

CHILE: A CASE OF PROGRESSIVE DEVELOPMENT

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Since the return to democracy in 1990 Chile has managed to maintain a heterodox and original adaptation to the requirements of globalization during the favourable cycles of the world economy as well as during the negative cycles.

In this paper we will present some of the central features of the recent Chilean experience. On the basis of this experience we can expect that around the Bicentenary of its independence (2010), Chile will be near to the "threshold of development".

This achievement does not only depend on the efforts of Chileans. For a small country its potential for continued growth is strictly linked to the world economy. International trade is 55% of Chile's gross natural product.

From the progressive point of view we consider a developed society one which is able to remove economic, social, political or cultural obstacles that could hinder the possibility of having a long and healthy life, thus giving everybody the opportunity to acquire knowledge, to develop their adequate potential and skills in relation to their needs and identities and provide access to incomes and resources.

In order to fulfil all these objectives Chilean society must, on one hand, achieve a powerful sense of social integration, respecting at the same time diversity and pluralism. And on the other hand, it must make a remarkable effort leading to the complete integration of Chile into the technological revolution.

These are objectives that can never be completely reached, but a permanent effort to attain them is required. Higher philosophical goals for society such as happiness or love among human beings are beyond the scope of this paper.

Happiness and love in human relations seem to be linked to more individual or psychological events rather than to the action of public policies. When these philosophical goals have been historically transformed into political objectives they have come closer to nightmares rather than to dreams.

Our objectives are then recognized as admittedly modest.

Reaching development is not something univocal, nor does it respond to an exact definition. From a neoliberal perspective it is usually linked to the achievement of higher levels of growth, no matter the weakness of social cohesion or the levels of social inequality. From a populist perspective, development is identified mostly with a better distribution of income, no matter the fiscal deficit or the weakness of economic growth.

Everything indicates that a balanced vision of development implies avoiding unilateral visions. A country can surpass ten thousand US dollars per capita income with such big internal inequities that poor people are living in conditions similar to those of less-developed countries. A country can also reach important levels of equity with the overwhelming majority living in poverty. None of these visions are desirable for Chile.

To plan reaching development in today's world requires being conscious of the international context and the comparative dimension in order to look to attainable goals.

When we think of Chile as a developed country, we are not only thinking of a determined per capita income. We are thinking of a country that has sustained economic growth and notable improvements in the levels of social welfare. A country that can show a solid democratic base, high levels of transparency, efficiency and public accountability, diverse and active civic participation that can consolidate a culturally tolerant society.

The progressive and the best way to assess social progress in a country is to focus on what happens with the poorest 20 per cent of the population. In the case of Chile, in the last 14 years, this poorest 20 per cent duplicated its income and multiplied by four its access to basic goods and services. We are uncertain if there is another experience where the poorest people had had such progress over the last fourteen years.

With regard to the required economic growth, it is not realistic for a small country as Chile, to pursue growth rates beyond the margins of the cycles which the world economy is experiencing.

However, in a negative cycle it is possible to defend what has been achieved, and take advantage of all the opportunities for continued growth, even though it be at a moderate rhythm, creating in the meantime the best conditions to take advantage of opportunities when a positive cycle is opened. The quality of public action definitively consists of these two points.

Even taking into account the great difficulties of the world economic situation at the beginning of this century, Chile can aim for a rate of economic growth for

the first decade of the 21st Century that is considerably higher than the growth of developed countries.

For this it is necessary, as has already occurred in the last fifteen years, that Chile be among the countries that have an accelerated growth rate in Latin America.

Being at the threshold of development cannot be defined only by one indicator. It is expressed by the combination of many factors, by a considerable rise in the annual per capita income level, by the increase of income per quintile, by a percentage of poverty closer to 10% rather than the present 18.8%. A society on the brink of development has eradicated indigence as a social phenomenon. Achieving development is not only measured in average numbers, but holistically by the level of dignity of those less favoured.

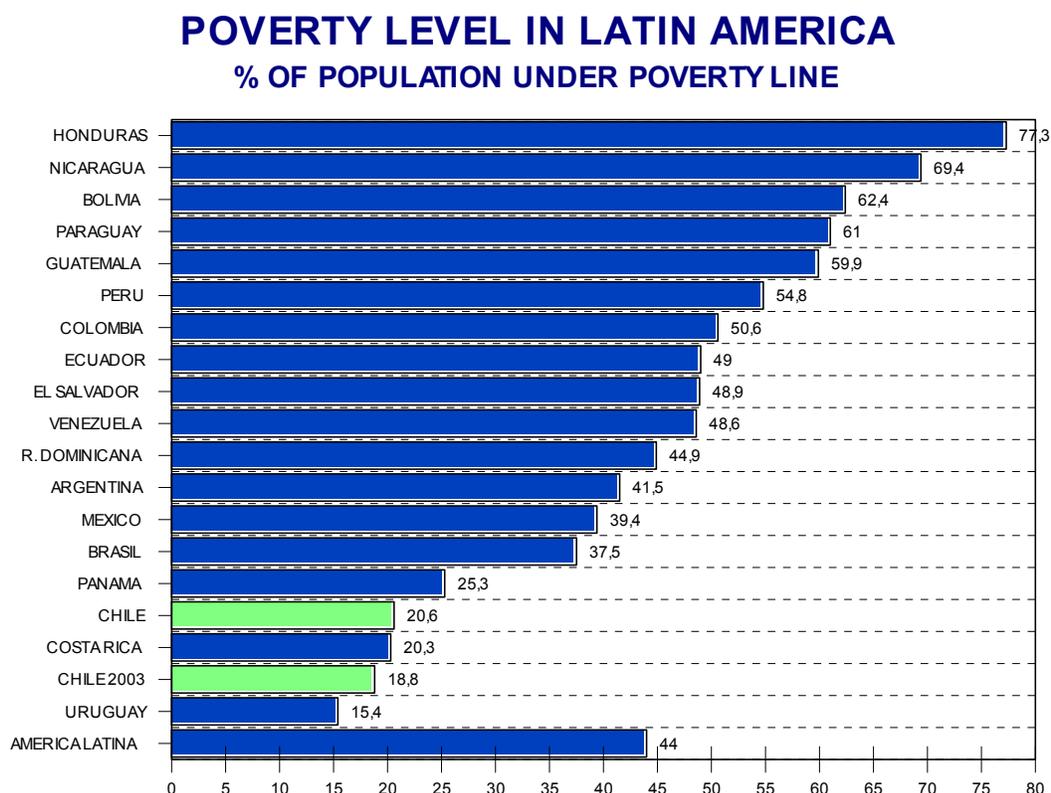
These objectives have been precisely constructed starting from the advances in the development process carried out by advances in the successive governments of the "*Concertación por la Democracia*".¹ Based on these achievements we can affirm that there are real possibilities to construct a developed country.

1. **Achievements to date**

During the 90's poverty in Chile significantly diminished. In 1990 there were five million people in Chile living in poverty; in the year 2000 there were only three million and in 2004 there are 2.907.700 persons. In

¹ We refer to the centre-left wing "*Coalición*" that has governed Chile since 1990, and which is formed by *Partido Demócrata Cristiano (PDC)*, *Partido Socialista (PS)*, *Partido por la Democracia (PPD)* and *Partido Radical Social Demócrata (PRSD)*. The Governments of the *Concertación por la Democracia* have been headed by Patricio Aylwin (1990-1994), Eduardo Frei (1994-2000) and Ricardo Lagos (2000-2006).

percentage terms poverty decreased during the decade from 38.6% to 20.6%. The latest figures obtained in August 2004 show a new decrease to a figure of 18.8%. In comparative terms, Chile was the only country in Latin America that could exhibit these levels of advance regarding the decrease of poverty.

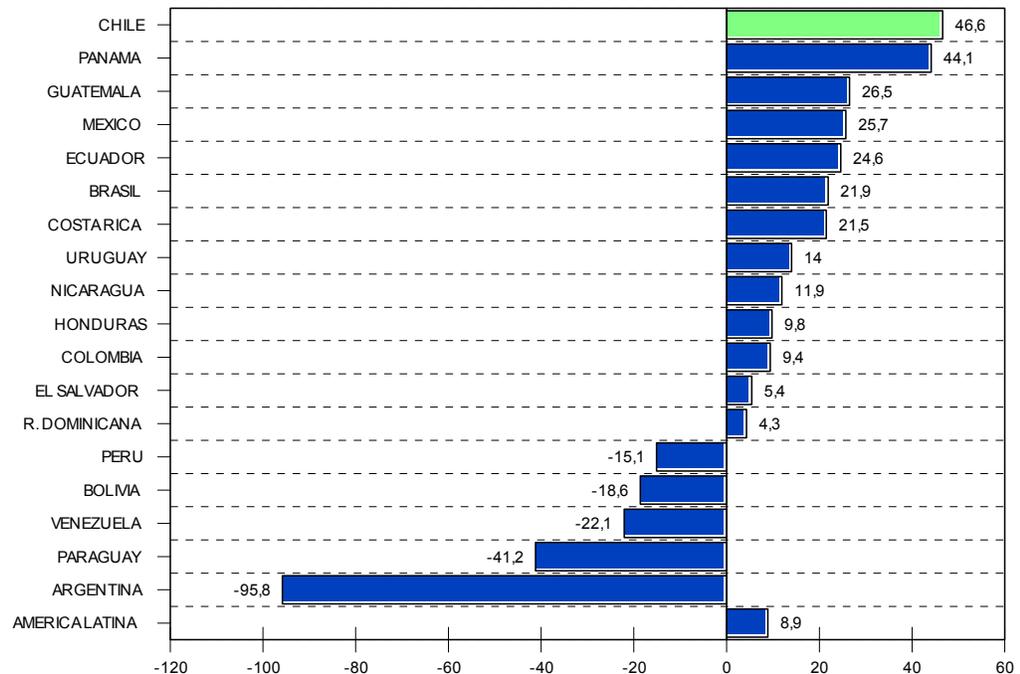


SOURCE: ECLAC, *Panorama Social 2002-2003*

Circa 2000, there were only two countries that could show a lower poverty level than Chile. But the more important is how much poverty was reduced between 1990 and 2000. Looking at those figures it is easier to realize the magnitude of the efforts that have been made in Chile over the last decade.

% POVERTY REDUCTION IN LATIN AMERICA

1990 - 2000 (aprox)

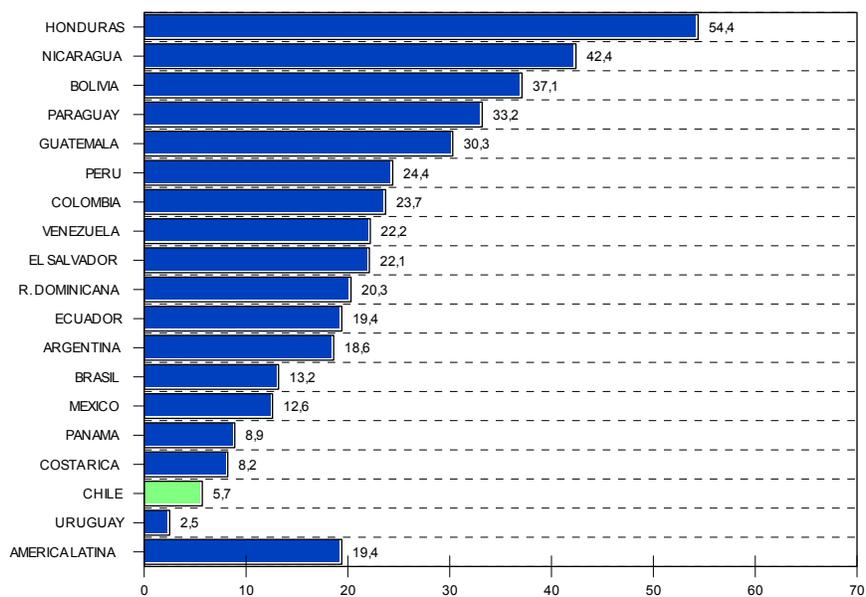


SOURCE: ECLAC. Panorama Social 2002-2003

Chile has reduced poverty by 46,6% in ten years. Chile is the Latin American country that has done this task in a better and in a deeper way.

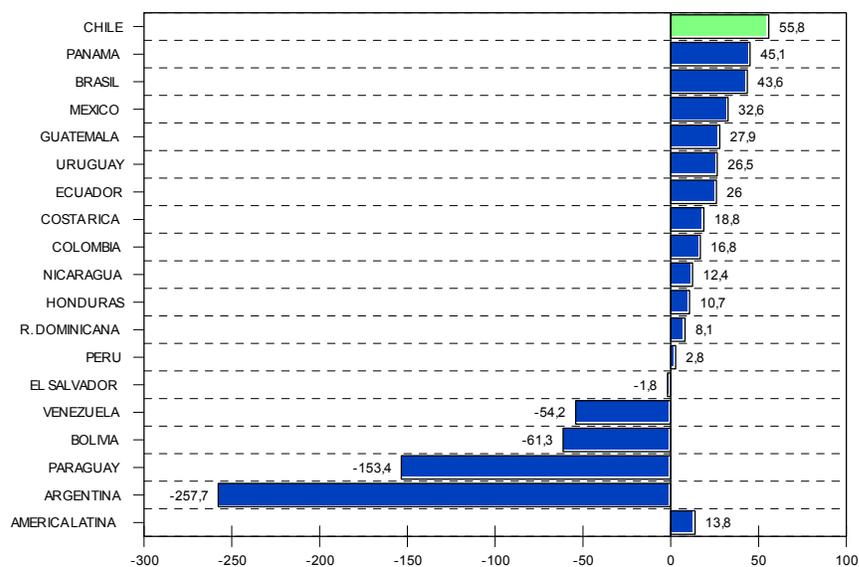
Notwithstanding what was said before, the performance of Chile regarding the reduction of extreme poverty has been more noticeable. It decreased from 12.9% in 1990 to 5.7% in the year 2000, experiencing a new decrease to 4.7% in 2003.

EXTREME POVERTY LEVEL IN LATIN AMERICA AROUND 2000



SOURCE: ECLAC, Panorama social 2002-2003

% REDUCTION OF EXTREME POVERTY 1990 - 2000 (aprox)



SOURCE: ECLAC, Panorama Social 2002-2003

Again, only one country in Latin America has a lower level of extreme poverty than Chile. And Chile shows the major reduction of extreme poverty in Latin America between 1990 and 2000.

The last decrease (18% between 2000 and 2003) is quite important because everyone knows that it is much harder to reduce extreme poverty from 5,7% to 4,7% that to do it from 15% to 12% or even to 10%. Moreover, this decrease was achieved in an extreme difficult economic context (the average rate of economic growth in this period is almost half of that 1990 – 2000).

If we look at the elasticity of GNP growth/poverty reduction we can see

PERIOD OF TIME	ELASTICITY GNP GROWTH / POVERTY REDUCTION	
	POVERTY	EXTREME POVERTY
1990 – 2000	-0,543	-0,49
2000 - 2003	-1,92	-1,93

That is to say, between 2000 and 2003 for every point of economic growth you get almost two points of poverty and extreme poverty reduction. These figures tell us about the deep neo-liberal falsehood that states that poverty reduction depends only on economic growth. On the contrary, these figures show us the absolute importance of social policies and social programmes. What market is unable to do it should be done by the state and its social policy.

We can affirm that in the last fourteen years Chile decreased almost halved the number of poor people and in the year 2000 the poor were less poor than in 1990.

Underlying these numbers regarding the reduction of poverty there are two essential devices. On one hand the economic growth and on the other the important distributive impact of social expenditure.

Chilean economic performance in the nineties was the best in its history.

During the 1989 - 2000 period, the economic growth achieved an annual average rate of 6.3% totalling an increase of 96.4% between 1989 and the year 2000. In the year 2000 the Gross National Product doubled that of 1989.²

This noticeable expansion in its economy brought about an increase of 66.3% per capita income between 1989 and the year 2000. In the year 2000 per capita income in Chile came near five thousand US dollars.³ If these are calculated for 2002 using P.P.P. (Purchase Parity Power), a more realistic indicator, it would correspond to almost 10 thousand dollars.

Finally, investment experienced an increase of 113.8% between 1989 and the year 2000. With regard to savings during the decade there was a fluctuation of around 21.6% of the GNP.

² Source: Central Bank of Chile (million pesos of 1986).

³ Source: Central Bank of Chile (US\$4.603).

Regarding employment, notwithstanding the increase of unemployment registered during the last years,⁴ the sustained economic growth until 1998 permitted not only the creation of new jobs, but also an improvement of their quality.⁵

This economical success is not a consequence of the democratic governments' "good administration" of the heritage of the military regime. The figures do not coincide: during the military regime the economy grew at an annual average rate of 2.4%. Under the governments of the *Concertación* it grew at an average rate of 5.8%.⁶

However, this matter is more profound. Although the democratic governments did not back away from a series of modernization measures in the economic ambit introduced by the dictatorship, the *Concertación* modified and corrected the fundamental orientations that comprised fiscal policy, education, infrastructure and social policies. That is why it is intellectually unfair to speak of continuity and frankly absurd to speak of a neo-liberal continuism.

Although the growth rates of the 90's strongly fell with the Asian crisis in 1997, Chile has been able to successfully face this turbulence avoiding paralization, with growth rates over and above the world economy.

Democratic governments have doubled Chilean product, have resisted economic turbulence even the most difficult, and what is most important

⁴ According to the National Institute of Statistics (INE), unemployment national rates reached 9,8 in 1999; 9.2 in 2000; 9.0 in 2001; 9.10 in 2002 and 8.5 in 2003.

⁵ Between 1990 and 1998 employment grew at an annual percentage rate of 2.1. This process was interrupted in 1999 and the year 2000 when it decreased at 0.5% and 0.4% respectively.

⁶ Presidential Message of the 21st of May 2002. Message of the President of Chile, H.E. Ricardo Lagos Escobar, p.8.

without reverting the thorough social progress achieved, particularly in relation to the reduction of poverty.

Notwithstanding these advances, it is usually pointed out that there are inequity levels in Chile, that are structural, and for this reason practically unchangeable. Actually this inequity level was increased under dictatorship, but the increasing tendency was stopped with the democratic governments since 1990. And from 2000 to 2003, the latest figures show that the gap between the rich and the poor has decreased. A little bit, but it has decreased.

Everyone knows that the structure of income and welfare distribution is not changeable in short periods of time. On the last three years Chile has reduced the gap in almost 10%.

In the context of Latin America this can be considered an achievement because in the majority of other countries there was an increase in the level of income concentration.

In Chile there are fewer people living in poverty and they are less in need than those of the beginning of the decade. However, the distance of this group in relation to those that have the highest incomes has not decreased.

Nevertheless the latter assertion is not completely accurate. We pointed out before that the outstanding figures in the reduction of poverty could be basically explained by two factors: the management of the economy in the last decade and the distributive impact of social expenditures. This last

factor had a strong impact, not only in maintaining the existing gap between rich and poor, it managed to reduce it.

In fact, if the monetary transfers (subsidies) made by the public sectors are considered, an improvement of average income is verified in households pertaining to the first deciles; especially those that are in the first decile.

In the year 2000 the average monthly income of the first decile households increased in 31% as an effect of these subsidies, bringing with it a slight improvement in income distribution. When adding the monetary subsidy to the autonomous income, the results for the year 2000 were that participation of the first two deciles increased from 3.7% to 4.3%, and that corresponding to the richest decile decreased from 42.3% to 41.7%.⁷

The same evidence can be found in several studies. Research carried out by the University of Chile⁸ confirmed that the social policy applied in the period 1990-1996 constituted an effective tool to reduce inequality. (See the table in next page). This study stated that in 1996 the richest quintile had 18.9 times the income of the quintile with the lowest income without considering the effects of social policies. However, when these are included in the measurement, disparity notably decreases to 11.4 times.⁹

⁷ MIDEPLAN. "Impacto distributivo del gasto social 2000". (Distributive Impact of Social Cost 2000.)

⁸ Bravo, David and Contreras, Dante. "La distribución del ingreso en Chile 1990-1996". (Income distribution in Chile 1990-1996). Department of Economy of the University of Chile.

⁹ Ibid.

IMPACT OF SOCIAL POLICIES ON INCOME DISTRIBUTION
CHILE 1990-1996

			1996	
	Income		Income	
	Net social policies	With social policies	Net social policies	With social policies
Q1	3.41	4.67	3.24	5.00
Q2	6.85	7.82	6.73	8.01
Q3	10.94	11.41	10.69	11.55
Q4	18.19	18.05	18.22	18.21
Q5	60.61	58.05	61.12	57.22
Q5/Q1	17.80	12.40	18.90	11.40
Coef. Of Atkinson	0.68	0.52	0.69	0.49
M. Entropia Theil	0.64	0.57	0.65	0.54
Log (P90/P10)	2.44	2.10	2.48	2.01
Variability Log	1.00	0.74	1.04	0.68
Gini	0.56	0.52	0.56	0.51

In the year 2000 the figures are more encouraging. Applying the same methodology, the richest quintile has an income of 15.3 times the poorest

quintile only considering autonomous income. Now this relation decreases to 8.3 times when subsidies are taken into account. In this way, 20% of the poorest households increased its participation from 3.7% of the autonomous income to 6.4% of its total income, while 20% of the richest households reduced its participation from 57.5% of autonomous income to 53.4 of the total income.¹⁰ In 2004 the situation is even better : the poorest households increased its participation from 3,9% of the autonomous income to 6,8% while the richest reduced its participation from 57,5% to 52,4% of the total income¹¹.

With all of what has been said before it does not mean that the Chilean levels of inequity are by any means acceptable; however the trend of the decade is contrary to what is usually believed. In this sense, a complete synthesis could read: During the years of democratic governments the trend has been to a permanent economic expansion, to a constant reduction of poverty and a gradual and continuing decrease in the existing gap between rich and poor.

These categories paint only a partial picture of the immense transformation of Chilean life in the last years.

The Chilean social reality has been strongly marked by growth and the increasing connection generated by the globalization phenomenon, the mobility described by Michael Walzer¹² and other authors, the asymmetric

¹⁰ Mideplan 2000. op.cit. pp.11 and 12.

¹¹ Mideplan , 2204

¹² The modernization processes are not identified with the construction of modernity as has been said before. "Although instrumental rationality, productive efficiency, technical progress and the capacity to respond to consumption aspirations are the composing elements of modernity; they by themselves do not assure the other elements, of normative character, that conform it. That is to say, human rights in force, democracy, social cohesion, environmental sustainability, memory and historic project. A reductive reading of modernity that do not outline equity, sustainability, democratization and identity, in an integrated or complementary form would tend to reinforce incomplete modernization processes, consigned for producing

combination among processes of modernization and modernity give us a more complex picture of social stratification in Chile; behaviours, aspirations and frustrations of the diverse social sectors.

%ACCESS TO BASIC GOOD AND SERVICES NATIONAL CENSUS 1992 – 2002 20% POOREST POPULATION		
	1992	2002
Programable Washing Machine	0,3	46
Refrigerator	8	45
Electricity	50	83
Drinking water	40	63
Sewage system	5	57

These are national figures. For the 20% poorer of urban population drinking water comes up to 95,5% and sewage system up to 84, 2% (CEP Surveys)

enormous differences among integrated and modern elites and ample sectors of population, disintegrated and marginalized. This would generate a space for opposite reactions to development, retrieval on particular identities and cultural defence." Ottone, Ernesto "La Modernidad Problemática: Cuatro ensayos sobre el desarrollo latinoamericano" (A Problematic Modernity: Four essays on Latin American development). ECLAC, Ed. JUS, Centro Lindavista, Mexico 2000, page 47.

The public opinion study N°41 elaborated by the *Centro de Estudios Públicos* (CEP) (Centre of Public Studies)¹³ give us, as shown in the following tables, impressive dimensions in income growth and the tenancy of goods in the last years among middle and low-middle sectors.

LOWER SOCIO ECONOMIC STRATA ¿ HOW HAVE THE FAMILY INCOME IMPROVE IN TEN YEARS ? 1990 – 2001 (Urban Samples; currency December 2000)		
	SEPTEMBER 1990	JUNE 2001
UP TO \$78.000	54,7	13,5
BETWEEN \$79.000 – \$134.000	29,8	26,7
BETWEEN \$135.000 – \$224.000	9,1	29,0
BETWEEN \$225.000 – \$358.000	2,5	13,3
MORE THAN \$358.000	2,1	5,4
DO NOT ANSWER / DO NOT KNOW	1,8	12,1
Source: CEP Surveys / www.cepchile.cl		

¹³ All this information was proved and widely explained in the 2002 Census. See Tironi, Eugenio "Modern Chile. Democracy and Social Change in the 90 's" , with the collaboration of Tomas Ariztía (Excerpts of the book "Cuando y Cómo Cambiamos los Chilenos. Balance de una Década. Censos 1992-2002. Various authors.)

LOWER SOCIO ECONOMIC STRATA this family income are stable, that is to say, almost every month you get similar incomes or they are rather unstable, with significant changes from one month to another ? 1990 – 2001 (Urban Samples)		
	SEPTEMBER 1990	JUNE 2001
RATHER STABLE	38,1	52,9
RATHER UNSTABLE	61,5	43,5
DO NOT ANSWER / DO NOT KNOW	0,4	3,6
Source: CEP Surveys / www.cepchile.cl		

There is no doubt about the improvement of living conditions of poor people between 1990 and 2004. Labour conditions, income conditions, access to basic goods and services, poverty, education, health, quality of life. As we have said before, the main indicator of progressiveness is to look at what has happened to the poorest 20% of the population.

Naturally, none of these elements are by themselves characteristic of "good life" or of "good society", but undoubtedly we are facing big changes in the life of people with an increasing process of universal connection and access to information.

Chileans have lived an accelerated and traumatic process of change in the last years. In few years Chileans have had to adapt themselves to changes and modalities in their cultural patterns, in their identities, reference groups, life styles, family structures, social mobility mechanisms, in the relation between individual and collective life. They have lived a revolution in their aspirations and a multiplication of their demands. Their labour situation has dramatically changed.

The changes that their grandparents or their parents had to cope with what occurred over generations, now Chileans have had to assimilate them in only a few years.

These changes do not avoid exclusions or segmentation, but also widen the field of liberty of opportunities and personal autonomies.

2) Current Tasks

It was mentioned that development possibilities in Chile are not only concentrated in its capability for economic growth but in its capability to decrease inequality rates and in having more personal liberties in a democratic framework.

Not pretending to evaluate the Government of President Lagos we can assert that it was able to overcome the difficult international situation faced during the first four years of its mandate.

The first aspect where the leap has been very big is what can be called the republican reconstruction and the expansion of liberties that although have not yet taken form in the constitutional changes, have produced a notable fall in the fear of democratic instability. The central change is established by the democratic standardization of civil-military relations through an effective and non-conflictive subordination of the Army to the civil power.

This change has been accompanied by an evident expansion of personal liberties, which has taken form in the legal initiatives such as the end of cinema censorship, the approval of press law, the strong development of cultural activities, the divorce

law and the approval of measures that have favoured the development of artistic and cultural expression.¹⁴

The second aspect has been the approval of a series of important basic measures to advance in the field of equity, generating the basis to decrease inequality and decrease poverty in future years. Such measures as tax evasion law, labour reform and the establishment of unemployment insurance lead towards generating an essential social network.

Finally, the Chilean economy has been able to maintain its growth rhythm, which is comparatively high in relation to the developed countries as well as in relation to emerging economies in Latin America.

A solidarity concept in economic management has permitted to neutralize the recessive effects, to have the support and recognition of the international economic community and to act in a cyclic way in matters as social expenditures as well as in the generation of employment from the public sector to mitigate unemployment that the private sector has been unable to generate.

Although many advances could be singled out in other fields such as infrastructure, connectiveness and environmental quality, it is convenient to put the accent on the insufficiencies, on the obstacles and on the urgent effort not to frustrate this expectation.

Inevitably the conclusive effort is situated in the economic growth plan. We have already mentioned that in a globalized economy an important part of the success

¹⁴ Ministry of the General Secretariat of Government, Communication and Cultural Secretariat, Cultural Department "Cultura 2000 Informe Anual" (Culture 2000, Annual Report) Santiago de Chile, January 2001.

of Chile depends on the recovery rhythm of the international economy. But there is an important part that depends on us.

Fortunately Chile is recovering growth after years of world crisis and low growth, (3,4% in 2001; 2,2% in 2002; 3.3% in 2003). Growth increase will be close to 5% in 2004 and 5% approximately in 2005. Even these percentages will not allow the necessary extension to reach growth goals that will assure around US\$8.000 dollars per capita and around US\$16.000 in P.P.P. in 2010. That is why it is necessary to make an extraordinary effort to recover growth rhythm as soon as possible.

Therefore a considerable effort will be required to develop new competitive levels: To create an innovation system in technology and sciences, to give a decisive leap in the formation of human resources to improve the market, to eliminate the dysfunctions in the public ambit, to remove the bureaucratic obstacles that impede better endeavours, to break through distrust between the public and private sectors and to generate a strong platform to impel growth.

The effort to continue being perceived by the international economic community as a reliable interlocutor is not minor, as was shown in the Agreement of Economic Political Association and Cooperation between Chile and the European Union (17 May 2002) and the signing of the Free Trade Agreement with the United States of America and with Korea. These agreements are as much a part of the long lasting measures as are the reform in the capital market, the issue of a sovereign stock bond and the strengthening of economic relations in Latin America and with Asia.

This impulse should be done simultaneously with the republican and democratic consolidation placing in the centre the political reform that will change Chile in a

normal democracy which includes the expansion of the representativeness of the electoral system. Also with the development of the juridical reform and the increase of civic security that has as a central instance to combat social discrimination and defencelessness of the poor.

Both dimensions, growth and the consolidation of the republican ethos should be linked to the tasks leading to a more equitable society.

It is possible to eliminate the conditions that facilitate intergenerational transmission of poverty in Chile. Education which has achieved a noticeable advance in the last decade is a key element. Twelve years of complete schooling –as an average for the country- the universalization of pre-school education and a system of credits and fellowships for higher technical and university education. All these, together with the massive access to information technologies, the development of permanent training systems for the technical and economic change that will allow people to move from labour periods to formation and training periods, constitute the missing links in the educational and formation chain to assure better labour opportunities and better remuneration levels of the poorest groups.

The unemployment insurance law approved in Chile represents a guiding sign. Two big proposals can be added: that of integral health reform and the programme to eradicate indigence announced in the Presidential Message of 21st May 2002 which has already started and the Programme "*Chile Solidario*", whose goal is to decrease extreme poverty.

All these elements to which we should add the responsible autonomy with which Chile faced the Irak case before the United Nations Security Council, explain why

Chileans maintain their support for the Government of the *Concertación* and in particular for the leadership of President Ricardo Lagos.

In its fifth year of Government, the President maintains a level of support above 60%, which is a consequence of the perception the majority of Chileans have that a more liberal, solid, egalitarian and fair country is being constructed.

3) Looking towards the future

If all this is achieved we can envisage, not just dream about reaching the year 2010 with these development goals achieved. All these goals "idealistic but still attainable" have been synthesized by Guillermo Campero¹⁵ as follows:

- a) Chile will be a society that will have eradicated key factors that prevent intergenerational poverty transmission.

Education is one of these key tools.

To this end:

- Access to pre-school education will be universal. Its quality and efficacy will have first priority.
- Chileans will achieve an average of 12 years of schooling.
- The quality of the university system will reach an international competitive level.
- Access to higher university education and professional technical education will be assured to all those who have the adequate competence through an efficient system of scholarships and credits.

¹⁵ Campero, Guillermo, Working document, not published, Santiago de Chile, 2001.

- State universities will guarantee pluralism in education and research.
- Chileans will have access to productive employment and will have permanent training to face technical and economic change.

For this,

- The country will maintain the fundamental priority of a healthy macro economy that encourages investment.
- There will be permanent professional training that will allow workers and enterprises to adapt their own cycles and speed to the technical and economic changes that are inherent to insertion in a globalized economy; each worker will be able to be reclassified every five years.
- The educational system will be structured in such a way that people will be able to transit from labour activity periods to education and training periods. This system will work in terms of intercommunication networks between the different subsystems that constitute it and the labour world.
- Public policies will encourage individual abilities to keep going forth. It is necessary to have an active entrepreneurial orientation and a creative attitude leading to the creation of new activities of production and services that constitute an essential element in our economy.

b) People will have a social protection network that will allow them to face difficult situations and will guarantee a dignified life.

This is concreted by:

- Unemployment Insurance that will be completely operative;
- Coverage of private and public Social Security that will comprise all Chileans, assuring everybody basic and dignified social minimums and in accordance with the new reality acquired in the social and labour structure of the country;

- Health coverage that will guarantee basic preventive and curative service, giving priority to Primary Assistance;
 - Active social policies oriented towards the improvement of opportunities for people that are economically and socially less-favoured, focussed on the principle of co-responsibility between public support and the contribution of individuals;
- c) Chile will be connected as a nation, physically, socially and culturally
- The country will have a very strong development in its infrastructure with regard to intercommunication (highways, railroads, rural electrification and telecommunications), thus integrating all its territory permitting a better and more active exchange between big urban centres, intermediate cities, rural areas, and in general, all social communities.
 - All citizens will be in condition to participate in the use of new information technologies. Everybody will have access to the internet. It will have a wide coverage in schools, enterprises and public services as well as in communitarian tele-centres installed in public areas.
- d) Families will be safer and more protected

This will be expressed in:

- Communitarian participation systems will be established for the prevention of delinquency and citizenship security activities;
- There will be more rehabilitation opportunities;
- Preventive social action activities will be actively working against drugs and delinquency. Active urbanism policies will consider improvement in

the quality of life, recreational opportunities and communitarian cohabitation that will lead to develop a favourable atmosphere for a safe and cooperative social life, particularly in sectors that have more economic and social deficiencies.

- Our Police will have adequate training, infrastructure and resources.

e) Government action will be modernized

- The Government and its services will have adopted the most advanced information technologies, in its internal administration and especially in its relation with the users of public systems. The goal will be to have a direct "on line" government throughout the country. This will increase its efficiency, efficacy and benefit citizens by reducing bureaucratic costs.
- Over regulation will be eliminated, regulation will reach an adequate level to protect the interests of citizens while promoting entrepreneurial initiatives.
- An efficient decentralization will be developed. It will give responsibilities and acting ability to regions and social communities.
- The Civil Service will be entitled to select, based on transparency and objective criteria, the appointments of high positions in the Public Service.
- The Government and its services will be submitted to severe and careful accountability by users, in terms of efficacy, efficiency and transparency.

- f) Progress of Chileans will be achieved on an environmentally friendly platform
- Our competitiveness will be based on environmentally friendly means of production;
 - The country will have standards at an international level in matters of environmental certification;
 - The use of natural resources will be in harmony with the responsibility to construct an environmentally sound country for future generations.
- g) Chile will be a country where access to modern and efficient justice is guaranteed
- The judicial system will have improved its administration and judges will be adequately qualified;
 - Penal Reform will be consolidated; and
 - The penitentiary system will be reformed creating more opportunities for rehabilitation.
- h) Our society will be based on trust among Chileans and in their democratic institutions
- A new socio-political agreement in constitutional matters will have been achieved, assuring that popular sovereignty is completely and adequately represented in political institutions.
 - There will be a guarantee that no type of power will be placed over the democratic authorities.

- There will be a solid advance in strengthening a pluralist civil society, with respect to diversity and with the capacity to autonomously assume responsibilities.
 - Cultural liberties will be fully respected and our legal system will be reorganized and updated in order to adequately express the diversity of society in such matters as regulations of civil marriage and others.
- i) Chile will take part in the international community based on the principle of cooperation
- The country will have achieved its capacity of exchange in economic, cultural and social aspects, within the framework of globalization, employing the advantages and possibilities it offers and guaranteeing our cultural identity and our sovereignty as a nation.

This vision of Chile around 2010 could appear to be only wishful thinking, more characteristic of a political dreamer than a serene analyst. However, many of these goals have already been achieved.

Attaining a society that approaches the characteristics we have pointed out, is more modest than ambitious, it does not propose achieving complete harmony, fraternity and social happiness. It proposes to go step by step in order to achieve a society with the expansion of liberty and equity, where democracy operates as effectively as possible. We do not envisage a utopian "epopee" for Chile but a hard road to reform,

Chile of 2010 will still be a society with inequities and conflicts, with suffering and unfairness; coming closer to the threshold of development will mean that there will be more wealth and that its benefits will reach more Chileans, that there will be more possibilities so that everyone will be able to develop the life project which each one aspires to with fewer obstacles than today.

A society where most conflicts can be negotiated diminishing the use of force to the least possible, where diversity is accepted as a value, and will reinforce social cohesion rather than weakening it.

A society where inherited advantages are reduced and where disadvantages are not accumulated by the same people and transmitted to future generations.

We reiterate once again that the democracy we are building is one where liberty and equity can exist in the best possible way -perhaps nothing too new or exciting- but very difficult to obtain, develop and sustain.