



## Public-Private Circulation and the Revolving Door in the Chilean Executive Branch (2000–2014)

Antoine Maillet, Bastián González-Bustamante & Alejandro Olivares L.

To cite this article: Antoine Maillet, Bastián González-Bustamante & Alejandro Olivares L. (2019): Public-Private Circulation and the Revolving Door in the Chilean Executive Branch (2000–2014), Latin American Business Review, DOI: [10.1080/10978526.2019.1652099](https://doi.org/10.1080/10978526.2019.1652099)

To link to this article: <https://doi.org/10.1080/10978526.2019.1652099>



Published online: 05 Sep 2019.



Submit your article to this journal [↗](#)



View related articles [↗](#)



View Crossmark data [↗](#)



## Public-Private Circulation and the Revolving Door in the Chilean Executive Branch (2000–2014)

Antoine Mailet<sup>a,b</sup> , Bastián González-Bustamante<sup>c,d</sup> , and Alejandro Olivares L.<sup>e</sup> 

<sup>a</sup>Institute for Public Affairs, Universidad de Chile, Santiago, Chile; <sup>b</sup>Centre for Social Conflict and Cohesion Studies, Santiago, Chile; <sup>c</sup>Department of Politics and International Relations, St Hilda's College, University of Oxford, Oxford, United Kingdom; <sup>d</sup>Department of Public Administration and Policy, Faculty of Economics and Management, Universidad de Santiago de Chile, Santiago, Chile; <sup>e</sup>Department of Political Studies, Facultad Latinoamericana de Ciencias Sociales, Quito, Ecuador

### ABSTRACT

In the context of the global debate about the revolving door between private and public sectors, the case of Chile, a country in which the State has been considerably weakened, is of great interest. First, we describe the career paths of a universe of 386 individuals who held the posts of minister, undersecretary (vice-minister) and superintendent between 2000 and 2014. Then, we examine the determinants of traffic between the public and private spheres using mixed-effects logistic regression and a maximum likelihood logit model. Sex, professions of economist or lawyer, and private sector provenance are significant variables that increase the probabilities of transition from the private to the public sphere and subsequent return to the private world. The fact of being a political party member is significant but lessens the probability of circulation. This effect is different depending on the government and the type of position.

### RESUMEN

En el contexto del debate global sobre la puerta giratoria entre los sectores público y privado, es de gran interés el caso Chileno, un país en el que el Estado se ha debilitado considerablemente. En primer lugar, comenzamos por describir las trayectorias profesionales en un universo de 386 individuos que ocuparon los cargos de ministro, subsecretario (viceministro) y superintendente entre 2000 y 2014. A continuación, analizamos los factores determinantes en el tráfico entre las esferas pública y privada empleando una regresión logística de efectos mixtos y un modelo logit de máxima probabilidad. El sexo, las profesiones de economista o abogado y la procedencia del sector privado son variables significativas que aumentan las probabilidades de transición de la esfera privada a la pública y el posterior retorno al mundo privado.

### RESUMO

No contexto do debate global sobre a porta giratória entre os setores público e privado, o caso do Chile, país em que o

### ARTICLE HISTORY

Received 13 February 2019  
Revised 29 May 2019  
Accepted 22 July 2019

### KEYWORDS

Chile; elites; public sector; revolving door

Estado foi muito enfraquecido, é de grande interesse. Primeiro, descrevemos as trajetórias profissionais em um universo de 386 indivíduos que ocuparam os cargos de ministro, subsecretário (vice-ministro) e superintendente, entre 2000 e 2014. Depois, analisamos os fatores determinantes no fluxo entre as esferas pública e privada usando a regressão logística mista e um modelo logit de máxima verossimilhança. O sexo, as profissões de economista ou engenheiro e a procedência do setor privado são variáveis significativas que aumentam a probabilidade de transição da esfera privada para a pública, assim como o retorno subsequente ao mundo privado. Ser membro de um partido político é significativo, porém reduz a probabilidade de circulação. O efeito varia em função do governo e do tipo de cargo.

## Introduction

The term “revolving door” is used in politics to refer to how some people transit between the public and private spheres. The term conveys the idea of a constant toing and froing between government and private sector positions. The revolving door implies that the traffic between sectors is mostly free of obstacles and that those that do exist can easily be overcome. The absence of significant obstacles to the passage from one to the other raises questions that merit academic discussion. How linked are the fields of political and economic power? Do public and private actors form an undifferentiated elite? These questions lead to a more profound one, linked to the consequences of the phenomenon. If the practice occurs on a massive scale, in what way does it impact on public policies and, finally, on democracy?

Undoubtedly these are central questions in the contemporary global political debate. The phenomenon is undeniable, and yet its scope is unknown. Indeed, if it becomes impossible to differentiate between political and private sector actors, the action of public institutions is open to question, particularly in their powers of control over the private sector. These implications of mass circulation of political elites to the private sector and back again justify an empirical verification of the phenomenon that goes beyond the perceptions generated by the coverage of a few media-sensitive cases.

In this article we seek to analyze this phenomenon in the context of a country in which the market has been promoted as the leading agent of development at the expense of the State—more than in any other country—since the dictatorship of Augusto Pinochet (Harvey, 2005). Since the neoliberal reforms of the 1980s, the public sector in Chile has played a role subsidiary to the private (Maillet, 2015). In turn, the democratic governments installed since 1990 have essentially preserved the State-Market

relationship that had been established (Garretón, 2012). Given this character, the Chilean case is particularly likely to feature high levels of circulation of its elites through the revolving door.<sup>1</sup> In this sense, it is an extreme case, whose study may be highly relevant for international comparisons and further theoretical elaboration.

The article is structured as follows. First, we present the theoretical framework and situate the revolving door concept in the broader discussion of the balance between public and private in government and career paths. Then we lay out the methodology of the study, together with the operationalization of the concepts and the origins of the data. The results obtained are first presented descriptively, and then explanatorily, based on a mixed-effects logistic regression model and then a maximum likelihood logit model. We show that sex, professions of economist or lawyer and, especially, origins in the private sector are significant variables that increase the probabilities of transition from the private to the public spheres and vice versa. Being a political party member is significant, but lessens the probability of circulation. This effect is different depending on the government and the type of position.

### **Conflicts of interest and public decisions**

New Public Management (NPM) has put forward some normative arguments in favor of the public-private circulation of public authorities. NPM values the exercise of public positions by people originating in the private sector and has proposed that the public sector should be guided by standards from the private sector, which is implicitly an invitation for managers to circulate freely between both spheres (Rogers & Gúzman, 2015). More specifically, a conviction is sometimes expressed of the benefits of access to government by people with a broad knowledge of the operation of the private sector (LaPira & Thomas, 2014). In this sense, those who have held positions in business would be the most suited to occupy positions in related fields in the public sector. These arguments focus on what happens *before* people gain access to public office, unlike a legalistic view, which usually emphasizes events after employment. Thus, noting that neither pre- or postemployment exhaust the phenomenon, this article takes into account positions held both before and after public employment. This translates into a career path perspective, as part of a political science approach to the phenomenon.

Before developing this political science perspective further, it is relevant to address the underlying implications of the arguments outlined previously. First, the NPM's claim that public and private positions are comparable has been widely criticized and has ceased to be a mainstream opinion in public administration (Cortázar, Lafuente, & Sanginés, 2014; Iacoviello,

Llano, & Strazza, 2012). Instead, the emphasis is placed today on elements that are specific to the creation of public value (Moore, 2006) or New Public Service approach (Denhardt & Denhardt, 2000). Even so, the private experience is still valued by experts and public opinion as a seal of quality. Yet, advocacy for the specific competence of the private sector must be tempered by a concern to avoid that individuals' private connections lead them to neglect the public interest (LaPira & Thomas, 2014). In this matter, the focus is on the links with former employers that authorities may carry over from their previous positions, particularly when they come from the same sector. This is undoubtedly a significant concern, but for a comprehensive approach to public-private circulation both what happened before and after the exercise of the position must be considered or, in other words, an intertemporal view adopted.

This perspective informs the definition of the revolving door given by the OECD, which includes circulation both from industry to relevant government positions, as well as the reverse (Miller & Dinan, 2009).<sup>2</sup> At a deeper level, this leads to reflection about the nature of a political career. The career path of a politician, or political career, as Alcántara points out, is a process that “blends ambition with vocation,” gradually generating circumstantial readjustments due to negotiation, success, failure, and chance. A political career has a longitudinal character that can absorb different readjustments derived from the nature of political life (Alcántara, 2016)<sup>3</sup>. This is particularly important because public-private circulation, both before and after public office, is related to the preferences of actors occupying positions of power. Thus, the primary reason for being interested in career paths, and in particular in public-private circulation, is that they potentially impact the decisions of public bodies and public policy orientations. Although it is difficult to determine with precision, the origin and above all the career expectations of political figures influence the actions of the authorities.

This view is relatively recent in political science. For a long time, the mainstream has held to the so-called Miles law, according to which “where you stand is where you sit” (see Adolph, 2013), a phrase that implies that the stance adopted in a political discussion (where you stand) is determined by the position (where you sit). This highly institutionalist viewpoint has been central in the theory of public choice, for example, in which public officials are considered “rent-seekers”, that is, solely concerned about the interests of the agencies they represent (Niskanen, 1971). In other words, no attention is paid to individuals' career path features. This formal institutionalist outlook, although widely criticized in academia (Hall & Taylor, 1996; March & Olsen, 1983), has not ceased to have an essential influence on the public debate. For example, it appears in the rather ingenuous

viewpoint of those who advocate the recruitment of private sector experts for positions in the public sector on the basis that they would contribute their competencies, without considering the problems their preferences and perspectives of career may imply.

In recent years, the relationship between career paths and performance in office has been demonstrated. On the one hand, professional development in a specific sector is not without consequences for the preferences of those who secure a managerial post in the public sector. A process of socialization takes place, which has an impact on priorities and style when it comes to performing top-level functions in the public sector (Adolph, 2013). This could eventually be cast aside, the idea being that by choosing to enter public service individuals would like to break away from their previous career path. For this reason, it is essential to also consider professional perspectives after the exercise of public office. In other words, actors' projections over time must be built into the analysis as a fundamental element in their decision-making, particularly because holders of public office may be concerned with sending signals to future employers or at least avoiding sending negative signals that could later penalize them. Thus, Hecló (1988), in a critical reflection on the "in-and-outers," who occupy only briefly positions in government, affirms that holders of public office always keep in mind who could be their future employers. This observation has been sharpened in comparative studies, which have taken into consideration, for example, the Japanese phenomenon of *amakudari*, which consists in the migration of top-level officials from the public to the private sector (Schneider, 1993).

Some even describe the prospect of returning or moving to the private sector in the political jargon of the United States as a "delayed bribe" (Schneider, 1993). The threat to public decisions that it can represent is at the center of a book questioning the common assumption of the neutrality of central bankers (Adolph, 2013). According to this author, the legal autonomy of central banks—a vital element of the global neoliberal agenda—in practice is not such, due to the existence of a structure of opportunities and rewards in the private sector awaiting those holding this type of position once they have completed their period in office. Thus, perhaps unconsciously, or at least without publicly acknowledging it, actors have preferences that are determined in part by their socialization in specific spaces before reaching public positions, but above all by the career prospects that open to them in the private sector once they have left a public position. In order not to lose the possibility of acceding to these positions, they must send the correct signals, which in practice subject them to a "shadow principal," which is far from being the public interest (Adolph, 2013).

The previous argument, based on extensive empirical work, is a pioneering effort to establish a relationship between decisions taken by actors during their public office exercise and positions they subsequently occupy in the private sector. The present work is exploratory and for this reason less ambitious, but is motivated by concern about the possible effects that the circulation of the elite may have on public policies. In this sense, we intend first to measure the magnitude of the phenomenon in Chile, and then to explore the determinants of public-private career paths.<sup>4</sup> For this purpose, variables of interest already mentioned are considered, such as pre and post-employment, in addition to the more or less rigorous definitions of the revolving door. The following section aims to operationalize these concepts.

### **Hypothesis and methods of analysis**

A particular focus of political science has been on the processes governing access to top government posts, particularly ministerial ones (Besley & Reynal-Querol, 2011; Blondel & Müller-Rommel, 1997). Although there are also many studies on the conditions of permanence in cabinets (González-Bustamante & Olivares, 2016; Huber & Martínez, 2008; Martínez-Gallardo, 2012), the fate of politico-administrative staff, once they leave their positions, has attracted less attention. However, systematic research agendas have recently, been set up. For instance, Dörrenbächer (2016) provides inputs for the approach adopted in this study. In this context, this article analyzes public-private circulation and the phenomenon of the revolving door concerning the ministers, under-secretaries and superintendents of the governments of Ricardo Lagos (2000–2006), Michelle Bachelet (2006–2010), and Sebastián Piñera (2010–2014). We consider the revolving door as a subset of the more general public-private circulation phenomenon. On the one side, public-private circulation refers here to individuals passing from the private to the public sector, no matter the area of their private career or public position. On the other, the revolving door is observed when the public and private positions are in the same area. For example, a top manager of a pension fund who would enter government in the ministry of housing would be considered a case of public-private circulation. Nevertheless, if he enters the ministry of labor, which is formally in charge of the pension system, we would consider it a case of the revolving door.

Based on this distinction, our hypotheses are as follows:

H 1.1. Men are more likely to engage in public-private circulation.

H 1.2. Men are more likely to go through the revolving door.

H 2.1. Party members are less likely to engage in public-private circulation.

H 2.2. Party members are less likely to go through the revolving door.

H 3.1. Level of education increases the likelihood of public-private circulation.

H 3.2. Level of education increases the likelihood of going through the revolving door.

H 4.1. Having a prior private career path increases the likelihood of public-private circulation.

H 4.2. Having a prior private career path increases the likelihood of going through the revolving door.

H 5. Having entered by the revolving door increases the likelihood of exiting by it.

These hypotheses are tested at a general level, that is, in a model for the entire period of analysis (2000–2014), using a mixed-effects logistic regression applied to two dependent variables: public-private circulation, and the revolving door. This regression contains both fixed and random effects, which allows modelling with intraclass correlation, that is, the observations of the same group are adjusted because they share the random effects of their same level or group (Demidenko, 2004; McCulloch, Searle, & Neuhaus, 2008; Rabe-Hesketh & Skrondal, 2012). The analysis is done with models at three nesting levels. At the first level, the covariates or independent variables of each case are grouped. At the second level, a nesting by type of position is generated; specifically, the difference between cabinet appointments (ministries and undersecretariats) and superintendencies is codified. At the third level, a nesting is generated that allows the differentiation of governments classified by political coalition: the Coalition of Parties for Democracy (Concertación) (Ricardo Lagos and Michelle Bachelet, 2000–2010) and the Coalition for Change (Sebastián Piñera, 2010–2014).<sup>5</sup> We worked with a minimum number of 10 observations \*  $(n + 1)$ , where  $n$  is the number of covariates in each regression (Freeman, 1987). Besides, the absence of collinearity was verified, and outliers that exceeded  $\pm 2.8$  standard deviations were eliminated through a residue analysis (Hosmer, Lemeshow, & Sturdivant, 2013).

Subsequently, specific analyses are carried out with maximum likelihood logit models, which are adjusted by type of position to measure public-private circulation and the revolving door. Each econometric model is fitted to different sets of observations; in this case, subsamples corresponding to each government analyzed. In the case of the model for the revolving door, cases with posts within the political area are excluded, because, as detailed next, this area by definition has no revolving door. The adjustment for these models allowed the correction of typical errors considering the

existence of conglomerates (types of post). This allows robust estimators to be obtained concerning intragroup correlation and reliable significance tests. The work was carried out in compliance with minimum case assumptions, the collinearity levels were verified, and outliers were eliminated in the manner indicated previously.

### **Data characteristics**

The database contains 386 cases of public positions at ministerial, undersecretarial, and superintendency levels during the three governments analyzed, corresponding to 299 individuals (Table 1).

The delimitation of positions allows us to consider relatively diverse cases in terms of forms of access and career projections. The position of minister represents a high point in the political career and is usually occupied by an individual with an outstanding trajectory in the political field. Undersecretaries or vice-ministers have less public exposure and require higher management capacity to take charge of the public services under their watch. Thus, in some cases, these positions are occupied as stepping-stones in political careers ascending towards ministries or positions of popular representation. In others, they can be the conclusion of a successful administrative career (González-Bustamante & Olivares, 2015, 2016). In this sense, they bear a resemblance to the positions of superintendent, which in themselves have a more administrative and technical nature, reinforced by the assignment in recent years of several superintendencies to the Chilean Senior Public Management System (Maillet, 2017).

By selecting these three types of posts, we can build a universe with a right balance between variety and homogeneity. Of course, ministers, undersecretaries and superintendents are not homologous, both because of the responsibilities that the positions carry, and because they are at different stages of a political and professional career. Thus, the particularity of each position must be considered in the analysis. However, the three positions demand managerial capacity and political trust.

Regarding the 14 years considered, working with three governments belonging to two different coalitions allows us to situate the analysis in a

**Table 1.** Number of ministers, undersecretaries and superintendents in Chile (2000–2014).

	Ricardo Lagos (2000–2006)	Michelle Bachelet (2006–2010)	Sebastián Piñera (2010–2014)
Ministers	53	46	52
Undersecretaries	72	62	57
Superintendents	17	10	17
	142	118	126

Source: the authors.

relevant time scale and establish comparisons between presidencies. Prior periods are not considered due to the increasing difficulty of gathering information going back in time. Michelle Bachelet's second term (2014–2018) is not considered either, because it is too early to analyze the following steps of her ministers, undersecretaries, and superintendents in their career.

### ***Operationalization and measurement***

To operationalize the dependent variables, we set a time horizon of five years before and after the position. This methodological decision aims at changing the focus concerning immediate or short-term conflicts of interest. Indeed, passage to the private sector, whether in the same field of expertise or another, does not necessarily occur immediately after service in a public position. It sometimes occurs after a considerable period has elapsed. Such situations are not fundamentally different from an immediate or slightly delayed passage. They may reflect a rational choice to comply with the legal provisions on incompatibility.

Dichotomous coding is used for public and private positions, without considering nuances or the grey areas that may exist. All positions held in the State at all administrative levels and in whatever of its branches are considered public posts. Positions held in international organizations, as well as public universities and enterprises, are also considered. On the other hand, positions in private companies, jobs held in business associations, private think tanks and private universities are considered part of the private sector. Based on this coding, two dependent variables are operationalized: public-private circulation ( $Y_1$ ), and revolving door ( $Y_2$ ).

Public-private circulation ( $Y_1$ ) is observed when, at some point during the first five years after leaving State employment, the subject assumes a position in the private sector. For its part, the revolving door ( $Y_2$ ) is observed when, at some point during the first five years after leaving a public position, the subject occupies a position in the private sector in the same area in which he was employed as a public servant.<sup>6</sup>

The independent variables are operationalized according to the specialized literature. For all cases, background data were collected, giving particular emphasis to the two professions that dominate the political arena: economist and lawyer. Completion of postgraduate studies is also considered a possible determinant. Likewise, conventional political participation (party membership) is analyzed as a possible factor in the public-private orientation of individual careers. This also allows us to contrast the situation of nonpartisans vis-à-vis party members. Data was also collected on the position the individual occupied before entering public service, for

which the same operationalization of the dependent variables is applied. Finally, to enable control over other variables, we include the actors' sex, the governments in which they served, and their work areas (political, economic, social, sectoral, and productive).

One of the main challenges is to work using data with higher levels of accuracy. One of the limitations of this research is that the data were collected from public access sources, which generates a problem of underdeclaration of private sector activities. For example, participation in company directorships is quite challenging to track. In addition, there is a problem with information about positions held after public office. For earlier positions, the public appointment is generally accompanied by a relatively complete review of the incumbent's prior career history. On the contrary, there is no equivalent for their subsequent career path, especially when it comes to appointments in the private sector, which tend to attract less attention. Although a thorough search of information was carried out, the data may slightly underestimate the weight of the private sector so that the phenomenon could have larger dimensions than those presented here.

## Results

### *Descriptive analysis of public-private career paths in Chile*

Our descriptive analysis is based on three types of career path<sup>7</sup>:

- (a) public career path, when an individual held public positions only during the five years preceding and the following service in a post;
- (b) public-private career path, in the case of individuals who during the five years preceding and the following service in a post held at least one position in the private sector;
- (c) revolving door career path, when during the five years preceding and following service in a post, an individual held a position in the private sector in the same area served in the public sector.

At the ministry level, the dominant political-professional career paths are public-private with 69.5%, while public trajectories account for 30.5%. Revolving door career paths, which operate as a particular case of public-private ones in this descriptive analysis, account for 22.5%. Undersecretary positions are occupied more frequently by individuals with public career paths (44%), but public-private circulation predominates (56%). In the case of the revolving door path, the number of superintendents who have followed it (50%) is striking, and it is the dominant career path for this position. Differentiating the types of political-professional career paths by sex, women follow public career paths more frequently than men, except at the

**Table 2.** Dominant politico-professional career paths by party membership.

Party membership	Public career path	Public-private career path
PS ( <i>n</i> = 51)	51.0% ( <i>n</i> = 26)	49.0% ( <i>n</i> = 25)
PPD ( <i>n</i> = 46)	47.8% ( <i>n</i> = 22)	52.2% ( <i>n</i> = 24)
PRSD ( <i>n</i> = 27)	51.9% ( <i>n</i> = 14)	48.2% ( <i>n</i> = 13)
PDC ( <i>n</i> = 106)	46.2% ( <i>n</i> = 49)	53.8% ( <i>n</i> = 57)
RN ( <i>n</i> = 25)	20.0% ( <i>n</i> = 5)	80.0% ( <i>n</i> = 20)
UDI ( <i>n</i> = 27)	11.1% ( <i>n</i> = 3)	88.9% ( <i>n</i> = 24)
Nonpartisans (Piñera: 73 cases)	20.2% ( <i>n</i> = 21)	79.8% ( <i>n</i> = 83)
	36.3% ( <i>n</i> = 140)	63.7% ( <i>n</i> = 246)

Note. PS, PPD, PRSD, and PDC are part of the Coalition of Parties for Democracy, a center-left coalition that governed Chile between 1990 and 2010. RN and UDI are part of the Coalition for Change, a right-wing coalition (identified under several different names in recent decades) that governed Chile between 2010 and 2014. Source: the authors.

**Table 3.** Revolving door career path by party politics.

Party membership	Revolving door career path
PS ( <i>n</i> = 51)	13.7% ( <i>n</i> = 7)
PPD ( <i>n</i> = 46)	10.9% ( <i>n</i> = 5)
PRSD ( <i>n</i> = 27)	3.7% ( <i>n</i> = 1)
PDC ( <i>n</i> = 106)	20.8% ( <i>n</i> = 22)
RN ( <i>n</i> = 25)	12.0% ( <i>n</i> = 3)
UDI ( <i>n</i> = 27)	29.6% ( <i>n</i> = 8)
Nonpartisans ( <i>n</i> = 104) (Piñera: 73 cases)	42.3% ( <i>n</i> = 44)

Source: The authors.

superintendency level. In general, almost half of the 115 women in the sample studied have public career paths. At the ministerial level, the proportion of women with public careers is twice that of men (22.6% vs. 48.9%).

Evaluating the differences between governments, it is possible to identify that public positions during the government of Sebastián Piñera were held mainly by individuals with public-private career paths (84.9%), followed by individuals with revolving door career paths (34.1%) and, finally, those with public ones (15.1%).<sup>8</sup> This breaks with the trend of the dominant political-professional career paths under previous governments, where individuals with public career paths exceeded 40%.

The data on career paths and party membership (Tables 2 and 3) are very illustrative of the homogeneity of the two major political coalitions in Chile since the return to democracy, at least as far as the issues of interest in this work are concerned. In effect, the proportions of public or private career paths within each coalition (Coalition of Parties for Democracy or Coalition for Change) are equivalent. Some nuances emerge when considering revolving door career paths, with the lowest point for the PRSD and relatively high values for the PDC. Within the Coalition for Change the difference between its two main component parties is striking. In any case, the number of observations considered is relatively small. Finally, the

**Table 4.** Dominant political/professional career paths and educational background.

Educational background	Public career path	Public-private career path
Lawyer ( $n = 133$ )	35.3% ( $n = 47$ )	64.7% ( $n = 86$ )
Economist ( $n = 83$ )	24.1% ( $n = 20$ )	75.9% ( $n = 63$ )
Other profession ( $n = 170$ )	42.9% ( $n = 73$ )	57.1% ( $n = 97$ )
Undergraduate studies ( $n = 376$ )	36.2% ( $n = 136$ )	63.8% ( $n = 240$ )
Postgraduate studies ( $n = 217$ )	33.6% ( $n = 73$ )	66.4% ( $n = 144$ )
	36.3% ( $n = 140$ )	63.7% ( $n = 246$ )

Source: The authors.

**Table 5.** Educational background by revolving door.

Educational background	Revolving door career path
Lawyer ( $n = 133$ )	12.8% ( $n = 17$ )
Economist ( $n = 83$ )	31.3% ( $n = 26$ )
Other profession ( $n = 170$ )	27.7% ( $n = 47$ )
Undergraduate studies ( $n = 376$ )	23.1% ( $n = 87$ )
Postgraduate studies ( $n = 217$ )	27.2% ( $n = 59$ )
	23.3% ( $n = 90$ )

Source: The authors.

nonpartisans present a very marked private profile and have considerable traffic through the revolving door.

When evaluating possible concentrations in specific areas, by examining the relationships between the sector or area of public service specialization and the career paths of those who occupy these positions, it is possible to notice that a high proportion of the positions in the economic and productive areas were occupied by individuals with public-private career paths (87.8 and 78.1%, respectively). Moreover, a majority of revolving door career paths are concentrated in the economic area (51.2%), which, considering Adolph's argument (2013), is relevant to finding a logic in the management of the economic and fiscal policy.

Finally, we analyze the relationship between career paths and educational background (Tables 4 and 5), understanding by the latter term both the level of education and the possible importance of certain professions—lawyer and economist—whose participation in public positions has attracted particular attention, especially in the literature on technocracy (Delamaza, 2011; Pinto, Cotta, & Almeida, 2018; Silva, 2009). Contrary to expectations, these professions show no tendency to use the revolving door or to generate public-private pathways.

In the case of the revolving door, economists do not stand out particularly from the other professions, and the number of lawyers is minimal. This may have two explanations. On the one hand, many lawyers hold positions in the political area, whereby definition there is no revolving door. On the other, a considerable proportion of lawyers customarily return to private practice in law firms, without information being available about any possible specialization in the causes and specific tasks they undertake,

which is associated with a hidden revolving door and lobbying issues.<sup>9</sup> Therefore this item may be subject to some underestimation.

### Determinants of public-private circulation and the revolving door

To identify general tendencies, we use a mixed-effects logistic regression model for public-private circulation ( $Y_1$ ) and the revolving door ( $Y_2$ ) (Table 6). Fixed effects are distinguished from random effects in the model. Nesting at the second level is by position, and the government is nested at the third level.

From the results, it can be assumed that, for public-private circulation ( $Y_1$ ), being a man, being an economist or lawyer, and having previous experience in the private sector are variables that increase the probability of a return to the private sector. Being a member of a political party is the only factor that lessens this probability. On the other hand, the variables that increase the probability of a person passing through the revolving door ( $Y_2$ ) are their educational level and the fact that at some time during the five years prior to holding their position, the person held some private sector position in the same area in which he served in the public sector.

The sample is divided by presidencies or governments in order to evaluate the predictor with further details. As can be seen in Tables 7 and 8, two models are tested: one for public-private circulation ( $Y_1$ ) and the other for the revolving door ( $Y_2$ ). Each model is applied in different subsets of data that correspond to each government of the period analyzed. The

**Table 6.** Mixed-effects logistic regression model for public-private circulation and revolving door.

Variables	Public-private circulation	Revolving door
<i>Fixed effects</i>		
Sex (1 = Man)	0.555* (0.266)	0.094 (0.376)
Party membership	-0.770* (0.304)	-0.167 (0.385)
Level of education	0.152 (0.225)	0.966** (0.348)
Economists	1.051** (0.336)	0.206 (0.416)
Lawyers	0.659* (0.275)	-0.267 (0.419)
Previous private occupation	2.113*** (0.278)	-0.358 (0.456)
Entry by the revolving door	-	3.684*** (0.542)
Constant	-1.050 (0.701)	-4.084*** (1.119)
<i>Random effects</i>		
Post (Cabinet vs. superintendencies)	3.36e-36 (1.22e-19)	0.276+ (0.381)
Post > Government (Coalition of Parties for Democracy vs. Coalition for Change)	9.08e-32 (3.57e-17)	1.15e-32+ (2.38e-17)
<i>Log likelihood</i>	-204.739	-119.777
<i>Observations</i>	386	324
AIC	423.478	257.554
BIC	451.169	291.580

Note. The revolving door model excludes posts in the political area. Beta coefficients and standard errors are given in parentheses. For the random effects the nesting at the second level is by post and at the third level by post and government. The significance of the contrast test between fixed and random effects is indicated. +Significant  $p \leq 0.1$ . \*Significant  $p \leq 0.05$ . \*\*Significant  $p \leq 0.01$ . \*\*\*Significant  $p \leq 0.001$ . Source: the authors.

**Table 7.** Logistic regression model for public-private circulation by government, adjusted for type of position.

Variables	Lagos (2000–2006)	Bachelet (2006–2010)	Piñera (2010–2014)
Sex (1 = Man)	1.249* (0.538)	0.290+ (0.167)	−34.611*** (1.832)
Party membership	−0.718 (0.463)	−0.731 (0.777)	−16.519*** (0.926)
Level of education	−0.137 (0.394)	0.624 (0.457)	34.701*** (1.145)
Economists	2.095** (0.797)	0.963*** (0.287)	0.406 (2.082)
Lawyers	1.187* (0.495)	0.500* (0.241)	−34.582*** (2.454)
Former private occupation	1.931*** (0.085)	1.106*** (0.213)	89.492*** (6.544)
Constant	−1.198* (0.563)	−1.959** (0.664)	−70.591*** (3.697)
Observations	142	118	126
Obs. in the model	139	118	114
<i>Log pseudolikelihood</i>	−75.736	−73.202	−10.009
<i>Cox &amp; Snell R<sup>2</sup></i>	0.255	0.129	0.529
<i>Nagelkerke R<sup>2</sup></i>	0.340	0.173	0.875
BIC	−499.878	−383.143	−486.756

Note. Beta coefficients and standard errors are given in parentheses, adjusted by the type of position (ministry, undersecretariat and superintendency).

+Significant  $p \leq 0.1$ . \*Significant  $p \leq 0.05$ . \*\*Significant  $p \leq 0.01$ . \*\*\*Significant  $p \leq 0.001$ . Source: the authors.

**Table 8.** Logistic regression model for the revolving door by government, adjusted for type of position.

Variables	Lagos (2000–2006)	Bachelet (2006–2010)	Piñera (2010–2014)
Sex (1 = Man)	1.453 (1.092)	0.448+ (0.258)	1.206 (1.658)
Party membership	0.194 (0.279)	−1.158 (0.787)	0.392 (0.323)
Level of education	0.171 (0.141)	1.010 (0.647)	18.187*** (3.272)
Economists	0.388 (0.546)	0.197 (0.682)	−1.377 (1.668)
Lawyers	−1.774+ (0.913)	0.882*** (0.186)	−1.366 (1.964)
Former private occupation	−14.765*** (1.077)	−0.053 (0.277)	−1.045 (1.112)
Entry by the revolving door	16.800*** (1.350)	4.136** (1.419)	21.836*** (4.941)
Constant	−3.651*** (0.589)	−3.836*** (1.203)	−56.213*** (11.464)
Observations	117	96	111
Obs. in the model	115	95	99
<i>Log pseudolikelihood</i>	−33.284	−39.170	−21.391
<i>Cox &amp; Snell R<sup>2</sup></i>	0.204	0.263	0.523
<i>Nagelkerke R<sup>2</sup></i>	0.368	0.389	0.757
BIC	−441.139	−317.847	−375.374

Note. Political area posts are excluded. Beta coefficients and standard errors are given in parentheses, adjusted by the type of position (ministry, undersecretariat and superintendency).

+Significant  $p \leq 0.1$ . \*Significant  $p \leq 0.05$ . \*\*Significant  $p \leq 0.01$ . \*\*\*Significant  $p \leq 0.001$ . Source: The authors.

models have the first level with individual variables and a second level that nest the type of position (ministry, undersecretary and superintendent). This allows us to correct the standard errors in order to obtain robust estimators in the logistic regressions.

In the public-private circulation ( $Y_1$ ) (Table 7), the model has positive goodness of fit. The covariates explain between 26% and 34% of the passage from the public to the private sector in the government of Lagos. In the Bachelet government, the explanatory level of the variables is between 13% and 17%. Finally, in the Piñera government, the model exhibits high goodness of fit, between 53% and 88%.

For the governments of Lagos and Bachelet, all statistically significant variables have positive beta coefficients. Therefore, all increase the

probability of public-private circulation ( $Y_1$ ). In this way, being a man, economist or lawyer and having a previous occupation in the private world increase the chances of exiting public positions into the private world. The difference between both governments is the level of statistical significance of the sex variable.<sup>10</sup>

The government of Piñera is distinct from its predecessors. Variables with negative beta coefficients appear in this model. These variables decrease the probability of public-private circulation ( $Y_1$ ). These variables are sex, political party membership, and being a lawyer. A plausible explanation for this phenomenon could be that Chilean right-wing professional politicians generally are men and lawyers. Those professional politicians apparently stay in the public sphere once they are done with cabinet positions. On the other side, those who come from the private sector most probably got back there. This is consistent with the fact that the variables linked to experience in the private world and postgraduate training are significant. People with postgraduate education and experience in the private sector, who entered public service during the Piñera government, most probably returned to the private world. It is important to note that this could be associated with the alternation that occurred with Bachelet's second term in 2014.

In the revolving door model ( $Y_2$ ) (Table 8), the three governments present high goodness. For the Lagos government, the covariates taken together explain the revolving door ( $Y_2$ ) between 20% and 37%. On the other hand, in the Bachelet and Piñera governments, the explanatory capacities vary between 26% and 39% and from 52% to 76%, respectively.

The results for the three governments are different, as the group of statistically significant variables is dissimilar in each case. For the Lagos government, the significant variables that present negative beta coefficients are two: being a lawyer and having prior experience in the private sector. It has been shown that the legal profession is among the most likely to lead to a political career (Besley & Reynal-Querol, 2011). Previous experience in the private sector diminishes the probability of the revolving door ( $Y_2$ ), which is interesting in that it shows a clear distinction between the revolving door strictly defined and the phenomenon of public-private circulation. Experience in the private sector in the same area as that in which the individual later served in the public sector emerges with a positive beta coefficient. This variable is significant in all three governments. From this we can obtain our most relevant finding: when a minister, undersecretary, or superintendent serves in a post in the same area as that from which they came, it is highly likely that they will return to a position in this same area. This may be associated with potential conflicts of interest when seen through the lens of

the theories of the delayed bribe (Schneider, 1993) and of the shadow principal (Adolph, 2013).

In the Bachelet government, only variables with positive beta coefficients are identified: experience in the private sector in the same area as that exercised in the public sector, being a lawyer and a man. On the other hand, during Piñera's government, the two significant variables have positive beta coefficients; that is, they increase the probability of a revolving door ( $Y_2$ ). Thus, people with a postgraduate degree and those who had worked privately in the same area as that in which they occupied public posts were more likely to later return to the private sector in the same areas, i.e., through the revolving door.

## Conclusions

The descriptive analyses show that public-private circulation has increased over time. Assuming that the institutional/political context remains relatively stable, a high public-private circulation can be expected to continue, which is why it is important to know what determines this phenomenon. At a general level, being a man, being an economist or lawyer, and, especially, coming from the private sector are significant variables with positive coefficients. On the other hand, being a member of a political party is significant but decreases the probability of circulation. This effect varies according to the government and the type of post. The main factor determining an exit from public office and entry into a private position is to come from a job in the private world. This is very significant for the three presidencies analyzed and for the different types of positions. Therefore, there is evidence regarding the probable destiny of holders of public positions who originate in the private sector.

Concerning departure through the revolving door, that is, to private positions in the same area as that in which the actor served in public office, only two variables are significant with positive coefficients in the general model: the level of education and having entered through the revolving door. At a more specific level of analysis, holding a postgraduate degree has effects for the occupants of public positions during Piñera's presidency. On the other hand, for the presidencies of Lagos and Bachelet, a prior occupation in the private sector is very significant and is inversely related to departure through the revolving door. This shows that during those governments, the private sector entrants into public service are unlikely to take the revolving door. Finally, during all three presidencies, the most significant determinant of returning to a private position in the same industry in which the individual worked for the State, is to come from the same sector.

Observing career paths in which subjects pass from the private sector into public service and then revert to the same area in the private sector, it is evident that the revolving door exists in Chile and allows careers to develop without respect for the border between private and public. The present study is conclusive that the revolving door exists and is not reducible to a few specific cases. It also confirms the proclivity of the Chilean case to present high levels of elite circulation through the revolving door. As we indicated in the theoretical framework, this phenomenon cannot be innocuous for policymaking dynamics. The Inter-American Development Bank once described Chilean policymaking as deeply oriented towards public interest (Stein, Tommasi, Echebarría, Lora, & Payne, 2006). Our data together with the common knowledge in political science deeply questions this affirmation. On the contrary, there may be a private-oriented bias in the Chilean policy process, which is consistent with the findings of the research in the business power agenda in Chile (Bril-Mascarenhas & Madariaga, 2019; Bril-Mascarenhas & Maillet, 2019; Fairfield, 2015).

For its features we describe, the Chilean case seems to be a potentially extreme case of the revolving door, whose study may be relevant for international comparisons, for example with ongoing works in Argentina (Castellani & Dulitzky, 2018) or Spain (Castellano, 2017). However, more excellent knowledge of the phenomenon is needed. The data presented can be exploited to undertake specific analyses by sector in order to identify their unique dynamics. Health, a sector in which the revolving door turns busily, is one example. It would be interesting also to extend data collection to other public offices, for example to those belonging to the top level of the Chilean civil service hierarchy.

A relevant line of research to be developed in future would look into the effects that public-private circulation has in the quality of democracy and the confidence of citizens in their authorities and their institutions. It is crucial to carry out more analyses to detect if there are ties in between corruption and revolving door. For the Chilean case, this would shed light on the question of whether or not the rise of corruption cases in Chile is a consequence of the revolving door.

## Notes

1. Law 19.653 indicates that it is incompatible for six months for a former public officer to serve a private company in the domain he has been working in the public service.
2. They also include the passage of lobbyists into government positions and vice versa (Miller & Dinan, 2009), a difference that is explored in this work due to the greater informality of lobbying activity than in most OECD countries.
3. For a broader perspective on the professionalization of the political career, also see Alcántara (2012).

4. For an interesting reflection about appointment patterns in State's offices and a discussion on incidence's level which political parties and groups have in the process, see Moya and Garrido (2018). In general, Chilean elites tend to think that their access to privileged positions is the product of meritocracy, as illustrates the relevance of the educational background within the elites (Moya & Hernández, 2014).
5. The Coalition of Parties for Democracy is a coalition of center-left political parties which has governed Chile between 1990–2010, integrated by the parties: Chilean Socialist Party (PS); Party for Democracy (PPD); Radical Social Democratic Party (PRSD); Christian Democrat Party (PDC). The Coalition for Change, a right-wing coalition was going under several different names in recent decades that governed Chile between 2010 and 2014, integrated by the Independent Democratic Union party (UDI) and the National Renovation party (RN).
6. For political ministries, the revolving door is not an option because there is no corresponding area of specialization in the private world. In the case of ministries that cover a broad area, such as Economy or Finance, a strict definition was established. To consider that an individual had passed through the revolving door in these areas, he or she has to take a position in the financial industries, for instance, chief analyst in a bank.
7. For the econometric models, the dependent variables explained in the methodological section are used, so that the ex-ante path operates as an independent variable
8. Revolving door career paths are only a portion of public-private career paths, which explains why the total exceeds 100%.
9. Although some law firm websites indicate the types of litigation in which they specialize, not all do, and some offer only fairly general information. In this sense, associating specific law firms with potential conflicts of interest, revolving door, or unregulated lobbying activity is beyond the scope of this research.
10. This could be associated with a bias boosted by the limited number of women in the highest positions within the political field. Therefore, the statistical behavior of the sex variable is complicated. However, the findings allow us to statistically associate the variable with public-private circulation instead of revolving door.

## Acknowledgments

We are grateful to Matías Cociña, Eduardo Sepúlveda, Gustavo Perez, and Camila Carrasco-Hidalgo for reading an earlier version of this document. Our recognition to Carla Cisternas Guasch, María Ignacia Rodríguez, and Sebastián Carrasco, the research team that helped us with the data collection.

## Funding

This work was supported by the Centre for Social Conflict and Cohesion Studies under Grant CONICYT/FONDAP/15130009 and by Grant CONICYT/FONDECYT/1190070. Furthermore, this work was possible thanks to funding from the Poverty and Inequality Area of the Chilean office of the United Nations Development Programme (UNDP) in 2016.

## ORCID

Antoine Maillet  <http://orcid.org/0000-0002-4607-3964>

Bastián González-Bustamante  <http://orcid.org/0000-0003-1510-6820>

Alejandro Olivares L.  <http://orcid.org/0000-0001-6934-2437>

## References

- Adolph, C. (2013). *Bankers, bureaucrats, and central bank politics: The myth of neutrality*. New York, NY: Cambridge University Press.
- Alcántara, M. (2012). *El oficio de político*. Madrid, Spain: Tecnos.
- Alcántara, M. (2016). La carrera política y el capital político. *Convergencia Revista de Ciencias Sociales*, (73), 187–204.
- Besley, T., & Reynal-Querol, M. (2011). Do democracies select more educated leaders? *American Political Science Review*, 105(3), 552–566. doi:10.1017/S0003055411000281
- Blondel, J., & Müller-Rommel, F. (1997). *Cabinets in Western Europe*. New York, NY: St. Martin's Press, Inc.
- Bril-Mascarenhas, T., & Madariaga, A. (2019). Business power and the minimal state: The defeat of industrial policy in Chile. *Journal of Development Studies*, 55(6), 1047–1066. doi:10.1080/00220388.2017.1417587
- Bril-Mascarenhas, T., & Maillet, A. (2019). How to build and wield business power: The political economy of pension regulation in Chile, 1990–2018. *Latin American Politics and Society*, 61(1), 101–125. doi:10.1017/lap.2018.61
- Castellani, A., & Dulitzky, A. (2018). The reverse revolving door: Participation of economic elites in the public sector during the 1990s in Argentina. *Latin American Business Review*, 19(2), 131–156. doi:10.1080/10978526.2018.1479641
- Castellano, J. (2017). *Estudio sobre las puertas giratorias en la administración general del Estado y el papel de la oficina de conflictos de intereses*. Madrid, Spain: Fundación Hay Derecho.
- Cortázar, J. C., Lafuente, M., & Sanginés, M. (2014). *Serving citizens: A decade of civil service reforms in Latin America (2004–13)*. Washington, DC: IDB.
- Delamaza, G. (2011). Elitismo democrático, líderes civiles y tecnopolítica en la reconfiguración de las élites políticas. In A. Joignant & P. Güell (Eds.). *Notables, tecnócratas y mandarines: Elementos de sociología de las elites en Chile (1990–2010)*. Santiago, Chile: Ediciones Universidad Diego Portales.
- Demidenko, E. (2004). *Mixed models: Theory and applications*. Hoboken, NJ: Wiley.
- Denhardt, R. B., & Denhardt, J. V. (2000). The new public service: Serving rather than steering. *Public Administration Review*, 60(6), 549–559. doi:10.1111/0033-3352.00117
- Dörrenbächer, N. (2016). Patterns of post-cabinet careers: When one door closes another door opens? *Acta Politica*, 51(4), 472–491. doi:10.1057/ap.2016.10
- Fairfield, T. (2015). *Private wealth and public revenue in Latin America: Business power and tax politics*. New York, NY: Cambridge University Press.
- Freeman, D. H. Jr. (1987). *Applied categorical data analysis*. New York, NY: Marcel Dekker Inc.
- Garretón, M. A. (2012). *Neoliberalismo corregido y progresismo limitado: Los gobiernos de la Concertación en Chile, 1990–2010*. Santiago, Chile: Editorial ARCIS-CLACSO.
- González-Bustamante, B., & Olivares, A. (2015). Rotación de subsecretarios en Chile: Una exploración de la segunda línea gubernamental, 1990–2014. *Revista de Gestión Pública*, IV(2), 151–190.

- González-Bustamante, B., & Olivares, A. (2016). Cambios de gabinete y supervivencia de los ministros en Chile durante los gobiernos de la Concertación (1990–2010). *Colombia Internacional*, (87), 81–108. doi:10.7440/colombiaint87.2016.04
- Hall, P., & Taylor, R. (1996). Political science and the three new institutionalisms. *Political Studies*, 44(5), 936–957. doi:10.1111/j.1467-9248.1996.tb00343.x
- Harvey, D. (2005). *A brief history of neoliberalism*. Oxford, UK: Oxford University Press.
- Heclo, H. (1988). The in-and-outer system: A critical assessment. *Political Science Quarterly*, 103(1), 37–56. doi:10.2307/2151140
- Hosmer, D. W. Jr., Lemeshow, S., & Sturdivant, R. X. (2013). *Applied logistic regression*. Hoboken, NJ: John Wiley & Sons, Inc.
- Huber, J., & Martínez-Gallardo, C. (2008). Replacing cabinet ministers: Patterns of ministerial stability in parliamentary democracies. *American Political Science Review*, 102(2), 169–180. doi:10.1017/S000305540808012X
- Iacoviello, M., Llano, M., & Strazza, L. (2012). Fortalecimiento de la función directiva pública: Exploración a partir de una selección de experiencias latinoamericanas y anglosajonas. *Revista Del CLAD Reforma y Democracia*, 52, 45–82.
- LaPira, T. M., & Thomas, H. F. (2014). Revolving door lobbyists and interest representation. *Interest Groups and Advocacy*, 3(1), 4–29.
- Maillet, A. (2015). Más allá del «modelo» chileno: Una aproximación multi-sectorial a las relaciones Estado-mercado. *Revista de Sociología e Política*, 23(55), 53–73. doi:10.1590/1678-987315235504
- Maillet, A. (2017). Más allá de la confianza política: El rol de las competencias profesionales en la permanencia inter-presidencial de los superintendentes en Chile (1990-2014). *Revista Del CLAD Reforma y Democracia*, (67), 163–196.
- March, J. G., & Olsen, J. P. (1983). The new institutionalism: Organizational factors in political life. *The American Political Science Review*, 78(3), 734–749. doi:10.2307/1961840
- Martínez-Gallardo, C. (2012). Out of the cabinet what drives defections from the government in presidential systems? *Comparative Political Studies*, 45(1), 62–90. doi:10.1177/0010414011421306
- McCulloch, C. E., Searle, S. R., & Neuhaus, J. M. (2008). *Generalized, Linear, and Mixed Models*. Hoboken, NJ: Wiley.
- Miller, D., & Dinan, W. (2009). *Revolving doors, accountability and transparency: Emerging regulatory concerns and policy solutions in the financial crisis*. Paris, France: OECD, Expert Group on Conflict of Interest.
- Moore, M. (2006). Creando valor público a través de asociaciones político-privadas. *Revista Del CLAD Reforma y Democracia*, 34, 1–22.
- Moya, E., & Garrido, V. (2018). Patronazgo en Chile: Taxonomía heterogénea que cambia. *Estudios Políticos (Medellín)*, 53, 213–236.
- Moya, E., & Hernández, J. (2014). El rol de los colegios de elite en la reproducción intergeneracional de la elite chilena. *Revista Austral de Ciencias Sociales*, (26), 59–82. doi:10.4206/rev.austral.cienc.soc.2014.n26-04
- Niskanen, W. (1971). *Bureaucracy and representative government*. Chicago, IL: Rand McNally.
- Pinto, A. C., Cotta, M., & Almeida, P. T. d (Eds.). (2018). *Technocratic ministers and political leadership in European democracies*. Cham, Switzerland: Palgrave Macmillan.
- Rabe-Hesketh, S., & Skrondal, A. (2012). *Multilevel and longitudinal modeling using Stata*. College Station, TX: Stata Press.
- Rogers, R., & Gúzman, N. (2015). El directivo público hoy: Contexto, roles y desafíos (Working paper No. 3), Servicio Civil, Gobierno de Chile.

- Schneider, B. R. (1993). The career connection: A comparative analysis of bureaucratic preferences and insulation. *Comparative Politics*, 25(3), 331–350. doi:[10.2307/422249](https://doi.org/10.2307/422249)
- Silva, P. (2009). *In the name of reason: Technocrats and politics in Chile*. PA: Pennsylvania State University Press.
- Stein, P., Tommasi, M., Echebarría, K., Lora, E., & Payne, M. (2006). *La política de las políticas públicas*. Washington, DC: Banco Interamericano de Desarrollo.