UNDERSTANDING HEALTH POLICY CHANGE IN POST DICTATORSHIP CHILE (2000-2006): AN ADVOCACY COALITION FRAMEWORK ANALYSIS

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INTRODUCTION

"I always say that this is an example of a law, that after a strong ideological confrontation, the discussion became practical. And the reform was approved almost for unanimity… That was strange, because it did start as a world war"

(Interview with Senator Viera Gallo, Socialist Party, 2014).

This paper examines the policy process of the health reform in Chile through the lens of the Advocacy Coalition Framework (ACF), focusing on the paths of policy change. Previous research on social policy reforms in Chile suggests that the institutional legacies from the Pinochet dictatorship (1973-1990) constrained new democratic governments to implement radical reforms (Ewig and Kay 2011, Pushkar 2006, Castiglioni 2005, Davila 2005, Gonzalez-Rossetti et al 2000). Generally, these studies adopt an historical institutionalist approach that see “institutions as the legacy of concrete historical processes” (Thelen 1999: 382) and become the background of the policy process, shaping alternatives through rules and norms accordingly to its historical development (Pierson 1996, Hall 1996). Concepts of path dependence, policy feedback and policy legacies are often referred to explain cases of stability rather than those cases where there is a policy change.

In the case of Chile, Pinochet’s dictatorship left a myriad of legacies that explain attitudes and decisions of the Chilean elites in the new democratic period; for instance, the electoral system (binominal) and presidential powers enacted by the Constitution of 1980 (Funk 2004; Davila y Fuentes 2003; Jaksic and Drake 1999). With this background, subsequent Chilean governments have mainly maintained the neo-liberal model implemented under Pinochet’s regime: the free-market policies and its negative effects over social policies, and particularly, in a dual healthcare system.

The application of the ACF permits to analyse the process of policy change overcoming the limits imposed by institutionalist perspectives often used in the Chilean case, to explain the approval of the reform proposed by Ricardo Lagos in 2000. As such, I argue that a dynamic structure of coalitions permitted to reach a negotiated agreement that prompted the policy change in health sector.
The structure of this paper is as follows: in the first part, I provide a brief context of the Chilean health system and the reform proposal. The second section presents the research questions and theoretical framework that informs this study. In the third section, I identify and analyse the dynamic of coalitions during the policy process, which it is divided in two phases. In the last part, a summary of the findings is presented.

1. BRIEF CONTEXT

Since the return to democracy, from 1990 to 2010, Chile was ruled by a centre-left alliance called La Concertacion, composed of the Christian Democratic Party (PDC), Socialist Party (PS), Radical Party (PR) and Party for Democracy (PPD). The opposition was congregated in the Alianza por Chile pact, formed by the main two right-wing parties: the Independent Democratic Union (UDI) and National Renovation (RN)\(^1\).

The consolidation of La Concertacion after one decade in office, created an opportunity for President Ricardo Lagos (2000-2006) to make reforms in the social protection system, specifically, to the health sector; considering that there were no significant attempts to restructure the health care sector on the first two governments after the return to the democracy.

Lagos had placed emphasis in his campaign on the fact that he was committed to implement a sectorial reform to address the enormous imbalances between the public (FONASA) and the private system (ISAPRES) that were introduced under the authoritarian regime. Even though Chile presented good indicators on health care in comparison with other Latin American countries, there were a number of issues that needed attention. To place this in context, by 2000, FONASA covered around 66% of population, whereas the private sector

\(^1\) Alianza por Chile defeated La Concertacion in the elections of 2010, with Sebastian Pinera as a president. After four years, the centre-left pact was renamed as La Nueva Mayoria (including now the Comunist Party) and Michelle Bachelet was reelected as president in her second period until 2016.
covered approximately 20% of population. The main problem is the unbalanced distribution of patients: ISAPRES includes the youngest, healthiest and highest income groups. Conversely, FONASA is composed of the elderly, high-risk people -including “women of reproductive age”- and the poor. In addition to this disparity, other negative aspects of the private sector are the lack of transparency (e.g. changing prices and rules) and discriminatory procedures to select or exclude beneficiaries.

The social democrat agenda of President Lagos sought to re-define health care as an entitlement, in contrast with the individualistic approach from the dictatorship, in which wealthy users would help with their contributions to pay the Plan AUGE for the poorest. Specifically, President Lagos proposed a set of bills that comprise of five main policies: a regulatory framework for ISAPRES (two bills), new managerial and administrative guidelines for public authorities, the Plan AUGE, and the Health Financing Law (as part of the Law 19.888). The components of the reform represent the range of issues that were part of the debate, but the last two policies caused more polarisation between coalitions, given that both involved transfer and redistribution of economic resources.

2. RESEARCH QUESTION AND THEORETICAL FRAMEWORK

Despite the institutional legacies, the research question that guides this paper is: what are the factors that determined the scope of the health reform in Chile carried out by the Lagos Administration (2000-2006)?

In answering this question, I looked at those approaches that explain policy change. Although in general public policy theories suggest that drastic change in policies is less likely to occur, and the policy process is characterised by long periods of stability, these theories also recognise that policy change is possible, but under particular circumstances. For instance, the multiple streams approach (Kingdon 1984) suggest that policy change as a result of convergence of

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2 The Law 19.888 was called "Financiamiento necesario para asegurar objetivos sociales prioritarios del Gobierno".
problems, politics and policy: how problems are perceived, what solutions are considered to be feasible, and the political will of actors to introduce changes. Punctuated equilibrium approach (Baumgartner and Jones 1993) postulates that long-periods of stability, path dependency of institutions and practices may change, as a result of an unexpected events or critical junctures, similarly to the historical institutionalism view (Pierson 2001; Hall 1993; Thelen and Steinmo 1992).

However, due the restrictions of these previous arguments, it could be difficult to explain why in some cases change effectively occurred, whereas there are not specific shocks or events that can explain such transformation, as the punctuated equilibrium and critical junctures theories suggest; or it is difficult to see in practice a simultaneous convergence of streams, as Kingdom’s model3, because it depends on a combination of several conditions in one particular moment. The isolation of events does not provide a full picture of what is happening in the policy process, in the long term. Overcoming stability and single events as causal explanation of change, the Advocacy Coalition Framework (ACF) seem a suitable approach because it looks at the policy process and policy change as a continuous process rather than a specific momentum, within a policy subsystem (Sabatier and Jenkins 1993; 1999; Sabatier and Weible 2007).

As an analytical framework, the main assumption of the ACF is that there is an interplay of various actors that coalesce into coalitions within a policy subsystem; their shares beliefs and values, seeking to influence the decision-making process accordingly. The dynamic of coalitions is embedded in a broad institutional scenario as relatively stable parameters that created opportunities or constraints for policy subsystems coalitions (Sabatier and Weible 2007; Sabatier and Jenkins-Smith 1999).

The ACF framework suggest that policy change might be a consequence of four factors: a) External events refer to an unexpected episode that takes place outside the policy subsystem (Zafonte and Sabatier 2004) b) Internal shocks are events that take place inside the policy subsystem that may affect directly the

3 Olavarria, M. (2012) used Kingdon’s framework to analyse public policy developments in Chile.
coalitions stability and the distribution of resources (Kübler 2001); c) policy learning has to do with the role of scientific knowledge and how the information provided by experts is able to promote a revision of beliefs by coalitions, and may lead to policy change (Abrar et al. 2000), and lastly, d) there is a negotiated agreement, that refers to the potential collaboration across coalitions, in which the polarisation of conflicts is reduce and actors involved are willing to reach a consensual approach to resolve a dispute (Larsen et al. 2006, Kübler 2001).

Research applying the ACF in former authoritarian regimes has been slightly increased in the last years, taking into account the legacies created by the previous authoritarian governments as determinants of policy developments for new democracies. Case studies from European and Asian countries show that regarding paths of policy change, most of the transformations have responded to external events. Albright (2011), for example, discusses causal mechanisms of policy change in Hungary, with regard to flood management policies after the natural disasters occurred in 1998 and 2001. She argues that in spite of these shocks, two other processes were catalysts for policy change: the internal democratisation and the EU integration; that opened new venues for participation and the application of transnational policies. Former minority coalitions were able to take advantages of this particular context of parallels events, to challenge the dominant views of governmental coalitions.

Bukowski (2007) arrives to similar conclusions as Albright (2011) after analysing the development of the Spanish water policy subsystem in both pre and post-authoritarian periods (1939-2004). Her findings suggest that the environmental paradigm from the dictatorship (uncontrolled exploitation of natural resources led by the State) was replaced by an increasing regulation and control for natural resources, twenty years after the return to democracy. This change happened after a combination of various events concurred, such as: the change of political regime in the mid-seventies, a serious period of drought in the centre-south of Spain, Spanish elections in 1996 and 2004, and the EU integration. This combination of internal and external paths is also considered in the South Korean case, in which Kim (2012) examines policy change in natural
resources. He suggests that in addition to the change of regime in the late eighties, the Asian economic crisis at the end of the 90's and the pollution problems in other parts of the region delayed the implementation Saeandgeum Tidelan project, in favour of environmentalist coalitions.

In a different picture, factors that lead change have been not present in empirical studies conducted in Latin America. Instead, the analysis has been focus on the impact of policy legacies the feasibility of policy change. As such, studies based on the cases of Brazil and Chile, the effects of the democratisation are considered obstacles for policy change that caused inertia in the policy subsystems due to the legacies from the authoritarian period. The study of Carvalho (2001) in Brazil, examine the metallurgical development in the Amazonian zone and conclude that the clientelistic dynamics between the State and regional/local actors formed during the authoritarian regime, due strong networks resources, reversed pro- environmental policies blocked the possibility for environmentalist groups to create a political agenda to protect the Amazon. Similarly, Arnold’s research (2003) analyse the progresses of native forest policy in Chile in the period of 1992-2002. He argues that governmental proposals to regulate the exploitation of native forest were persistently blocked by powerful actors from the forest industry. These entrepreneurs built companies in a very un-regulated context under the military regime, where a large privatisation of the natural resources and social policy areas occurred. Although the new democratic period opened spaces for participation, the author suggests that the lack of environmental civil society organisations (as another legacy from the dictatorship) reinforced the control of economic elites of the industrial expansion, explaining the inertia in this sector.

This overview of the sub-set of studies applying the ACF to post authoritarian countries show variations about the paths that lead policy change, and the relevance of institutional settings for each policy subsystem.

Differently, my paper is focus on an unexplored alternative path of policy change in a post authoritarian country, along with an alternative view of the institutional legacies as facilitators of the policy reform, rather than constraints for policy change in the health sector. This paper also deepens the theoretical
knowledge regarding consensual coalitions and policy brokers as an unexplored area.

3. METHODS OF DATA COLLECTION AND ANALYSIS.

Based on interpretative perspective of the policy process, I adopted a qualitative case study approach to analyse the meanings and significances of the Chilean health reform. Two main techniques of data collection were employed in this study: semi-structured elites interviews and documentary sources, including congressional hearings, newspapers and policy reports.

I conducted fieldwork in Santiago, Chile during November of 2012 to January of 2013; and from October 2013 to January 2014. The first phase consisted on the examination of documentary data to identify the main actors, political events and processes during the discussion on the health reform.

I completed 26 elites interviews with political and economic elites involved in the Chilean health sector (over a total of 37 people contacted in both fieldwork stages). The data collection method in this study was a semi-structured one-on-one interview, in which an interview guide was used, with a list of questions and topics that have to be covered, focusing on the opinions and experiences of interviewees during the process.

In my thesis, a hierarchical approach guided my fieldwork, which was based on political elites interviews defined as those that hold a significant amount of power, that makes them able to influence political processes (Harvey 2011). For my research, I included those individuals who had formal positions of power, appointed in specific roles within governmental departments, political parties or interests groups. They held roles such as ministers, congressmen and leaders of trade unions, among others. I also considered elites to those individuals who were not in visible positions, such as advisors or technical professionals who had privileged access to decision-making centres, given their credentials and expertise.

This case study adopted a thematic analysis as a qualitative analytical method, in order "to identify, to analyse and to report patterns or themes within the data" (Braun and Clarke 2006: 79). In my examination of the data, I followed a
data-driven type of analysis for interviews and congressional hearings, in which themes permits to explore significances beyond the literal meaning. Themes reflect how respondents feels, what are the explanations of why something happened or what they meant in their answers (Rubin and Rubin 2012); as such, it was focused on a rich account and explanation of the data, regarding the research questions initially posed in this study.

4. DYNAMIC EVOLUTION OF COALITIONS AND PRAGMATISM

First of all, it is worth noting that in general there was a general understanding about the deficiencies of the health sector, therefore, there was no disagreements about having a reform or not. The main discrepancies were regarding the scope of the changes and the outcome expected (more or less drastic changes).

For analytical purposes, I divided the identification of coalitions in two periods: the first phase comprises the design of the reform proposal until the end of the first legislative discussion in the Chamber of Deputies. The second phase includes the debate that took place at the Senate (second legislative debate stage).

According to this, I observed there were initially four coalitions: a) the first one was the reformer, represented by governmental authorities; b) the second was the radical coalition, who had its support base in those actors who were seeking a radical transformation of the health sector; c) a third coalition named as moderate that include individuals who were keen to maintain the status-quo; and d) fourth, the neoliberal which also supported the maintenance of the dual system with minimum regulations, protecting private sector autonomy. In a second phase the previous structure changed and a new coalition emerged, formed by members from previous opponent coalitions, which I called as a pragmatic coalition.

The main idea behind this dynamic coalition structure, in which actors are able to mutate from one group to another, is that this transformation expanded
the possibility to create consensus around the Chilean health reform.

**FIRST PHASE: COMPETING COALITIONS AND STRATEGIES**

*Identification of coalitions*

This first period was framed in a scenario of plural participation between authorities, political parties, union workers, professionals, and interest groups. These participants were also invited to the first part of the legislative process, at the Chamber of Deputies, where a very politicised and conflictive debate took place. Members' coalitions and their main views about the reform are explained in the following sections.

*Reformer* coalition was comprised of governmental authorities that sought to carry out an extensive reform of the health sector but maintaining the dual structure created on the eighties. The main goal for these actors was to strengthen the capacity of the public system, providing better access, quality, and financial protection for all citizens, and to introduce a stronger regulation framework for the private sector. A solidarity goal would be mainly reached through the Compensatory Fund between ISAPRES and FONASA.

The proponents of the health reform were mostly people from the executive branch, led by the President Ricardo Lagos, the executive secretary of the committee Hernan Sandoval, the second and the third Minister of Health, Osvaldo Artaza and Pedro Garcia, representatives of the Finance Minister, and members of the Congress from La Concertacion who supported the proposal, advisors within the minister and think tanks close to La Concertacion.

Against the reformers, a coalition called as *radical* were composed by a group of actors within La Concertacion, who were expecting to have a more radical transformation of the health system, including the elimination or the reduction to the minimum expression of private institutions. People or
organisations in this coalition are the first minister of health, Michelle Bachelet, congress members of Bancada Medica, Colegio Medico and health workers unions. In this group, I also include the medical professional and health workers, which saw the reform as a threat for their working conditions and as attempt of a full privatisation of the health sector. At that time, Enrique Accorsi led the Colegio Medico until 2001, and Jose Luis Castro replaced him from 2002 to 2008. They claimed that the private sector would be benefited by the AUGE, because if public health services were not able to fulfill treatment deadlines imposed by the AUGE, FONASA must to buy the services in the private sector.

Other actors in this coalition were members of the Congress, who had political affiliation to La Concertacion parties and opposed to the reform because the reform would not solve the deficiencies of the public system. Part of this group was known as the "Bancada Medica" composed by deputies and senators who were mostly doctors, from the Christian Democratic, Socialist and PPD parties.

A moderate coalition was the one composed by politicians and parliamentarians mostly from the Christian Democratic Party (DC) and led by Senators Edgardo Boeninger and Alejandro Foxley. They defended the structure of the mixed system, but they were also willing to accept some modifications proposed to the health sector. Nevertheless, this group was particularly concerned about those areas regarding financial resources and costs involved in the implementation of the reform, the debate between regressive versus progressive taxes, as they said it could be affect the middle-class. Moderate views were also held by parliamentarians who defended larger companies who were threatened directly and indirectly by the reform (Law 19.888), such as the wine and Pisco producers and mining companies. Particularly, it was the case of the DC Jorge Pizarro, a Senator for the 4th region in Chile, which is the zone of a Pisco Production who argued that tax rises could be a disaster in economic terms for

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4 The fact that Michelle Bachelet and her collaborators from the Socialist Party rejected the idea of the reform was an obstacle for the Executive Committee lead by Herman Sandoval.
Pisco producers and for international exporters of alcohols. Moderators provoked an internal dispute with other members of the DC, such the Senator Ruiz Esquide, who supported radical views.

Lastly, the right-wing political parties formed a neoliberal coalition with private insurance companies, who supported principles of the neoliberal model and the structure of the socio economic model developed under the dictatorship. They were against the reform proposed by the Government because: 1) it would increase the costs for the private sector due the cross subsidy to the public sector; and 2) they were also concerned about the scope of the new regulatory framework and its effects for private providers’ profits. Similarly to the moderate coalition, neoliberal rejected the alternatives for funding proposed in the Law 19.888, arguing that it would have an impact on the poorest segments of the population, which according to the UDI was the electoral basis of the party. They claimed that the government should increase public expenditure without raising any taxes that could affect their voters. It is worth noting that informants within this group said they did not felt threatened by the reform, because their insurance plans already offered most of the services included in the Plan AUGE proposal.

**TABLE 1: ACTORS BY COALITIONS IN THE FIRST PHASE**

<table>
<thead>
<tr>
<th>Main Actors</th>
<th>Reformers</th>
<th>Neoliberals</th>
<th>Radicals</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>President Ricardo Lagos</td>
<td>Andres Tagle, Gonzalo Simon, Rafael Caviedes, Hernan Doren from ISAPRES (Private Insurance Companies)</td>
<td>1st Health Minister Michelle Bachelet (PS)</td>
<td>A group of militants within the Christian Democrat Party (DC), such as:</td>
</tr>
<tr>
<td></td>
<td>Health Reform Commission Hernan Sandoval</td>
<td>Right-wing Political Parties Renovacion Nacional (RN) and Union Democrata Independiente UDI</td>
<td></td>
<td>Edgardo Boeninger, Alejandro Foxley, Jorge Pizarro</td>
</tr>
<tr>
<td></td>
<td>2nd Health Minister Osvaldo Artaza (DC)</td>
<td>Think Tanks: Fundacion Jaime Guzman; Libertad y Desarrollo.</td>
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<td></td>
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<tr>
<td></td>
<td>3rd Health Minister Pedro Gracia (DC)</td>
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<td></td>
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<tr>
<td></td>
<td>Members of Centre-Left wing Political Parties (La Concertacion)</td>
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<tr>
<td></td>
<td>Think Tanks: Cieplan, Chile 21, Expansiva, CED.</td>
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12
Mobilisation of resources and strategies

Despite the factionalism and opponent voices from the three coalitions, neoliberal, moderate and radical against the reformers plan, they managed to mobilise resources and employed strategies to influence the course of the reform during the different stages of the policy process.

It was indeed with the appointment of Osvaldo Artaza as Minister in January of 2002, when coalitions undertook a strategy of mobilisation. President Lagos sought to end the conflicts between factions within the Executive (Bachelet vs. Sandoval) and a period of immobility as a consequence of Bachelet’s opposition.

The main activities in this first phase, was the exploitation of public opinion, via mobilisation of troops and/or the used of mass media. Reformer’s strategy was translated in two main activities: on the one hand, they launched a communicational campaign to raise awareness about the meaning of the reform that was propelled when the bill was sent to the Congress. On the other hand, they started to implement the AUGE Plan in some municipalities to obtain visible results and to convince citizens about the feasibility of the program.

In response to this media strategy, the Colegio Medico also mounted an aggressive campaign, which succeed in bringing attention to their message against the reformer coalition, but their voice was not very effective in gaining allies as their campaign was perceived as confrontational and negative by public opinion. A series of strikes and demonstrations in hospitals and primary centres also diminished their support from civil society.

The moderator coalition, for instance, had few members in comparison with the radical coalition, and therefore, they did not have a large number of adherents to mobilise in demonstrations or strikes; instead, they focused their activities into the transmission of their opinions and values to political and economic elites. The main strategy employed by Boeninger and Foxley was to make public statements via interviews or notes in newspapers and presenting their views in internal meetings within the DC party as well as with governmental
authorities when their main concern was discussed, which was the funding plan presented by the reformers.

Neoliberal members instead, approached their allies in the economic groups, with the aim to influence in the decision making process; and moderators sough to take advantage of their reputation. Another activity suggested by some respondents was the utilisation of economic resources and networks with the entrepreneurial Chilean elite involved not just in health sector, as for instance, the companies linked with alcohol, tobacco, mining among others, which were supposed to be affected by the taxes increase proposed by reformers. As it is implied by the answers of people outside this coalition, this type of relation has a negative connotation.

SECOND PHASE: CONSENSUS AND POLICY BROKERS

A pragmatic coalition

The previous coalition structure was transformed when the bill was passed from the Lower Chamber in June 2003 to the Senate, as it is illustrate in figure 1. At this stage, the number of coalitions was reduced, arguably because the distribution of seats is the result of the electoral system forced to frame the legislative process between the two majoritarian political forces in the Chilean system; but it is also possible to suggest that there was political will from specific actors who were previously in opposite sides, who agreed to work together around the proposal received.

The dynamic of interaction at this stage was rather consensual than competitive, promoted by the reformer coalition, which was strategic into search allies in other coalitions –particularly within the neoliberal- instead of concentrating their efforts on negotiating with internal factions of La Concertacion. I called this as a pragmatic coalition, which is the result of the fusion of reformers with specific actors from other coalitions and the capacity of excluding coalition members that were seen as an obstacle for the reform.
In this new coalition, those senators who where part of the health commission are included: Mariano Ruiz Ezquide and Edgardo Boeninger (DC); Evelyn Matthei (UDI); Jose Antonio Viera Gallo (PS); Alberto Espina (RN). Although the composition of this committee was of five members, as it is established by the Senate procedures, it was constantly repeated that the first three Senators were the key persons that led the discussion. Rather than being co-opted by the reformer coalition, at this point, these Senators were keen to collaborate and to work with the executive to get the reform approved, in spite of some remaining disagreements.

While most of the initial design of the reform proposal took place within the government by experts of La Concertacion, after the bill was passed to the Senate, reformers propelled the integration of the experts from moderate and neoliberal coalitions with the team from the executive branch; in order to craft a consensual proposal to be approved. Furthermore, the technical knowledge required at this point was supplied by a transversal group of advisors from the Ministry of Health and Finance; and people from think tanks from the right and centre-left sides.

The designation of a new sectorial minister Pedro Garcia, replacing Osvaldo Artaza, was crucial for the approval of the reform. He was a DC, from the most conservative faction of the group who was leading the party at that time. His goal was to articulate consensus within the DC and to extend ties to the right-wing senators.

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5 Two senators from the DC, Mariano Ruiz Esquide and Edgardo Boeninger were part in the first part of the debate of the radical and moderate coalitions, respectively; and Evelyn Matthei, who was part of those who rejected the proposal based on the neoliberal principles.
FIGURE 1: EVOLUTION OF COALITIONS

FIRST PHASE

Reformer

Moderate

HEALTH POLICY REFORM

Neoliberal

Radical

SECOND PHASE

Reformer

Moderate Senator Boeninger

Pragmatic Coalition Senator Matthei Senator Ruiz Esquide

Radical Neoliberal
Policy brokers and actors excluded

Sabatier and colleagues (2007) suggest that the struggles between coalitions can be mediated by specific persons that assumed the role of policy brokers, with the aim to reduce the polarisation of the groups involved. The pragmatic coalition success was based on the alignments of political forces behind two senators: Edgardo Boeninger and Evelyn Matthei that were previously supporters of moderate and neoliberal coalitions, who were able to control the reform agenda and to consolidate a block that supports the bill, as an advisor of a right-wing think tank confirmed,

"The leadership of some politicians were very relevant to move forward the agenda, and to get agreement over that agenda. I am thinking especially in Matthei and Boeninger" (Interview with Sebastian Soto, researcher think tank Fundacion Jaime Guzman 2014).

As it was alluded in the interviews, Evelyn Matthei was a crucial person and a contribution to this process, because she has a degree in economy she earned a reputation as an expert in economic areas as well as in technical aspects of social policy programs. It was also implicitly insinuated that because of her German ancestors, she was considered a very serious and meticulous person. These characteristics (factors that were never mention in the case of Senator Boeninger who also studied economy and had German ancestors too) made her an independent-reasoning person that was not influenced by pressure from interest groups from the ISAPRES.

As emerged from the data, this health committee with a team of advisors worked in isolation to the rest of the coalitions members from the first phase. The exclusion of actors and the elimination of the solidarity fund from the bill were strategic options to get consensus. Although during the reform debate in the Senate different actors from the former opponent coalitions were invited to public sessions of the health committee such as the Colegio Medico, health workers and ISAPRES, these activities were limited in their effect, as they did not change fundamentally the bill that was being discussed in the Congress. It seems that
these invitations were more a symbolic procedure because it was the small group of the pragmatic coalition who were taking the relevant decisions.

For instance, while the Colegio Medico concentrated all its efforts to have influence in the process at the Lower Chamber, through an aggressive campaign in the media and the interaction with the Bancada Medica in the Senate, despite the fact that they attended to these sessions, they were aware that they have lost any chance to modify the bill in its favour. Furthermore, there were episodes of strikes against the Plan AUGE organised by doctors and health workers associations, the leader of the Confusam explained,

"We went to every session at the Congress, all of them...we fought constantly, we had the support of the deputies, such as Girardi, that were strongly opposed to the reform that Ricardo Lagos wanted to impose. The Bancada Medica gave us their support, but within the Congress, Ricardo Lagos finally took control and put discipline in La Concertacion, because at the end, the reform was implemented because they had an agreement with the right wing parties. We had to recognise that we were defeated and that Lagos won" (Interview with Ernesto Maturana, President Health Workers Union 2014).

The exclusion of ISAPRES seems to respond to a different reason. Once the main obstacle for the right-wing political parties and the ISAPRES was eliminated (the solidarity fund), the private insurance companies did not have any other substantial battle against the government. Hence, it is possible to say that it was rather a self-exclusion, than an intentional manoeuvre from the Senate.

Lastly, instead of the reflection about the political costs, Hernan Sandoval explained that the reason to make the concession about the solidary fund was very practical and based on the availability of resources. Hence, a combination of two factors contributed to solve the struggles regarding the compensatory fund, and helped to generate the consensus needed. First, the government wanted to avoid a complete failure of the reform; and second, they had the resources needed to carry out the reform, eliminating the issue if the Compensatory Fund, which was seen as the main obstacle. These premises were translate in actions that finally led
a negotiated agreement within the pragmatic coalition.

**ASSESSING POLICY LEGACIES IN CHILE**

Findings suggest that three main policy legacies affected the political process of the health reform. Two of them regarding constitutional norms: electoral system and presidential powers; and the third, related with the consequences of the introduction of markets reforms on political participation.

As the latter is concerned, according to interviews, the configuration of actors within the policy subsystem changed, the level of contestation was reducing to small groups due to two reasons. First, it was the creation of an economic elite, composed of owners of private insurance companies, private practices and clinics, that prevented a change of the status quo; and second, the participation of civil society actors was affected by the logic of demobilisation and depoliticisation held by military authorities, and as a consequence of that, citizens got used to be outsiders of the political decisions. As it would be expected, the democratisation process would bring about more spaces for political participation; however, it did not increase actual levels of civil society involvement. Although Bachelet as a minister of health developed some initiatives of citizens’ participation, the impact of organisations formed by patients or users of health systems was limited or nonexistent. Given the fact they did not have formal access to the decision making venues, and there were not binding decisions on the activities they participated, it seemed the outcomes of these initiatives did not reflect the needs expressed by societal actors.

Regarding presidential regime, what emerged from the interviews, it was crucial that the combination of two factors: first, presidential powers granted by the Constitution of 1980; and second, the leadership, personality and commitment of Ricardo Lagos to get the reform approved by all means, utilising formal and informal venues. The President exercised his authority promoting the health reform via legislative initiative and the management of urgencies; but also, he utilised informal venues to supervise the policy process and to battle opponents to his agenda, as the appointment of Hernan Sandoval. Furthermore, informants
commented that President Lagos's personality marked a difference over the reform outcome.

"Presidential system, no doubt, was in favour, because Chile has this excessively presidentialism, therefore, it was in our favour. The international experience shows in health reform process, if you does not have the involvement of the highest authority, reforms cannot get through...In our case, Lagos got involved because at he always said,—this is my reform, and is part of my legacy, my stamp— and be made it publicly. He was a president who asked every fifteen days how was everything going and what was needed; and bow was the negotiation with ISAPRES and unions. Lagos was omnipresent even in every minimum detail. He became very present, he fought with Colegio Medico, with ISAPRES, with everyone as long as he could get his reform approved" (Manuel Inostroza, ex superintendence of ISAPRES, advisor Minister of Health, 2013).

The second institutional legacy analysed was the binominal system and the distribution of seats in the Congress. While in the Lower Chamber, the reformer coalition had a majority, the discussion and process was very conflictive due the opposition of radical members who were part of La Concertacion. At the Senate instead, the existence at that time of appointed Senators and quorums required posed challenges for reformer coalition. Nonetheless, as the centre of the discussion was the permanent health committee, in which they members were driven by consensus building, instead the conflictive chaos by the Lower Chamber; the outcomes of the final voting of the Plan AUGE bill in the Senate confirmed that although La Concertacion did not have majority, they did managed to garner the necessary votes to get the reform.
FINIAL COMMENTS

Findings emerged from my study have mainly two theoretical implications: the first one is regarding policy change in post-authoritarian Chile; and second, related with the ACF as a theoretical frame.

Contrary with what often suggested by the Literature about the Chilean case, in the health sector reform, findings shows that the institutional settings as legacies from the dictatorship, provided a favourable opportunity to introduce changes, in spite of the permanent inertia. Instead, arrangements set up by Pinochet were important, this study show they were not a defining factor in getting legislation passed.

Findings shown there were an evolution of four coalitions in the first phase of the reform, to a pragmatic one that pushed forward the bills in the Congress. The conformation of a pragmatic coalition with previous opponent members was a key factor at the second phase in creating favourable conditions to create consensus and reach an agreement that permitted the policy change.

Coalitions structure evolved along the policy process, from opponent and competitive coalitions to a more collaborative one. The ACF starts from the idea that coalitions share beliefs and they act together to pursue their goals, implying internal homogeneity of these groups. These findings instead show there were internal conflicts and disagreements within coalitions, that affected the process; and therefore they had to readjust them to reassure the feasibility of the reform. In doing this coalitions members with political will to push forward Lagos plan were able to join others to create one collaborative coalition.

In answering the initial research question, a number of factors were determinant into reach an agreement: the presence of specific actors that were involved that had political will to pass the bill: health committee senators, the third minister, a team of transversal think tanks professionals, and the exclusion of conflictive actors. Also, the Compensatory Fund withdraw and the availability of economic resources to implement the reform were also key factors to explain the approval for the health reform package.
Future research agendas may include the analysis of implementation, to evaluate the empirical effects of the design and formulation, having a longer perspective of the policy process. Additionally a comparison of other policy subsystems (education or pensions, for instance) within one country may provide interesting results, take into account similar institutional settings with different coalitions.

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