

## INTRODUCTION

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When the Chilean philosopher Patricio Marchant reflects on why after fifteen years of university life dedicated to studying philosophy and psychoanalysis, he decided to devote himself to Gabriela Mistral's poetry (producing the singular encounter between theoretical thinking and Mistral that is the book *Sobre arboles y madres*), he recalls a gift given to him many years earlier by his first philosophy teacher: "your duty," Louis-Bertrand Geiger advised him, "is to study what is great in your *patria*, Chilean poetry."<sup>1</sup> For Marchant this duty—a joyful one, a celebration—is distinct from the kind of intellectual work emanating from the will to knowledge that motivates university discourse. It is, rather, the acceptance of a duty assigned to him as a subject from a place, a language, and a history. No doubt that today Chilean poetry continues to be a rich and joyful duty that calls for our study; but from the perspective of our current historical conjuncture—the crisis of neoliberalism—one of the strong contributions that the Chilean experience of the last forty years has to make to contemporary critical-theoretical discourse in the humanities is a unique insight into the culture, problems, and logics of the transition to neoliberal capitalism. The duty of this study then is to give an account of this transitional experience.<sup>2</sup>

Frequently heralded as the first project of neoliberal state for-

mation and one of the great modern laboratories of political and economic experimentation, the Chilean dictatorship and postdictatorship period is, almost by antonomasia, linked to terms such as *structural adjustment*, *economic shock treatment*, and the *economic miracle* and to a series of economic reforms that have become hypostatized under the general rubric of neoliberalism. This transitional moment—understood in Willy Thayer’s sense as the passage from the sovereignty of the state to the sovereignty of the market—marks a moment of capital flight. Capital disengages from the factories and industries (the spaces of extraction and production associated with an earlier regime of capital accumulation, import-substitution industrialization) and concentrates on speculative sites such as investments, mortgages, currency contracts, corporate securities, and the stock market.<sup>3</sup> Tomás Moulian identifies accelerated deindustrialization and the massification of credit as the defining characteristics of the Chilean transitional period. He goes on to claim that they led to a new regime of “plastic money” and a new subject: “the credit card citizen.”<sup>4</sup> How can we think the relation between culture and economics in this transitional period? Or, how do we map the effects of this financialization and the reorganization of society around consumption and communication in the realm of cultural production? The paradox that resides at the core of this question has to do with the present’s inability to distinguish between these two spheres. This indistinguishability is one of the defining characteristics of neoliberalism: that is to say, the expansion of the economic form to the point that it covers the totality of the social sphere, hence eliding any difference between economics and culture.

This is the task that *Speculative Fictions* undertakes: to analyze the reconfiguration of the aesthetic and the economic spheres in the context of the Chilean neoliberal transition (1973 to the present). This book begins this task by attempting to address a problem made visible through a reading of José Donoso’s *Casa de campo*, a novel that allegorizes the military coup and the neoliberal transition. I argue that in an attempt to define what kind of writing is possible after 1973, the novel reveals a double bind: it reflects on its own failure to produce a defetishizing realist discourse capable of returning us to the materiality of things, and it also reveals the failure of allegory as a form

that can continue to function in a Benjaminian sense as a transitional discourse, that is, one that can gesture toward the coming of a new emergent formation. This failure of allegory to continue to function as a transitional mode of thinking is due to its logic of abstraction being exceeded and rendered obsolete by the commodity form.<sup>5</sup> My reading of José Donoso's novel suggests that the allegorical fragment having been rendered obsolete by capital's globalizing logic can no longer account for the cultural forms related to neoliberal capitalism. Working with novels, essays, documentaries, *testimonios*, and the visual arts, this study explores a series of emergent figures in contemporary Chilean cultural production that take up the challenge left to us by Donoso's work. These figures include: the stock-market model of value, the artist-entrepreneur, human capital and the virtuoso model of labor, commodified memory, and the *imbunche* as an economic text.

The stock-market model of value emerged as a figure during the financial boom and bust of the early 1980s. Arturo Fontaine's novel *Oír su voz*, for example, depicts the rise of a new breed of entrepreneur whose neoliberal model of value is based on the concept of human capital (the investment made in skills acquired through activities such as education, training, and hobbies in order to maximize one's value in the workplace). In this way the calculating rationality associated with previous cycles of capitalist accumulation is replaced with attributes such as high-stakes risk taking, undecidability, a valorization of creation, and virtuosity. In the age of financialization the work of the new entrepreneurs is modeled on the characteristics of creative artistic ability; they are presented as artist-entrepreneurs. From a very different perspective, Diamela Eltit's *Mano de obra* critiques post-Fordist conceptualizations of the service sector (the virtuoso model of labor).

In the context of the Chilean documentary form, commodified memory refers to the plight of memory politics during the neoliberal transition. Effectively deployed during the antidictatorship struggles, memory politics as a contestatory practice and as a resource for collective action, I argue, needs to be rethought in the age of the mass-media saturation and the "informationalization" of memory. The figure of restitution is put forward as a way of thinking about

the past that moves us beyond melancholic angst and the discourse of apology, forgiveness, and repentance, in order to move toward a fuller understanding of the profound transformations produced by the coup and the transition.

The *imbunche*—a figure from Mapuche mythology that has all of its bodily orifices sewn closed by witches— which was perhaps most famously resignified in José Donoso's *El obsceno pájaro de la noche*, was taken up by the visual artist Catalina Parra in 1977 to signal how the dictatorship was producing sutured, mutilated, and censored bodies. This figure was resignified again in the neoliberal moment as a vehicle for thinking the problems of a critical visual arts practice in a time when its antiinstitutional strategies seemed to have been effectively subsumed by the speculative logic of neoliberal capitalism.

As a precursor to the adoption of the neoliberal model in other parts of the globe, the focus on Chile allows for a careful, situated, and historicized exploration of the cultural logics of neoliberal capitalism. The rationale for the emphasis on a national context is twofold: to contribute to the field of Chilean literary and cultural studies and, more ambitiously, to show what the Chilean neoliberal experience reveals about the inner logic and profound effects of the global neoliberal condition at the moment of its supposed disappearance.<sup>6</sup> The question then is, what can the Chilean neoliberal experience offer the world regarding our understanding of the transformations that have occurred and the kinds of antagonistic logics that are now possible?

### **Contextualizing Chilean Neoliberalism**

The Chilean neoliberal project emerges out of a specific historical conjuncture. It becomes the dominant economic model in the aftermath of the 1973 military coup and, as such, can be seen as a reaction to the leftist policies of the Unidad Popular (Popular Unity) government.<sup>7</sup> But for a deeper understanding of this social and economic phenomenon, its roots need to be traced further back. A longer perspective reveals the neoliberal project to be a reaction against the system of import-substitution industrialization and the Keynesian state form that prevailed in Chile and much of Latin America since the 1930s. Out of the 1929 stock-market crash and

the Great Depression this Keynesian state form emerged in Latin America, shedding many of the precrisis liberal laissez-faire principles and advocating a mixed economy with an active public sector. In Chile this transitional period of liberal trade crisis and the subsequent passage to import-substitution industrialization was marked by the end of the Ibañez regime, the collapse of the nitrates market, and the global economic recession.<sup>8</sup> In the context of this periodization, the 1970 Popular Unity government represents a radical incarnation of this national popular state project, while the 1973 military coup marks the end of the cycle and the violent transition to the neoliberal period.

A characteristic specific to the Chilean neoliberal transition is that the implementation of structural reforms (specifically the economic “shock” plan of 1975) preceded the adoption of this economic ideology by the International Monetary Fund and the World Bank as their official policy toward Latin America. It was only after 1983 that these institutions became actively involved in Chile.<sup>9</sup> This means that narratives that situate the Chilean neoliberal transition within the general context of the crisis of the national-populist Keynesian state—catalyzed in most Latin American countries by the 1982 debt crisis—end up erasing the historical specificity of the Chilean capitalist revolution. In Chile by 1982 the state-centered model had already been effectively dismantled.<sup>10</sup> Thus for the Chilean case, neoliberalism—understood here in its limited sense as a set of economic reforms that put into practice the Chicago School’s reworking of classical economic doctrine (privatization, flexibilization of labor, “downsizing” and rationalization, deregulation and diminished capital market restrictions)—needs to be situated in relation to a longer period of economic and political transformation.<sup>11</sup>

The Chilean neoliberal transition is commonly periodized into two distinct stages.<sup>12</sup> The first—and most ideologically radical phase—began in 1975 and collapsed with the economic crisis of 1982.<sup>13</sup> This first stage was marked by the appointment of Chicago School-trained economists to many of the key state economic posts (Sergio de Castro’s appointment as the minister of the economy was this stage’s apex).<sup>14</sup> It was during this period that Milton Friedman’s ideas were most faithfully put into practice by his Chilean students and followers. These policies included: liberalizing the price system and market,

opening the country up to foreign trade, and generally reducing government involvement in the economy.<sup>15</sup> The second phase inaugurated a more pragmatic form of neoliberalism. This phase emerged after the economic debt crisis of the early 1980s, which sank the short-lived “Chilean economic miracle” and threatened the future of the Chilean neoliberal economic model. The resulting government bailout of private banks was lampooned by the regime’s critics as the “Chicago road to socialism.”<sup>16</sup> Chilean neoliberalism survived this crisis but emerged as a more mixed and pragmatic economic form led by economic thinkers such as Luis Escoba Cerda and Hernán Buchi. This second model was then inherited and to a certain extent continued by the center-left Concertación governments in the 1990s. This later pragmatic turn in the Chilean neoliberal experiment has proven to be the most influential and served as a model for subsequent turns to neoliberalism in other parts of the world (most notably in England under Margaret Thatcher and in the United States under Ronald Reagan).

In much of the economic and political literature on neoliberalism, Chile is named briefly—often in a footnote—as the first experiment in neoliberal reforms.<sup>17</sup> The following study focuses on the Chilean neoliberal experience in an attempt to better understand the profound transformations that this model produced and to map its effects in the realm of cultural production. Although informed by economic and policy approaches, my reading of neoliberalism does not focus on it as a strictly economic field. Rather, following Brett Levinson’s reflections on the market, I explore it as “a kind of thinking” and “a way of comprehending the globe.”<sup>18</sup> Instead of reproducing a policy-oriented approach to neoliberalism, the following chapters engage with the theoretical underpinnings and most radical ideas produced by the neoliberal movement in order to understand and assess its relation to the cultural expressions associated with it. From a Latin American perspective this demands an exploration of the founding union of authoritarian violence and market freedom upon which Chilean neoliberal modernization is based. This study follows Georg Simmel’s insight that a philosophy of money “can only lie on the other side of the economic science of money.”<sup>19</sup> In the case of *Speculative Fictions* this insight could be rewritten in the following way:

a theoretical exploration of neoliberalism can only lie on the other side of “actually existing neoliberalism,” which nowhere lives up to its own ambitions. This “other side” refers to the ideals and values that neoliberalism has of itself and that for a brief period of Chilean history (the first neoliberal stage) were put into practice.

### **Neoliberalism and Dedifferentiation**

The term *neoliberalism* is dangerously multivalent. Its widespread use, and abuse, as a term that names vastly different economic ideas and historical transformations threatens to render it meaningless. It is sometimes used to describe a full-fledged economic model; other times it is used more loosely to describe a set of economic ideas and policies; and other times it names a specific articulation of culture, politics, and economics in the era of globalization. Rooted in the latter project, I have attempted to curtail some of the term’s ambiguities by giving Chilean neoliberalism a specific historical contextualization and periodization. In the following section I develop some of the main theoretical problems that emerge out of the Chilean neoliberal experience.

In his periodization of the concept dedifferentiation, Fredric Jameson pinpoints 1973 as a moment of world crisis (marked by the oil crisis, the end of the gold standard, and the end of traditional communism) when the economic system and the cultural structure of feeling “crystallized.”<sup>20</sup> That is to say, the distinction between culture and the economy was eclipsed and collapsed. The term *differentiation* is taken from Niklas Luhmann’s work on systems theory and describes the dynamic through which semiautonomous systems emerge out of an undifferentiated mass—such as, for example, social classes, academic disciplines, and professional specializations. *Dedifferentiation*, then, describes a conjuncture when everything including commodity production has become cultural, and culture has become profoundly economic.

Building on the concept of dedifferentiation, *Speculative Fictions* focuses on the cultural effects of neoliberalism’s expansion of the economic form so that it applies to the totality of the social sphere, thus eliding any difference between the economic and the social. As Michel Foucault puts it in his work on American neoliberal biopolitics:

"neoliberalism seeks . . . to extend the rationality of the market, the schemes of analysis it proposes, and the decision-making criteria it suggests to areas that are not exclusively or not primarily economic."<sup>21</sup> Thus, economic analytical schemata and the criteria for economic decision making are applied to spheres of life that are not exclusively economic. This represents a transition from trying to govern society in the name of the economy to redefining the social sphere as an economic domain. The economy is no longer considered one social domain among others, but an area that embraces the entirety of human action. As a result, rational economic action becomes the all-encompassing principle of legitimation.

The Chicago School theorist whose work best represents this expansion of the economic field is Nobel Prize-winning economist Gary Becker. One of the axioms that guide Becker's work is that all actors in the social game are rational agents who maximize their advantages in different cost situations. The difference between classical liberalism and Becker's neoliberalism is that the relation between the state and the economy is redefined so that the market becomes the organizing and regulative principle. By encoding the social domain as an economic domain, cost-benefit analysis and market criteria can be applied to all instances of decision making. Thus the notion of natural freedom, which was the ultimate ground of classical liberalism, is replaced by the idea of economic liberty (the entrepreneurial and competitive behavior of economic-rational individuals). This conflation of individual freedoms and liberal democracy with the freedom of the market and of trade—a conflation that has been most powerfully articulated in the work of Friedrich von Hayek—is one of the basic assumptions of the neoliberal project. The contradiction that the Chilean case, the first neoliberal state, brings to light is the seemingly necessary authoritarian nature of such an undertaking. This harkens back to Karl Polanyi's critique of the Mont Pelerin Society and his prediction that ultimately the neoliberal utopian project could only be sustained by resorting to authoritarianism.<sup>22</sup> Giorgio Agamben's critique of Foucault's biopolitical project—which I examine in detail in chapter 4—opens up the discussion of neoliberalism to include its founding moment of authoritarian violence. Agamben's corrective reading of Foucault

introduces into the latter's work what Agamben considers a blind spot in regard to the most biopolitical of modern spaces: the concentration camp. In this way a connection is established between a fascist biopolitics (the emergence of *Homo sacer*, which I explore through the Chilean concentration camp *testimonio* and the documentary form) and the neoliberal biopolitical project (the emergence of *Homo economicus*, which I explore through Chilean narrative and visual arts).

### **Human Capital; or, a Neoliberal Concept of Labor**

The Chilean sociologist Manuel Antonio Garretón describes the transition to globalization in Latin America as a move from an industrial society organized around labor and production to a postindustrial society organized around consumption and communication.<sup>23</sup> Garretón is describing what we have called the transition from import-substitution industrialization—which itself is a reaction to the liberal economic policies that led to the depression in the 1930s—to neoliberalism. Import-substitution industrialization, which is characterized by self-sustained growth, an escape from dependence on raw material exports and foreign markets, accelerated industrialization with active government intervention, and the implementation of tariff barriers, is replaced by neoliberal policies, which include lowered trade barriers, an opening to foreign investment, a reduction of the size of the state, the privatization of the public sector, and the market regulation of the economy and of society.<sup>24</sup> Out of this transition *culture* emerges redefined: according to Garretón, it assumes characteristics previously associated with the sphere of politics (and, as was discussed in the previous section, economics). If this is the case, then the question is, what is the fate of labor in a society organized around consumption and communication?

I explore this question by focusing on the neoliberal concept of labor, human capital. Human capital—whose strongest articulation is in the work of Theodore W. Schultz and Gary Becker—refers to the skills that an individual acquires through investments in education, training, social milieu, diet, and hobbies. From the perspective of human capital, life becomes a strategy of self-appreciation where all behavior, action, and decision making is focused on valorizing one's

portfolio. Neoliberal subjects become “entrepreneurs of themselves,” investors in their own human capital. In the Chilean context, the 1973 document *El ladrillo* served as a blueprint for reorganizing labor around the concept of human capital (I explore the significance of this document more fully in chapters 2 and 6). Couched in the supposedly postideological logic of “eminently technical criteria,” this antistatist text’s utopic aim is the creation of a world free of centralized planning and bureaucratic direction. It maps out the steps necessary to turn back the tide on four decades of import-substitution industrialization by situating human capital as the central category for Chile’s neoliberal project of modernization. An analysis of the narrative fictions produced during this period explore the workings of human capital as a subjective form, and they also reveal an inner homology between two of the dominant ways of conceptualizing labor in our times, immaterial labor and human capital. At stake in both human capital’s and immaterial labor’s collapsing of the differences between physical and intellectual labor is the place of critique. The blurring of the difference between action and meaning puts into question a critical faculty capable of questioning the meaning of action.

The general architectural assembly of this book is laid out in the following way: it is organized around a central problem, that is, the challenge José Donoso’s work passes on to future generations of writers and artists regarding what kind of writing is possible after the epochal transition that 1973 represents. The book’s subsequent chapters explore different ways—and different mediums (the novel, documentary film, the *testimonio*, visual arts, and cultural theory)—that the following generation of writers, artists, and thinkers has taken up in order to address Donoso’s challenge.

The first chapter connects the tensions between realism and modernism in José Donoso’s work to a historical turning point in Chile brought about by the Popular Unity government, the 1973 military coup, and the subsequent neoliberal transition. In so doing, I establish specific interconnections among aesthetic, economic, and political transitions. The novel *Casa de campo* is interpreted as a *transitional* text: its allegorization of the military coup and its turn toward the abstract concepts of political economy (primitive accumulation, commodification, gold, and the move toward to fiduciary currencies)

situate Donoso's literary project in relation to a global capitalist transformation, of which the Chilean neoliberal transition has been regarded as a model case. This reading of Donoso's narrative project sets up a challenge for future generations to which all four of the following chapters attempt to respond: how can we understand the cultural forms of neoliberalism?

I follow up with a chapter that explores two ideologically opposed literary representations of Chile's transition from a largely industrial and agrarian order to neoliberal capitalism. In both of the novels—Arturo Fontaine's 1992 *Oír su voz* and Diamela Eltit's 2002 *Mano de obra*—an important shift in the concept of labor is identified and explored. Working from different intellectual traditions—the neoliberal labor concept of human capital and the post-Fordist concept of labor developed by the *operaismo* thinkers (immaterial labor)—the novels reveal a similar inner logic at work in these two increasingly dominant ways of thinking about labor in our times.

The third chapter focuses on the documentary form, a significant cultural force during the dictatorship and postdictatorship periods because of its relation to “the politics of memory.” Through an analysis of the work of Patricio Guzmán and Silvio Caiozzi, I map a shift from the vocabulary of collective action and massive mobilizations (the narrative of the Grand March) to a focus on intimate and private stories of tragedy and loss told in a nostalgic and melancholic register. This transformation of the paradigm of memory politics, which was deployed oppositionally during the dictatorship period, is, I argue, connected to the more general neoliberal transformations. The problem of memory and the market, its commodification, informationalization, and mass marketing, is explored in this new market situation in regard to the possibilities of a politics of restitution.

Chapter 4 focuses on Catalina Parra's visual arts project, which engages with the notions of consumption, spending, debt, and the saturation of the image in contemporary culture. Parra's work connects back to the first chapter by explicitly taking up the challenge left by José Donoso's work: how can we begin to understand the cultural forms of neoliberal capitalism? Parra does this by recuperating for the present Donoso's version of the figure of the sewed-up *imbunche* (from the novel *El obsceno pájaro de la noche*). The *imbunche* becomes

in Parra's oeuvre a figure for the nightmarish modernity that is driven by the dictatorship and produces sutured, mutilated, and censored bodies in its wake. In this way I trace how one of Donoso's figures is taken up in a moment when it has been intensified and surpassed by the dictatorship, the transition, and the neoliberal condition.

The fifth and concluding chapter further develops the neoliberal concept of labor, human capital, by connecting it to Marx's discussion of the real subsumption of labor under capital. The implications of this connection are explored through a discussion of the role of the intellectual in neoliberal times, the obliteration of the differences between physical and intellectual labor, and Ramón Díaz Eterovic's detective novel *A la sombra del dinero*. The chapter finishes with an overview of the project of *Speculative Fictions*.