and environmental policies mostly cost money, the concentration of power is an obstacle to ensuring success for the green economy.

Consequently, the role of the state in Chile shows that corporate governance is influential in decision-making. The formal and institutional environmental governance of Chile currently focuses on improving the behaviour of public officials and improving workspaces to be more efficient. Chile has also launched a programme that aims to transform Chile into a green state and make it become the leading environmentally friendly country of Latin America. However, it has shown that Chile's high concentration of ownership in the corporate sector creates a structure in which these owners hold a considerable amount of influence in decision-making. This is the result of Chile's history which will further be discussed below. However, the question that arises from this, is how Chile aims to incorporate green initiatives into a framework where the owners of wealthy corporations control decision-making.

## **2.2 The Pinochet Regime, the Chicago Boys, and the Rise of Neoliberalism in Chile**

The democratic structure of Chile consists of a presidency and a parliament. These consisted of a party system and political institutions, which used a top-down approach to mass politics (Silva and Rabkin 1993, 78). In the mid-twentieth century, the parties became classified into three polarisations, the left, the centre, and the right (each controlling almost a third of the electorate). That meant ideologies were more rigid, and this made reaching consensus more difficult in the coalitions (Silva and Rabkin 1993, 85). The instability aggravated after socialist President Salvador Allende was elected in 1970. He wanted to gain support with his socialist project of providing broader societal participation. However, this only increased polarisation and deepened radicalism (Carruthers 2001, 344). It initiated seizures of land and factories, which left the country in economic stress. In response, people took to the streets and there was increased militarisation. General Pinochet came to power to stop the social chaos (Drake and Jaksic 1995, 3). This resulted in a very repressive regime which imprisoned and

assassinated many political adversaries (Drake and Jaksic 1995, 4). The economic plan of Pinochet was neoliberal. Substantial reforms were initiated to achieve this, which were further brutally enforced by the military (Carruthers 2001, 345).

Pinochet's authoritarian regime included violent suppression of society by the military through killing, torturing, or exiling opposition (Florez 2017, 2). It appeared to be a stable political order as it was wholly controlled by the armed forces (Drake and Jaksic 1995, 22). The control of power lay in the hands of one person; General Pinochet (Huneus 2007, chap. 1, 2). In addition, the economic reforms by the Chicago Boys changed the country's economy and society (Silva and Rabkin 1993, 82). Finally, the end of Pinochet and his regime was not by forceful removal but through his own created constitution of 1980 to which he lost elections in 1989 (Silva and Rabkin 1993, 96). This explains the continuity of some authoritarian factors present in the new democracy. The seventeen-year rule is due to repression, economic growth, and his character (Huneus 2007, chap. 1, 2). Furthermore, the steady economic reforms introduced by Pinochet laid the foundations of neoliberalism which are still present today. Chapter 3 will show how the legalised foundation of neoliberalism in Chile allows neoliberalism to exist within the green economy framework since the framework is also based on neoliberal principles.

The military legitimated the coup in 1973 because referring the overall crisis affecting the nation. They promised stability and a way to get out of the economic crisis (Codevilla 1993, 134). The military remained in power for a long period of time (17,5 years) as they claimed the country needed a radical transformation which could take years to be accomplished. They also gained support from the right-wing groups who wanted a radical change of the state as well (Huneus 2007, chap. 5, 140). Following the coup, Pinochet created a commission to write a new constitution that would outline this new political order and change the country and its values (Barros 2002, 167). The constitution's implementation was in 1980, and it laid the executive power in the hands of President Pinochet and the constituent power in the junta's hands (Barros 2002, 255). In this way, Pinochet created a state in which his power got institutionalised through a fundamental chart. Moreover, it opened possibilities for him to change the state through economic and societal reforms, which resulted in the embeddedness of neoliberalism throughout Chile (Barros 2002, 65).

The 1980 constitution has institutionalised neoliberalism, and Chile continued to be ruled on the basis of this legal framework years after Pinochet left office. This explains why decision-making continued in private networks, mostly because companies are still privatised and ruled by only a few actors. Therefore, it is crucial to keep in mind that the green economy will be implemented in a society in which the most influential parties control the economic and political arena.

A group of liberal technocrats, the so-called Chicago Boys became the architects of the neoliberal economic model implemented by Pinochet. They are a group of Chilean economists who followed postgraduate studies at the University of Chicago, where they embraced the free-market tenets (Brender 2010, 120). However, they defended orthodox neoliberalism claiming that Chile needed a profound capitalist revolution (Clark 2017, 1350). The Chicago Boys' transformation of the Chilean economy produced a new economic elite. The latter exercised power over the state and society, and created the process of individualisation, privatisation, and market-based approaches (Sigmund 1983, 42). The navy was made responsible for the economy and heard of the neoliberal recommendations made to Chile which were created by the Chicago Boys. In this way, the Chicago Boys were able to influence economic policies (Brender 2010, 118). They argued that Chile was a rentier state as it relied on governmental regulations instead of a free market (Lentelie 1976, 45).

Furthermore, because of economic hardship, there was political polarisation and high social unrest (Clark 2017, 1353). This instability stopped when Pinochet obtained power because all opposition was repressed. Therefore, in 1975 the Chicago Boys gained a lot of power as they had control over policymaking (Lentelie 1976, 52). They created the hegemony of the neoliberal cultural traits known as individuality and competitiveness as drivers of economic progress (Clark 2017, 1357). This makes it more difficult for Chile to step away from neoliberalism as it is part of all structures, both governmentally and privately. This will be shown in chapter 3, as the complexity of the implementation of the green economy within a neoliberal society will be discussed. However, the creation of the green economy as an economic tool for achieving more sustainability and economic growth is more understandable when considering these circumstances.

Consequently, the influence of the Chicago Boys shows they were not only economic technocrats but also helped shape the ideological basis of the military dictatorship of Pinochet. Since the rule of Pinochet it was easier to implement radical reforms. Because there was no room for opposition, the Chicago Boys had all authority to change the system. This change resulted in economic progress and an alteration in Chilean values. The rule of Pinochet eventually ended, but because he institutionalised his economic practices, neoliberalism continued to exist.

### **2.3 The Concertación coalition and beyond: The Success and Criticism of Neoliberalism with a Human Face**

Following democratic restoration in 1990, Chile has been considered a success story and shown as a model-country of good governance for transitioning countries in Europe by the World Bank (Milanovic 2019). The new democratic government maintained many aspects of the previous neoliberal economic model, adding extra attention to social policies. The neoliberal path of Chile appeared to be successful due to the rapid growth of GDP after the implementation of free-market principles such as privatising companies and opening up the economy (Cypher 2004, 30). Since 2011 there has been much opposition against the current government and its macroeconomic-focused policies, which shows societal dissatisfaction against neoliberalism. This stems from the fact that neoliberalism created economic benefits and growth for companies and shareholders but not enough to satisfy the average Chilean (Stromquist and Sanyal 2013, 160). Income inequality has remained high since the implementation of neoliberalism (Antonopoulos 2019). For instance, the wealth of Chilean billionaires in 2014 (only twelve people) were equal to 25 percent of Chile's GDP (Milanovic 2019). In recent years the society has explosively protested on the streets against the current system. People are tired and upset that all economic benefits go to the rich and are at the expense of the regular civilian (Delcampo 2016, 179). This frustration is apparent despite GDP growth, higher productivity, higher life expectancy, lower infant mortality, and universal secondary education since neoliberal implementation (Niemietz 2019). How could this social unrest arise in the success story of Chile?

Democratically elected President Patricio Aylwin initiated his government in March 1990, marking the restoration of democracy in Chile. The next twenty years consisted of the Concertación government rule (Drake and Jaksic 1995, 279). The first Concertación president Patricio Aylwin, focused on rebuilding the nation. Since poverty and unemployment were high because of two economic crises under Pinochet, the Concertación government focused on increasing growth and reducing poverty (Drake and Jaksic 1995, 305). This was proven successful and led to the election of the candidate of the Concertación coalition President Eduardo Frei in 1993 as the new Chilean president. President Frei continued with the social democratic policies as did the third and fourth Concertación presidents Ricardo Lagos in 2000, and Michelle Bachelet in 2005 (Navia 2010, 303). Their twenty-year rule ended when the right-wing president Sebastián Piñera got elected in 2010 (Kiernan 2017). However, these twenty years successfully brought growth to the country together with less inflation, higher employment, and better living conditions, which meant that they succeeded their initial goal of reducing poverty (Navia 2010, 304).

Despite the economic success, society has critiqued the government because candidates were mostly part of the elite. Because of this, the needs of the average Chilean got disregarded. The Concertación caused this because they kept influential economic parties close to assure the success of the macroeconomic policies (Drake and Jaksic 1995, 306). The government's social approach reduced poverty and improved human development by increasing education services, health resources, income, and by reducing unemployment and inflation (Solimano 2012, 30). The success of the social approach gave Chile international standing as the country became the first South American OECD member in 2010 (Jara 2014, 29). Their recognised success legitimises Chile's approach to creating the green economy. The international community finds sustainability necessary and believes in Chile's progress so far. However, it can be said this success was effortless for the Concertación because the economic principles were present through the constitution of Pinochet (Navia 2010, 305). The current system still depends on the foundations of that constitution (Solimano 2012, 37). The government had to add social policies and poverty-reducing practices but did not have to set up a new economic programme (Drake and Jaksic, 1995, 307). Even though they focused mostly on reducing poverty and did not tackle the inequality sufficiently, they showed it is possible to combine market-based models with democracy (Navia 2010, 305).

However, in this re-established democracy, the country became fragmented through macroeconomic principles, and decreased social movements. Consequently, the political representation of society declined because the market influenced the state's decisions (Jara 2014, 30). Despite the fragmentation of society, Chile has been able to enforce the legitimisation of the green economy. Since the foundation of neoliberalism is present through the embedded governance, the green economy is easier to incorporate because of its neoliberal nature. Chapter 3 will further explain this since the official Green Growth Strategy proposed by the state is based on green initiatives such as green goods markets and incentivising green innovation through economic growth.

Therefore, the twenty years in power mainly focused on achieving social prosperity in the space of neoliberal principles, partly as a result of the restraints that were put in the 1980 constitution of Pinochet (Sehnbruch and Siavelis 2014, 4). During the twenty-year rule, the government received high approval rates (Solimano 2012, 50). However, demonstrations have been taking place since 2011 because of mistrust in institutions, disapproving of the government, and wanting more political participation (Stromquist and Sanyal 2013, 162). It began with the HydroAysén demonstration held by 'Patagonia sin Represas' (Patagonia Without Dams) group, who argued that the mega-dam project would destroy the environment significantly (Randall 2011, 15). After the demonstration numerous protests were held by students who wanted better quality education and less focus on profit. In addition, middle-income groups joined student protests because they wanted more political representation (Donoso 2016, 175). These demonstrations showed a call for decentralisation and higher societal participation instead of the top-down approach by privatised companies (Jara 2014, 32). Therefore, the economic foundational principles of Chile were created during the Pinochet regime. The effect has been that policy-creation, and decision-making went through informal channels (Fuentes 2000, 122). This was created un-democratically by dismantling the constitution and forbidding opposition (Jara 2014, 36). As a result of this, private networks can resolve conflicts before using formal structures (Fuentes 2000, 122). Even though the legacy of Pinochet created unequal decision-making, it did not go unnoticed by society since they are stepping up and demanding more equality for the country.



Consequently, despite the success of the four governments of Concertación coalition (1990-2010) in improving prosperity in Chile, their legacy has been criticised due to its reliance on the embedded neoliberal framework. This is because Pinochet created a constitution in 1980, which outlined the entire economic and institutional framework for neoliberal implementation. While the Concertación did add social policies to ensure employment and prosperity, they stayed loyal to the neoliberal policies, and were unable to substantially reduce income inequality in Chile. Chapter 3 will build on this circumstance as criticism by society surfaced against the macroeconomic principles followed by the state.

To conclude, this chapter has looked at the historical context of the state, governance, and neoliberalism in Chile. The governance of Chile is corporate due to the privatisation of companies because of neoliberal policies. That means decision-making is mostly done in the corporate sector and not by the state. Moreover, the rise of neoliberalism in Chile is because of the authoritarian rule by General Pinochet, who enforced neoliberal rule on the country. Because he ensured enforcement by creating a new constitution in 1980, neoliberalism was embedded in the nation through strong governance. Hence, the subsequent social-democratic administrations ruled based on this neoliberal framework, created economic growth and prosperity but also increased income inequality. Chile relied on a framework created during the un-democratic rule of Pinochet, and that has resulted in social unrest and criticism against the government. These findings show that the contemporary governance makes it difficult for environmental governance to take force because decision-making takes place in the corporate sector. Therefore, this thesis will further analyse whether Chile can transform into a green economy within its current framework.

## Chapter 3

# Chile's Green Growth Strategy, Environmental Governance and Struggles of Civil Society: Analysis

This chapter analyses the Green Growth Strategy of Chile, the implications of Chile's environmental governance, and the response of civil society. The first section discusses the Green Growth Strategy, which is briefly summarised and analysed. It also discusses why the strategy could be viable for Chile, what institutional measures are in place to ensure implementation of the strategy, and what could be improved to reach more efficiency. The second section focuses on environmental governance in Chile and where power lies in decision-making. It discusses the complications for decision-making on environmental policies due to neoliberalism and relates the Green Growth Strategy to these implications. Finally, the third section focuses on the struggles of civil society by paying attention to the 'Patagonia Sin Represas' campaign and social unrest. This campaign shows the complex nature of decision-making in Chile, and the demonstrations of civil society show that the state prioritises economic growth over its citizens.

### 3.1 Assessing Chile's Green Growth Strategy

What constitutes the Green Growth Strategy of Chile? In 2013, the Chilean government, the Ministry of the Environment and the Ministry of Finance constructed a strategy in this field in response to the Organisation for Economic Co-operation and Development (OECD). The document begins with the quote: "Environmental protection can not be seen as a dilemma against development but as one of its elements. When we talk about sustainable development, we are thinking of economic growth with social equity and preservation and protection of natural resources" (OECD 2013, 7). This quote portrays Chile's official approach to green growth as it wants to continue striving for economic growth. Chile wants to realise this by relying on the market to provide new opportunities and improve the quality of people's lives. The strategy relies on three pointers, firstly, the acknowledgment of environmental consequences through implementing management structures. Secondly,

promoting a sustainable market by creating more green jobs. Finally, monitoring the strategy through green indicators (OECD 2013, 9).

What makes the strategy viable for Chile? The strategy is built on achieving growth, creating jobs, and providing stability to invest in the environment long-term (OECD 2013, 20). Moreover, its vision is that by striving for sustainability, the quality of life for the Chilean people will be improved through policies that are efficient and promote regulations that limit environmental harm (OECD 2013, 22). Authors Loayza and Soto conducted a study on the influence of economic growth on prosperity which Chile used to construct its green strategy. They showed that growth over extended periods helps reduce poverty, strengthens the democracy, increases the use of national resources, which enhances the quality of the environment (Loayza and Soto 2002, 1). Chile has experienced an extended period of economic growth due to the neoliberal policies, and realigns to a similar path while also focusing on sustainable development (Loayza and Soto 2002, 24). Nevertheless, income inequality did not decrease and is also significantly higher than other OECD members (Grunewald and Martinez-Zarzoso 2014, 18). This is another reason for Chile to focus on sustaining growth and prosperity (OECD 2013, 13). The growth of Chile did come at the cost of the environment, and Chile has trouble with air and soil pollution, waste management, biodiversity loss, water scarcity, and pollution. Therefore, Chile hopes to turn this around by promoting technological innovation (OECD 2013, 14). Focusing on generating investment and innovation will benefit the economy through higher productivity. It will also benefit society through more opportunities and increase the quality of life (OECD 2013, 15). The strategy promises further economic growth for Chile and will also enhance the lives of its population. As the neoliberal framework is already in place, the implementation of the strategy becomes less challenging.

In addition to this, the strategy shows that Chile has governance in place for ensuring appropriate legislation. Since 1990, when sustainable development became prominent on the international agenda, Chile has been actively involved by signing multiple multilateral environmental agreements (Peres 2011, 12). Chile also created numerous environmental regulations that have been aligned with economic growth to gain more investment (SGI 2017). These regulations increased the levels of capital connected to protect the

environment. Chile also believes that economic growth has reduced the impact on the environment because of higher productivity through a efficient use of natural resources (OECD 2013, 27). However, Chile's environmental policy focus has been on commanding and controlling regulation. For instance, it has a management instrument called the Environmental Impact Assessment System, which determines the impact proposed projects will have on the environment (Ciappa n.d., 7). When the assessment is positive, the government agencies are not allowed to deny environmental approval. When assessed negatively, all agencies have to deny them (Maxwell 2009). These kinds of instruments have been proven effective for limiting environmental harm. However, their financial cost could be reduced, which could be done by including economic instruments (OECD 2013, 33). Economic instruments can incentivise a change in behaviour by giving economic agents the freedom to respond in ways that fit their decision-making. For this reason Chile chose to use economic instruments through market mechanisms as actors that promote compliance with environmental policies (Lostarnau et al. 2011, 2472). For instance, by creating instruments that promote technological innovations such as tradable permits. Through such instruments the environmental policies will be managed within the market forces (OECD 2013, 36). Alternatively, the instrument called environmental labelling can ensure compliance with environmental regulations. It provides clarity for sustainable consumers and incentivises product developers to create more sustainable products (Okubo 1999, 600). By allowing economic activity to continue within the neoliberal frame of the free-market mechanism, Chile ensures economic profit and also promotes environmental protection. These showed as companies also voluntarily created initiatives such as the Clean Production Agreements (CPA) and Corporate Social Responsibility (CSR). The CPA are agreements between companies and public corporations that comply with clean production, which goes further than the minimal legislations (Rona 2019). The CSR gives the business sector an extra element to compete within the international and national markets when it comes to sustainable profitability. Because it provides a better image for companies that are associated with the CSR (Beckman et al. 2009, 194), these examples of legislation show that Chile has a framework in place to ensure more sustainable development.

Finally, Chile hopes to ensure environmental progress with the Green Growth Strategy by creating a national market that focuses on environmental goods and services. Following the

CSR, it can provide initiatives within the market to provide more green goods and services because consumers demand more. In this way, a country such as Chile with few regulations can still provide a stimulus for sustainability (Blackman et al. 2014, 70). Innovation to ensure sustainability is defined as the creation of articles, processes, systems, services, and procedures that are sold competitively and are created to provide a balance between our consumption and the Planet's preservation (OECD 2013, 56). OECD members invest about 25 percent of its GDP into research and development. However, Chile only invests 0.5 percent, which shows that it needs to be made a priority (OECD 2013, 57). One way to improve the level of investment in research and development, is to increase Chile's human capital, as increased research also needs increases knowledge (Ahman and Viscarra 2016, 27). Providing scholarships to people who are interested in researching sustainability could boost Chile's research and development competitiveness. Moreover, Chile could also improve in the area of green jobs. It would strengthen the national environmental market if more programmes ensured greener jobs, this would also strengthen the national environmental market (OECD 2013, 62). The strategy proposes to design more green programmes so that the supply of green employers increases (OECD 2013, 63). The implementation of these proposals has the potential to make Chile more competitive on the international market while also increasing its sustainability.

### **3.2 Environmental governance in Chile: Networking governance and the neoliberal framework**

Governance can be understood as the state's ability to create and install policies by controlling the economy and society to reach shared goals (Solar 2018, 24). Due to changes in the political arena, governance is not solely about the state's capacity to rule anymore. Governance today is more about negotiating through decentralised alliances (Kapucu and Hu 2020, 5). This type of governance based on networking can achieve more participation with involved parties than through the hierarchical structure (Solar 2018, 25), that is the case because actors involved often have more knowledge on the issue than the state might have, ensuring efficiency (Kapucu and Hu 2020, 9). This process can be traced back to neoliberalism as it limits the power of the state and increases the power of private parties.

As their power increased, their influence is more substantial than the state, which shows in Chile as decision-making is mostly done in the corporate sector, meaning that governance is present through private networks.

When considering this, it shows the complexity when analysing the environmental governance of Chile. Profitable companies are known for acquiring capital as fast as possible, and this does not include environmental protective measures (Harvey 2014, 140). Therefore, networking governance in the corporate sector would mean they dismiss environmental regulation. Due to Chile's economic growth over the past years, it did have the opportunity to create environmental regulations (Bradbury 1993, 6). However, these regulations can also be seen as empty promises since they still mostly rely on the neoliberal framework (Carruthers 2001, 344). Moreover, environmental legislation is also relatively new as Law 19.300, also known as the general environmental framework law, was introduced in 1994 (Monckebreg et al. 2015, 470). Before this time, Chile had little knowledge of any legislation concerning environmental law. However, during the Concertación governments, there was a focus on transparency and participatory accountability towards the environment. Therefore, the law also focused on the principle of letting the polluter pay for the costs (Carruthers 2001, 348).

Even though these regulations sounded promising, they were implemented in a neoliberal framework where the elitist and influential parties preferences prevailed (Carruthers 2001, 349). It has shown that despite voluntary regulation on the environment by states such as Chile, it has been difficult to enforce environmental regulations when implemented in neoliberal societies. The state does not control these societies, but market forces do, and environmental policies do not guarantee profitability (Andrew and Cortese 2013, 399). Furthermore, American neoliberal think-tanks have introduced the idea of free-market environmentalism, which is a system that lets the market decide what to do (Sullivan 2009, 211). This idea also promotes privatising natural assets as they have no reason to be protected when they are not privately owned (Blanchard and O'Brien 2014, 104). Moreover, promoting this principle reinforces the free market in a time where climate change threatens the profitability of the neoliberal practice. The right protective measures would ensure limited economic output, which does not coincide with the inherent neoliberal market

mechanism (Beder 2001, 131). This showcases the reality; where the economy is valued higher than the environment, as these practices ensure the continuation of economic output at any cost (Harvey 2014, 262). Although corporations contribute portions of their profit to environmental protection, their ultimate goal will remain focused on acquiring capital (Beder 2001, 132).

Companies have been positive about voluntarily disclosing their environmental-related activities to consumers. This also relates to the corporate social responsibility practice that promotes disclosing one's information to improve the partner's accountability and awareness when it comes to decision-making (Beckman et al. 2009, 193). Nevertheless, it is still unclear whether an increased volume of information on sustainability improves related decision-making. Besides, it demonstrates that climate change is a problem that can be solved with only minor modifications. The hegemony of neoliberalism is also apparent in environmental politics as policies are based on the market (Andrew and Cortese 2013, 401). Moreover, this results in green promises such as markets designed for green goods and services, or incentives that motivate green innovation such as quotas and taxes (Pearse 2010, 175). This is another way of formulating the free-market, but with an extra focus on achieving economic growth through new green innovations. Because the state is pushed aside due to neoliberal principles, enforcement of environmental regulations becomes difficult. As was discussed in chapter 1, enforcement of regulations is based on incentivising private actors without an agency monitoring them (Carruthers 2001, 349). Despite the promising environmental framework law that stands for participatory democracy, it does not uphold in truth as the consensus is reached through elitist decision-making, leaving out societal attendance (Carruthers 2001, 350).

Consequently, these issues show the earlier discussed problems associated with governance in Chile. Chapter 2 showed that Chile currently experiences decision-making done in the corporate sector and not particularly by the state. This is because neoliberalism created a high concentration of ownership, which created an influential group of decision-makers in Chile. Moreover, because the constitution of 1980 created the framework Chile still operates on, it makes it difficult to move away from the neoliberal approach. The governance system based on networking continues through invented principles such as free-market

environmentalism. These initiatives allow neoliberalism to remain dominant while allowing environmental preservations to accompany this system. However, this reality does not ensure future preservation as it showed that economic interests trumps the interest in protecting the Planet. Hence, when taking into account Chile's Green Growth Strategy previously discussed, it makes it difficult to imagine that this strategy can reach success if implemented in the current framework of Chile. Even though the strategy outlines promising plans, its effect can be limited when the private sector remains loyal to neoliberal practices such as the free market principle. This will ensure economic profit over environmental preservation, which could mean the strategy only looks good on paper.

### **3.3 Struggles of civil society: 'Patagonia Sin Represas' and social unrest in Chile**

Understanding the governance of environmental politics in Chile is essential to comprehend the green economy approach. However, it is also crucial to analyse the point of view of civil society (Tecklin 2014, 29). In Chile, groups of academics were repressed under the rule of Pinochet because of their criticism against the authoritarian regime. However, since the restoration of democracy Chile, they have returned as ecologists who want social and environmental justice. These groups include the Institute of Political Ecology, National Ecological Action Network, and Chile Sustentable. They mostly argue that the climate crisis worsened because of neoliberalism's focus on economic development, and recovery can only happen with more societal participation (Carruthers 2001, 353). However, due to elite-controlled decision-making, it has been difficult for such groups to gain national recognition (Carruthers 2001, 355). Moreover, the networking governance of Chile means that politics closely aligns with private parties. This also impacted environmental policy as its priority was subordinate to economic policies. The 1994 Environmental Framework Law, discussed prior in this chapter, established an agency called CONAMA, which had to approve development projects based on their environmental impact report (EIR) (Monckebreg et al. 2015, 470). Before projects are approved, social groups are allowed to make objections to the plan. This process is the only social participation involved into implementing new projects, which



means that environmental activists have little influence in the neoliberal arena (Silva 2016, 949).

However, one group that has been successful in obtaining recognition is Patagonia Sin Represas or Patagonia without Dams (PSR). They became known for their movement against the HidroAysén mega-dam project, which was a plan to build five hydroelectric dams in the Aysén region in Southern Chile. The PSR campaign emerged in 2007 to defend the Patagonia region of damaging projects and soon it evolved into the largest environmental conflict in the country (Uribe et al. 2017, 183). If the dams were built, they could have flooded almost 15000 acres of forest ecosystems. Moreover, a 2000 kilometre transmission line would have been installed throughout forestland to transfer the energy from the dams to the cities (Aguirre, n.d.). This meant animals and indigenous groups would be displaced and forced out of their national habitat and nature would be disrupted and damaged.

To illustrate, in the region Aysén, 98 percent of its water rights is owned by Endesa (Prieto and Bauer 2012, 132), and in 2004 Endesa and Colbún announced the HidroAysén project (Schaeffer 2017). Endesa is an Italian corporation, and Colbún is one of Chile's conglomerates (Randall 2011, 18). The HidroAysén has been promoted as the new clean and sustainable way of producing energy in Chile (Killoh 2019, 24). The proponents of the project claimed that it would decrease dependency on natural resources such as gas and oil, which would lower the energy prices. However, this would also mean that Endesa and Colbún would produce 80 percent of the country's energy, consequently giving them a monopoly in pricing power (Randall 2011, 18). This example illustrates Chile's implications concerning decision-making, as the power is in the hands of a few actors (Zunino 2006, 1835). Because they hold this power, it is challenging to raise awareness by opponents to make an impact. Nevertheless, the protests by the PSR were enforced by the student movement who protested against the state. Their uprising received media attention, which accelerated the support of the student and anti-dam protests (Randall 2011, 19). This had to do with the fact that both movements protested against the state's preferences of economic growth over the interest of its citizens (Killoh 2019, 35). Eventually, in June 2014, the building plans of the HidroAysén were prevented by the Committee of Ministers. They are the highest administrative authority of the country, and this meant PSR had won (Killoh 2019, 36).

Through media recognition and continuing efforts by the PSR, they were able to stop the mega-dam project. However, the implications connected to this example show the complexity of Chile's operating framework. It is not the state which executes power, but mostly the dominant private parties. Moreover, this makes it difficult for critics to gain recognition and to be able to make a significant impact on saving the Planet.

Besides, as discussed in chapter 2, Chile has currently been struggling with rising social unrest. These uprisings are also connected to economic inequality, which coincides with the PSR and student struggles against the state's priorities (Langman 2019). The protests began when the government announced to raise the metro rush hour prices. And while this was not their primary concern, it was the tip of the iceberg for many Chileans (McGowan 2019). The current protests are mostly held by the younger generation who protest against the continuing economic inequality, low wages, cheap pensions, and rising living costs (Cuffe 2019). Despite rapid economic growth and decreased poverty that Chile has experienced, due to privatised health care and education, the gap between rich and poor has increased (Kubal and Fisher 2016, 232). Because of this, the cost of living increased significantly, which makes it difficult for the average Chilean to get by. Therefore, demonstrations have reached over one-million protesters, which shows the severity of the social struggle (Langman 2019). The demands call for change, but the reform plans that President Piñera promised were at the cost of the state (Kubal and Fisher 2016, 231). The protestors wanted the private sector also to take up responsibility. In addition, they want a new constitution that prioritises citizens over economic policies (McGowan 2019), which could happen as in 2019, the parliament reached a social pact that promises to construct a new constitution (Langman 2019). This could lead to better social representation, as the previous 1980 constitution mostly allows the elite to govern.

These examples have demonstrated the level of instability in Chile. Consequently, the implementation of the green economy is more challenging than first perceived. Decision-making in Chile is done through networking governance, which means that the private sector holds power. Moreover, because of their considerable influence in the public and private sector, it shows that the legacy of General Pinochet is still present. Through privatised businesses and resources, the state is unable to protect the Planet against destruction. As

the PSR campaign showed, the state needs a great wake-up call to stop environmental destruction. Also, the social unrest in Chile shows that all struggles connect to the neoliberal framework present in the country, and it is evident that Chile prioritises economic growth over people and nature. Nevertheless, the current struggles do cause movement in parliament, which could mean that changes will happen. With the changing of the constitution and the prioritisation of human beings and the Planet there may still be an opportunity for change.

To conclude, this chapter has shown that decision-making in Chile is very complicated. Initiatives such as the Green Growth Strategy show good intention. However, the strategy also demonstrated that it continues to base its framework on neoliberal practices in order to achieve economic growth. Environmental politics has suffered in Chile because influence lies with private parties, and they prioritise profit over environmental preservation. This type of networking governance ensured that private parties profited, and this fuelled dissatisfaction in civil society. Society wants the state to prioritise them and the environment over the economy. Moreover, this issue is inherent due to the legacy left by the 1980 constitution of Pinochet. This chapter has shown that the current framework Chile is relying on makes it very difficult for the green economy approach to reach full potential. While the green economy approach does have potential to be implemented effectively if a state were to show full commitment. However, Chile uses neoliberalism as a safety net because it wants to continue relying on the market to ensure the survival of its economy. By proposing to create the environmental goods and services market, it hopes to incentivise innovations and technology that are sustainable. However, this does not guarantee the restoration of the climate crisis. Therefore, it can be argued that the green economy is being conditioned by neoliberalism in Chile to ensure the survival of neoliberalism.

## Conclusion

This thesis has explored the green economy approach within the context of neoliberal Chile. The research question guiding this study has been: To what extent has neoliberalism conditioned the Green Economy Approach in Chile?

In order to provide an answer to that question, the research started in chapter 1 with an analysis of current academic debate on the green economy method, environmental governance, and neoliberalism. The first section discussed the rise of the green economy idea. It showed the dilemma of growth versus sustainability, and how the lack of global governance limits the probability of executing a green economy approach. The next section discussed why contemporary environmental governance is inadequate to implement the green economy method. It showed there is no global authority that ensures countries to adhere to environmental regulations. Finally, the last section demonstrated how neoliberalism and the green economy are intertwined as the green economy is based on principles that uphold the hegemony of the neoliberal economy. These discussions showed that the green economy is dependent on the influential private sector as decision-making is controlled by wealthy corporations.

The second chapter discussed the historical contextualisation of Chile's state, governance, and the rise of neoliberalism. Namely, by first describing what Chile initiated formally through environmental governance in its institutions. Research demonstrated that corporate governance influences decision-making in Chile because there is a high concentration of ownership of corporations. The second section discussed the military dictatorship of Pinochet as he was the one whom implemented the neoliberal economy. He institutionalised his economic programme into the constitution of 1980, which meant that coalitions following him also ruled based on his neoliberal method. Finally, the last section discussed the Concertación administrations who restored democracy after Pinochet lost elections in 1989. Even though it was a social-democratic administration, they still relied on neoliberal policies, which ensured further influence of powerful companies due to privatisation. This further allowed decision-making to take place within the private sector

and not through representational politics. This chapter, therefore, demonstrated the complexity of implementing a green economy method into neoliberal Chile.

Finally, the last chapter analysed the implementation of the green economy approach in Chile. The analysis of the Green Growth Strategy showed that Chile heavily relies on economic growth through market-based green initiatives. The second section discussed the environmental governance in Chile. It showed that because of its neoliberal past, networking governance currently ensures decision-making takes place in the corporate sector. Practices that Chile relies on, such as the free market principle, make it difficult to move away from neoliberalism. Moreover, this makes it challenging to see proposals such as the Green Growth Strategy come to life in a system dependent on corporate power. Finally, the last section discussed social unrest in Chile against the neoliberal state. Examples such as the Patagonia Sin Represas and student protests showed that the society wants representational politics, and wants to move away from profit-seeking practices. Due to the neoliberal legacy of Pinochet, Chile still operates within the neoliberal framework and prioritises economic growth over nature and society.

Therefore, this chapter revealed that Chile's state does have good intentions. However, its proposals still rely on economic growth, which does not ensure enough environmental preservation. This shows that the current framework of Chile makes it difficult for a green economy to reach full potential. Consequently, the state relies on neoliberalism to ensure the survival of the economy by implementing the green economy as an approach based on neoliberal practices. Therefore, the green economy is being conditioned by neoliberalism in Chile. The approach is used as a façade to ensure neoliberal hegemony.

This research has demonstrated the difficult situation in which Chile finds itself. If the 1980 constitution were to be changed into a workable framework which is not based on the ideology of neoliberalism. Representational politics could gain recognition if decision-making is not done in the corporate sector. Only then does the implementation of a green economy in Chile become feasible.

## References

- Adelman, Sam. 2013. "Rio+20: Sustainable Injustice in a time of crises." *Journal of human rights and the environment* 4, no. 1 (March): 6-31.
- Adloff, Frank and Neckel, Sighard. 2019. "Futures of sustainability as modernization, transformation and control: A conceptual framework." *Sustainability Science* 14, no. 4 (March): 1015-1025.
- Aguirre, Monti. N.d. "Patagonia Sin Represas." Accessed May 11, 2020.  
<https://www.internationalrivers.org/campaigns/patagonia-sin-represas>.
- Ahman, Ehtisham and Viscarra, Hernan. 2016. "Public Investment for Sustainable Development in Chile." Interamerican Development Bank. Accessed June 12, 2020.  
<https://publications.iadb.org/publications/english/document/Public-Investment-for-Sustainable-Development-in-Chile-Building-on-the-National-Investment-System.pdf>.
- Andrew, Jane and Cortese Corinne. 2013. "Free market environmentalism and the neoliberal project: The case of the Climate Disclosure Standards Board." *Critical Perspectives on Accounting* 24, no. 6 (September): 397-409.
- Antonopoulos, Paul. 2019. "The Neoliberal Ghost of Pinochet is Finally Being Exorcised from Chile." Global Research. Last modified October 25, 2019.  
<https://www.globalresearch.ca/neoliberal-ghost-pinochet-finally-being-exorcised-chile/5693077>.
- Ashley, Davis-Hamel. 2012. "Successful neoliberalism? State policy, poverty and income inequality in Chile." *International Social Science Review* 87, no. 3-4 (June): 79-101.
- Astuti, Rini and McGregor, Andrew. "Responding to the green economy: How REDD+ and the one map initiative are transforming forest governance in Indonesia." *Third World Quarterly* 36, no. 12 (December): 2273-2293.
- Bakker, Karen. 2010. "The limits of 'neoliberal natures': Debating green neoliberalism." *Progress in Human Geography* 34, no. 6 (December): 715-735.
- Barbalet, Jack. 2012. "Self-interest and the theory of action." *British Journal of Sociology* 63, no. 3 (September): 412-429.

- Barr, Stewart. 2014. "Practicing the cultural green economy: Where now for environmental social science?" *Geografiska Annaler: Series B, Human Geography* 96, no. 3 (October): 231-243.
- Barros, Robert. 2002. *Constitutionalism and dictatorship: Pinochet, the Junta, and the 1980 constitution*. Cambridge: Cambridge University Press.
- Beckman, Terry, Colwell, Aslison and Cunningham, Peggy. 2009. "The emergence of corporate social responsibility in Chile: The importance of authenticity and social networks." *Journal of Business Ethics* 86, no. 2 (October): 191-206.
- Beder, Sharon. 2001. "Research note – Neoliberal Think Tanks and Free Market Environmentalism." *Environmental Politics* 10, no. 2 (July): 128-133.
- Berchicci, Luca, Dowell, Glen and King, Andrew. 2017. "Environmental Performance and the Market for Corporate Assets." *Strategic Management Journal* 38, no. 12 (December): 2444-2464.
- Bigg, Tom. 2011. "Development Governance and the Green Economy: A matter of life and death?" *Review of Policy Research* 28, no. 5 (September): 459-465.
- Bina, Olivia. 2013. "The green economy and sustainable development: An uneasy balance?" *Environment and Planning C Government and Policy* 31, no. 6 (December): 1023-1047.
- Blackman, Allen, Epanchin-Niell, Rebecca, Siikamaki, Juha and Velez-Lopez, Daniel. 2014. *Biodiversity conservation in Latin America and the Caribbean: Prioritizing Policies*. London: Taylor and Francis.
- Blanchard, Kathryn and O'Brien, Kevin. 2014. "Prophets meet profits: What Christian Ecological Ethics can learn from Free Market Environmentalism." *Journal of the Society of Christian Ethics* 34, no. 1: 103-123.
- Bleischwitz, Raimund. 2011. "Resource efficiency: Five governance challenges toward a green economy." *Journal of Industrial Ecology* 15, no. 5 (October): 644-646.
- Bosselmann, Klaus, Brown, Peter and Mackey, Brendan. 2012. "Enabling a flourishing Earth: Challenges for the Green Economy, opportunities for global governance." *Review of European Community and International Environmental Law* 21, no. 1 (April): 23-30.

- Bradbury, Lauren. 1993. "Environmental reform is under way in Chile." *Business America* 114, no. 17 (August): 6-7.
- Brender, Valerie. 2010. "Economic transformations in Chile: the formation of the Chicago Boys." *American Economist* 54, no. 1 (Spring): 111-122.
- Bryant, Gareth. 2015. "Carbon markets and the production of climate change: Appropriating, commodifying and capitalising nature." PhD diss., University of Sydney.
- Carruthers, David. 2001. "Environmental politics in Chile: Legacies of dictatorship and democracy." *Third World Quarterly* 22, no. 3 (June): 343-358.
- Charnovitz, Steve. 2012. "Organizing for the Green Economy: What an international Green Economy Organization could add." *The Journal of Environment and Development* 21, no. 1 (March): 44-47.
- Ciappa, Carlos. N.d. "Is the Chilean Environmental Impact Assessment System structured in an effective manner?" Academia. Accessed June 12, 2020.
- Clark, Timothy D. 2017. "Rethinking Chile's 'Chicago Boys': Neoliberal technocrats or revolutionary vanguard?" *Third World Quarterly* 38, no. 6 (January): 1350-1365.
- Codevilla, Angelo. 1993. "Is Pinochet the model?" *Foreign Affairs* 72, no. 5 (November): 127-141.
- Cuffe, Sandra. 2019. "Chile protests: The students 'woke us up'." Aljazeera. Last modified November 29, 2019. <https://www.aljazeera.com/indepth/features/chile-protests-students-woke-191127175718386.html>.
- Cypher, James. 2004. "Is Chile a neoliberal success?" *Dollars & Sense* 255 (September): 30-35.
- Delcampo, Alicia. 2016. "Theatricalities of dissent: Human rights, memory, and the student movement in Chile." *Radical History Review* 124 (January): 177-191.
- Desombre, Elizabeth. 2011. "Global Environmental Governance for a new Green Economy." *Review of Policy Research* 28, no. 5 (September): 467-472.
- Donoso, Sofia. 2016. "When social movements become a democratization force: The political impact of the student movement in Chile." *Protest, social movements and global democracy since 2011: New Perspectives* 39 (June): 167-196.



- Drake, Paul and Jaksic, Ivan. 1995. *The struggle for democracy in Chile*. Lincoln: University of Nebraska Press.
- Droste, N, Hansjurgens, B, Kuikman, P, Otter, N, Antikainen, R, Leskinen, P, Pitkanen, K, Saikku, L, Loeiseau, E and Thomsen, M. 2016. "Steering innovations towards a green economy: Understanding government intervention." *Journal of Cleaner Production* 135 (November): 426-434.
- Duffy, Rosaleen. 2015. "Nature-based tourism and neoliberalism: concealing contradictions." *Tourism Geographies* 17, no. 4 (August): 529-543.
- Ebenhack, Ben and Martinez, Daniel. 2013. "Global Social Contexts." In *The Path to more Sustainable Energy Systems: How do we get there from here?* 137-158. New York: Momentum Press.
- Ervin, David. 2000. "Taking stock of methodologies for estimating the environmental effects of liberalised agricultural trade." In *Assessing the Environmental Effects of Trade Liberalisation Agreements: Methodologies*, edited by OECD, 117-132. Paris: OECD Publishing. <https://doi.org/10.1787/9789264180659-en>
- Florez, Joseph. 2017. "Continuity and rupture: Pentecostal practice, community, and memory in Pinochet's Chile." *Journal of religion and society* 19: 1-22.
- Foster, John Bellamy, Clark, Brett and York, Richard. 2010. "The Treadmill of Accumulation." In *The ecological rift: Capitalism's war on the Earth*, 193-206. <https://login.ezproxy.leidenuniv.nl:2443/login?URL=http://search.ebscohost.com.ezproxy.leidenuniv.nl:2048/login.aspx?direct=true&db=e000xww&AN=516474&site=ehost-live>.
- Freund, Caroline. 2016. "Inequality, Growth and Redistribution." In *Rich People Poor Countries*, 143-162. Washington DC: Peterson Institute for International Economics. <https://login.ezproxy.leidenuniv.nl:2443/login?URL=http://search.ebscohost.com.ezproxy.leidenuniv.nl:2048/login.aspx?direct=true&db=e000xww&AN=1168463&site=ehost-live>.
- Fuentes, Claudio. 2000. "After Pinochet: Civilian policies toward the military in the 1990s Chilean democracy." *Journal of Interamerican Studies and World Affairs* 42, no. 3 (Autumn): 111-142.

- Goodman, James and Salleh, Ariel. 2013. "The 'Green Economy': Class hegemony and counter hegemony." *Globalizations* 10, no. 3 (June): 411-424.
- Grunewald, Nicole and Martinez-Zarzoso, Immaculada. 2014. "Green growth in Mexico, Brazil and Chile: Policy strategies and future prospects." *Research Discussion Papers: Ibero America Institute for Economic Research* 229 (November): 1-44.  
<https://econpapers.repec.org/RePEc:got:iaidps:229>.
- Gupta, Joyeeta and Sanchez, Nadia. 2012. "Global green governance: Embedding the green economy in a global green and equitable rule of law polity." *Review of European Community and International Environmental Law* 21, no. 1 (April): 12-22.
- Harvey, David. 2005. *A brief history of neoliberalism*. Oxford: Oxford University Press.
- Harvey, David. 2014. *Seventeen contradictions and the end of capitalism*. London: Profile Books.
- Hegmon, Michelle. 2017. "Introduction." In *The give and take of sustainability: archaeological perspectives on tradeoffs*, edited by Michelle Hegmon, 1-25. Cambridge: Cambridge University Press.
- Hoffman, Kelly and Centeno, Miguel. 2003. "The lopsided continent: Inequality in Latin America." *Annual Review of Sociology* 29 (June): 363-390.
- Huneus, Carlos. 2007. *The Pinochet Regime*. Boulder, CO: Lynne Rienner Publishers.
- Huppes, Gjalte and Ishikawa, Masanobu. 2011. "Visions for Industrial Ecology." *Journal of Industrial Ecology* 15, no. 5 (October): 641-679.
- Hyder, Badrul. 2015. "Green economy in theoretical dilemma." Norwegian University of Life Science. <http://dx.doi.org/10.13140/RG.2.1.4321.3284>.
- Jackson, Tim. 2009. *Prosperity without growth? The transition to a sustainable economy*. London: Sustainable Development Commission. [http://www.sd-commission.org.uk/data/files/publications/prosperity\\_without\\_growth\\_report.pdf](http://www.sd-commission.org.uk/data/files/publications/prosperity_without_growth_report.pdf).
- Jagt, vd Alexander, Elands, Birgit, Ambrose, Bianca, Gerohazi, Eva, Steen, Maja and Buizer, Marleen. 2016. "Participatory governance of urban green spaces: Trends and practices in the EU." *Nordic Journal of Architectural Research* 28, no. 3: 11-40.

- Jara, Camila. 2014. "Democratic Legitimacy under Strain? Declining Political Support and Mass Demonstrations in Chile." *European Review of Latin American and Caribbean Studies* 97 (October): 25-50.
- Kabul, Mary Rose and Fisher, Eloy. 2016. "The politics of student protest and education reform in Chile: Challenging the neoliberal state." *Latin Americanist* 60, no. 2 (June): 217-242.
- Kapucu, Naim and Hu, Qian. 2020. *Network Governance: Concepts, Theories, and Applications*. New York: Routledge.
- Kiernan, Paul. 2017. "Sebastian Pinera wins presidential election in Chile." *The Wall Street Journal Eastern Edition*, December 18, 2017. <https://global-factiva-com.ezproxy.leidenuniv.nl:2443/redirect/default.aspx?P=sa&an=DJDN000020171218edci0000p&cat=a&ep=ASE>.
- Killoh, Sarah. 2019. "From dams to democracy: The environmental movement in Chile." MA thesis, University Leiden. <https://openaccess.leidenuniv.nl/handle/1887/78573>.
- Lamphere, Jenna and Shefner, Jon. 2015. "Situating the Green Economy: Discourses, Cooptation and State Change." In *States and Citizens: Accommodation, Facilitation and Resistance to Globalization*, 101-124. Bingley: Emerald Group Publishing Limited.
- Langman, Jimmy. 2019. "From Model to Muddle: Chile's Sad Slide Into Upheaval." *Foreign Policy*, November 23, 2019.
- Le Blanc, David. 2011. "Special issue on green economy and sustainable development." *Natural Resources Forum* 35, (August): 151-154.
- Lefort, Fernando and Urzua, Francisco. 2008. "Board independence, firm performance and ownership concentration: Evidence from Chile." *Journal of Business Research* 61, no. 6 (June): 615-622.
- Lefort, Fernando and Walker, Eduardo. 2007. "Do markets penalize agency conflicts between controlling and minority shareholders: Evidence from Chile." *The Developing Economies* 45, no. 3 (September): 283-314.
- Lentelie, Orlando. 1976. "Economic 'freedom's' awful toll; the Chicago Boys in Chile." *Review of radical political economics* 8, no. 3 (October): 44-52.

- Loayza, Norman and Soto, Raimundo. 2002. "The sources of economic growth: An overview." *Economic Growth: Sources, Trends and Cycles* 6, no. 1: 1-40. <https://ideas.repec.org/h/chb/bcchsb/v06c01pp001-040.html>.
- Loiseau, Eleonore, Saikku, Laura, Antikainen, Riina, Droese, Nils, Hansjurgens, Bernd, Pitkanen, Kati, Leskinen, Pekka, Kuikman, Peter and Thomsen, Marianne. 2016. "Green economy and related concepts: An overview." *Journal of cleaner production* 139 (December): 361-371. <https://doi.org/10.1016/j.jclepro.2016.08.024>.
- Lostarnau, Carla, Oyazun, Jorge, Maturana, Hugo, Soto, Guido, Senoret, Michelle, Soto, Manuel, Rotting, Tobias, Amezaga, Jaime and Oyarzun, Ricardo. 2011. "Stakeholder participation within the public environmental system in Chile: Major gaps between theory and practice." *Journal of Environmental Management* 92, no. 10 (October): 2270-2478.
- Manuel, Prieto and Bauer, Carl. 2012. "Hydroelectric power generation in Chile: An institutional critique of the neutrality of market mechanisms." *Water International* 37, no. 2 (March): 131-146. <https://www.tandfonline-com.ezproxy.leidenuniv.nl:2443/doi/full/10.1080/02508060.2012.662731>.
- Maxwell, Amanda. 2009. "We may be here for a while: Chile's environmental impact review process." NRDC. Last modified December 14, 2009. <https://www.nrdc.org/experts/amanda-maxwell/we-may-be-here-while-chiles-environmental-impact-review-process>.
- McGowan, Charis. 2019. "Chile protests: What prompted the unrest?" *Aljazeera*, October 30, 2019. <https://www.aljazeera.com/news/2019/10/chile-protests-prompted-unrest-191022160029869.html>.
- Milanovic, Branko. 2019. "Chile's Fall from Grace shows the Failures of Neoliberalism." Chicago Booth Stigler Center. Last modified November 4, 2019. <https://promarket.org/chiles-fall-from-grace-shows-the-failures-of-neoliberalism/>.
- Militaru, Eva, Stroe, Christina and Popescu, Silvia. 2010. "Development of the green economy and increase of its impact on employment." *Annals of Spiru Haret University Economic Series* 10, no. 3 (September): 35-40. <https://doaj.org/article/ae20e18994e24081b818f487a6ec5d7a>.
- Ministerio del Medio Ambiente. n.d. "Consejo Consultivo del Medio Ambiente." Accessed April 2, 2020. <https://mma.gob.cl/participacion-ciudadana/consejo-consultivo-del-medio-ambiente/>.

- Ministerio del Medio Ambiente. n.d. "Estado verde." Accessed April 3, 2020.  
<https://estadoverde.mma.gob.cl/>.
- Ministerio del Medio Ambiente. n.d. "Estructura organizacional." Accessed April 2, 2020.  
<https://mma.gob.cl/estructura-organizacional/#>.
- Monckeberg, Juan, Bergamini, Kay and Perez, Cristian. 2015. "Environmental enforcement networking efforts in Chile: Lessons learnt and challenges ahead." In *Environmental Enforcement Networks*, edited by Michael Faure, Peter de Smedt and An Stas, 470-481. Edward Elgar Publishing.
- Navia, Patricio. 2010. "Living in Actually Existing Democracies: Democracy to the Extent Possible in Chile." *Latin American Research Review* 45, no. 4: 298-328.
- Niemietz, Kristian. 2019. "Neoliberalism in Chile – the Unpopular Success Story." Institute of Economic Affairs. Last modified October 30, 2019. <https://iea.org.uk/neoliberalism-in-chile-the-unpopular-success-story/>.
- OECD and CIPE. 2003a. "Chapter 1: Corporate Governance in Development: The concept, the issues, the policy challenges." In *Corporate Governance in Development: The Experiences of Brazil, Chile, India and South Africa*, edited by Charles Oman, 1-26. Paris: OECD Publishing. <https://doi.org/10.1787/9789264106598-en>.
- OECD and CIPE. 2003b. "Chapter 3: Chile – Enter the Pension Funds." In *Corporate Governance in Development: The Experiences of Brazil, Chile, India and South Africa*, edited by Manual Agosin and Ernesto Pasten, 77-104. Paris: OECD Publishing. <https://doi.org/10.1787/9789264106598-en>.
- OECD. 2004. "Competition law and policy in Chile: A peer review. Paris: OECD Publishing. <https://doi.org/10.1787/9789264064768-en>.
- OECD. 2011. "Fostering Innovation for Green Growth." In *OECD Green Growth Studies*, 1-128. Paris: OECD Publishing. <https://doi.org/10.1787/9789264119925-en>.
- OECD. 2011. *Corporate Governance in Chile*. Paris: OECD Publishing. <http://dx.doi.org/10.1787/9789264095953-en>.
- OECD. 2013. "National Green Growth Strategy." Accessed April 30, 2020.  
<http://www.oecd.org/greengrowth/Green%20Growth%20Strategy%20Chile.pdf>.

- OECD. 2016. *OECD Environmental Performance Reviews*. Paris: OECD Publishing.  
<https://doi.org/10.1787/9789264252615-en>.
- Okubo, Atsuko. 1999. "Environmental labeling programs and the GATT? WTO regime." *Georgetown International Environmental Law Review* 11, no. 3: 599-646.  
[https://heinonline.org/HOL/Page?collection=journals&handle=hein.journals/gintenlr11&id=607&men\\_tab=srchresults#](https://heinonline.org/HOL/Page?collection=journals&handle=hein.journals/gintenlr11&id=607&men_tab=srchresults#).
- Onestini, Maria. 2012. "Latin America and the winding road to Rio+20: From sustainable development to Green Economy discourse." *Journal of Environment and Development* 21, no. 1 (January): 32-35.
- Orihuela, Jose. 2010. "Journeys towards sustainable development policy entrepreneurs and the rise of the green state in Chile and Peru." Diss., Colombia University.  
<https://search-proquest-com.ezproxy.leidenuniv.nl:2443/docview/862864998?accountid=12045>.
- Parr, Adrian. 2015. "Urban Debt, Neoliberalism and the Politics of the Commons." *Theory, Culture & Society* 32, no. 3 (May): 69-91.
- Pearse, Rebecca. 2010. "Making a market? Contestation and climate change." *Journal of Australian Political Economy* 66 (December): 166-198.
- Peres, Wilson. 2011. "Industrial Policies in Latin America." *WIDER Working Paper Series: World Institute for Development Economic Research* 2011, no. 48: 1-19.
- Puppim de Oliveira, Jose, Doll, Christopher, Balaban, Osman, Jiang, Ping, Dreyfus, Magali, Suwa, Aki, Moreno-Penaranda, Raquel and Dirgahayani, Puspita. 2013. "Green economy and governance in cities: assessing good governance in key urban economic processes." *Journal of Cleaner Production* 58, (November): 138-152.
- Randall, Ian A. 2011. "In Chile, Explaining Massive Protests Entails Remembering the Past." *Dissent* 58, no. 4 (Fall): 15-21.
- Roberts, J. 2007. "Globalizing environmental justice." In *Environmental justice and environmentalism: The social justice challenge to the environmental movement*, edited by Phaedra Pezzullo and Ronald Sandler, 285-308. Cambridge: The MIT Press.
- Rona, Natalie. 2019. "Case study on Chile: Clean Production Agreements." LEDS Global Partnership. Last modified October 15, 2019. [https://ledsgp.org/resource/case-study-on-chile-clean-production-agreements/?loclang=en\\_gb](https://ledsgp.org/resource/case-study-on-chile-clean-production-agreements/?loclang=en_gb).

- Ruffin, Roy. 2002. "David Ricardo's discovery of comparative advantage." *History of Political Economy* 34, no. 4 (November): 727-748.
- Schaeffer, C. 2017. "Democratizing the Flows of Democracy: Patagonia Sin Represas in the Awakening of Chile's Civil Society." In *Social Movements in Chile*, edited by Sofia Donoso and Marisa von Bulow, 131-160. New York: Palgrave Macmillan.
- Sehnbruch, Kirsten and Siavelis, Peter. 2014. "Political and Economic Life Under the Rainbow." In *Democratic Chile: The Politics and Policies of a Historic Coalition, 1990-2010*, 1-12. Boulder, CO: Lynne Rienner Publishers.
- SGI. 2017. "Environmental Policies #34." Sustainable Governance Indicators. Accessed June 12, 2020. [https://www.sgi-network.org/2017/Chile/Environmental\\_Policies](https://www.sgi-network.org/2017/Chile/Environmental_Policies).
- Sigmund, Paul. 1983. "The rise and fall of the Chicago Boys in Chile." *SAIS Review* 3, no. 2 (Summer): 41-58. <https://search-proquest-com.ezproxy.leidenuniv.nl:2443/docview/1311684370?accountid=12045>.
- Silva, Eduardo and Rabkin, Rhoda. 1993. "Chile's democracy." *Journal of Interamerican Studies and World Affairs* 34 (January): 77-117.
- Silva, Eduardo. 2016. "Patagonia, without Dams! Lessons of a David vs. Goliath campaign." *The Extractive Industries and Society* 3, no. 4 (November): 947-957. <https://doi.org/10.1016/j.exis.2016.10.004>.
- Silva, Francisca, Majluf, Nicolás and Paredes, Ricardo. 2006. "Family ties, interlocking directors and performance of businesses groups in emerging countries: The case of Chile." *Journal of Business Research* 59, no. 3 (March): 315-321.
- Smith, Keith. 2000. "Innovation as a systemic phenomenon: Rethinking the role of policy." *Enterprise and Innovation Management Studies* 1: 73-102.
- Solar, Carlos. 2018. "Governance, Policy Networks and Institutions." In *Government and Governance of Security: The Politics of Organised Crime in Chile*, 22-50. New York: Routledge.
- Solimano, Andres. 2012. *Chile and the neoliberal trap: The Post-Pinochet era*. New York: Cambridge University Press.

- Stromquist, Nelly and Sanyal, Anita. 2013. "Student resistance to neoliberalism in Chile." *International Studies in Sociology of Education: Neoliberal common sense in education part one* 23, no. 2 (June): 152-178. <https://doi-org.ezproxy.leidenuniv.nl:2443/10.1080/09620214.2013.790662>.
- Sullivan, Larry. 2009. *The SAGE Glossary of the Social Sciences*. London: SAGE Publications Inc. <https://login.ezproxy.leidenuniv.nl:2443/login?URL=http://search.ebscohost.com.ezproxy.leidenuniv.nl:2048/login.aspx?direct=true&db=e000xww&AN=474685&site=ehost-live>.
- Taylor, Marcus. 2006. "Neoliberalism and 'creative destruction', 1973-89." In *From Pinochet to the 'Third Way': Neoliberalism and Social Transformation in Chile*, 53-76. London: Pluto Press.
- Tecklin, David. 2014. "Environmental governance and the politics of property in Chile." PhD diss., University of Arizona. <https://search-proquest-com.ezproxy.leidenuniv.nl:2443/docview/1614168934?accountid=12045>.
- Thoyre, Autumn. 2015. "Constructing environmentalist identities through green neoliberal identity work." *Journal of Political Ecology* 22, no. 1 (December): 146-163.
- United Nations Environment Group. 2011. *Working towards a balanced and inclusive Green Economy: A United Nations System-wide Perspective*. United Nations Environment Management Group. <https://greengrowthknowledge.org/resource/working-towards-balanced-and-inclusive-green-economy-un-system-wide-perspective>.
- Uribe, Rafael, Manterola, Francisco, Sontag, Caroline, Botero, Andres and Harvey, Campbell. 2016. "Hidroaysén Case: Building Dams in Chile's Patagonia Region." *Climate Change and the 2030 Corporate Agenda for Sustainable Development* 19: 177-192. <https://login.ezproxy.leidenuniv.nl:2443/login?URL=http://search.ebscohost.com.ezproxy.leidenuniv.nl:2048/login.aspx?direct=true&db=e000xww&AN=1423592&site=ehost-live>.
- Wanner, Thomas. 2015. "The new 'passive revolution' of the Green Economy and Growth Discourse: Maintaining the 'sustainable development' of neoliberal capitalism." *New Political Economy* 20, no. 1 (January): 21-41.
- Zunino, Hugo Marcelo. 2006. "Power relations in urban decision-making: Neo-liberalism, 'Techno-politicians' and authoritarian redevelopment in Santiago, Chile." *Urban Studies* 43, no. 10 (September): 1825-1846.