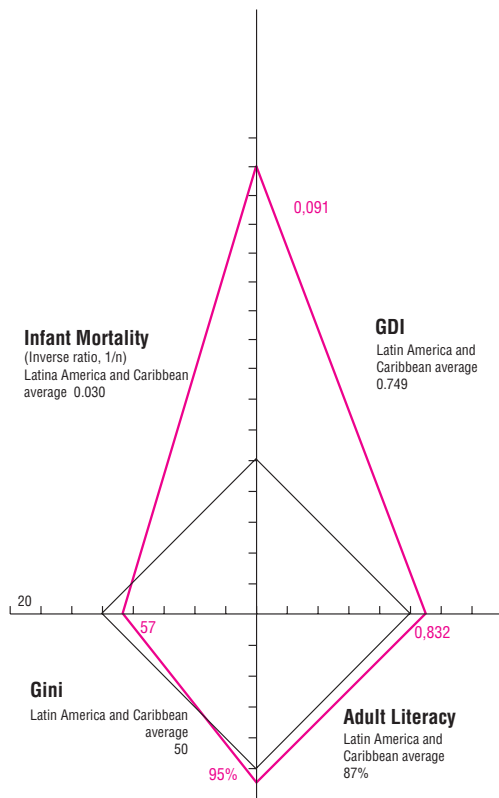


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PRECARIOUS PROGRESS

«having created an efficient system for controlling movements of capital.»

The weight and presence of transnational capital in the Chilean economy has kept growing, however, and the decisions and interests of those who control this capital are becoming more powerful in determining not only the economic, but also the social, political and cultural structure and dynamics of Chile.



The Equity Diamond: National values in terracotta compared to regional ones in blue.
Source: Infant mortality: UNICEF, The State of the World's Children, 1998, Adult literacy: UNICEF, The State of the World's Children, 1998, GDI (Gender Development index): UNDP, Human Development Report 1998, GINI: World Bank, World Development indicators 1998. (The regional average for this indicator was calculated by Social Watch).

The relatively lower cost to Chile, compared with other Latin American countries, of international financial instability in the critical episodes of 1994–1995 and 1997–1998, has spread a deceptive image. Chile is often cited, not only for its «growth with equity» development model, but also for

The regulating role of the government has been relegated to institutionalising through legislation the interests of powerful local economic groups and transnational corporations that seek to identify their interests with the interests of the country. The importance of investment decisions made by this «private sector» for economic stability and growth seriously challenges the independence of the legislative branch.

Analysis of the crisis of the Asian «dragons,» the collapse of the Russian economy and the violent shake-ups in Latin America requires consideration of the vulnerability produced by the drastic fluctuations in capital flows on the world market. The economic crisis demonstrates, through its multiple impacts, the magnitude of economic disruption produced by the absence of regulating mechanisms at national and international levels. It reveals the perverse shape acquired by the gigantic movement of resources at the global level. Chile is one of the favoured countries.

We cannot assume that this flow of resources will always be unidirectional. At some point, enormous amounts will be withdrawn, as has occurred in other countries throughout the decade of the nineties. We must not wait until that happens to design policies for reducing Chile's dependency on international capital. The type of exchange adopted cannot be a variable that depends on the direction of external capital flows.

All around the world, the proposal made by the North American economist James Tobin –to establish a tax of between 0.1% and 0.5% on short-term capital movements– is gaining support. In the same way, we must establish regulations in Chile that change the current policy of opening up the economy as much as possible.

THE CHILE OF THE 1990s

In 1990, Chile decided to face the challenge of overcoming the poverty levels (five million poor, more than one-third of the population) inherited from the authoritarian period. The two governments elected during the last decade have implemented a campaign to «overcome poverty» with diverse strategies and results, ranging from a plan for «poor communities» to the «focalisation of social policies». The (official) instrument of

measurement, through a basic income basket, was the 'National Socio-Economic Characterisation Survey' (CASEN), which publishes progress reports and results every two years.

In the last years, the rate of poverty reduction has fallen and the numbers of indigent have come to a standstill. The problem is most urgent in rural areas and among the indigenous populations. A policy of public spending is aimed at producing improvements in the quality of life through investment in infrastructure (roads, housing, energy, water, pavement, sewerage) and in social and

TIME TO ANALYSE

SERNAM (National Women's Service) has implemented diverse programmes and its actions on the sectoral level have favoured the creation of other programmes in various ministries and municipalities. Despite these efforts, there is still an imbalance between the general policies of the government and specific policies toward women, the latter remaining only partial and isolated measures. Chile has a traditional bureaucratic culture, lacking in equal opportunity and aggravated by years of authoritarianism. There is also a lack of the necessary sensitivity and comprehension regarding the relevance of gender policies among government authorities themselves, who are mostly men designated because of their political militancy.

Recuperation of human rights is a necessary condition for the participation of all citizens and for progress in the process of democratisation. In Chile, there is no state policy promoting, defending, or incorporating sexual and reproductive rights into human rights.

Specifically for women, a cause of school dropouts is teenage pregnancy, which tends to reoccur generationally. Each year, 40,000 children are born to teenage mothers, and 18% of these young mothers were born to teenage parents; half are still of school age, but only a quarter (around 6,000) are still in school. In 1996, 63.7% of pregnant girls between the ages of 13 and 19 were in the lower-income segment of the population.¹

The rate of female participation in the workforce is 35%, fifteen percentage points lower than three decades ago. Furthermore, it is one of the lowest of Latin America and demonstrates, according to CASEN Surveys, enormous discrepancies among women of different social groups, income levels, education and age.

From 1995 to 1998, the proportion of working women with a work contract diminished from 76.1% to 72.4%. Non-traditional working arrangements among women have grown significantly in the last years; nearly one-third of contracts are of this type, which works counter to decent working and social security conditions. Two types of non-formal work affect women increasingly: home-based work in manufacturing, commerce, and services, and seasonal agricultural work. Home-based work is excluded from labour legislation and social protection.

The salary disparity between men and women has remained constant despite Chile's ratification in 1951 of ILO Convention N° 100, which recommends «equal pay for equal work.» According to the Supplementary Income Survey of the INE, inequity grew from 1995 to 1997. **In 1995, the average woman's salary 80.07% of the average man's salary; in 1997 the proportion had dropped to 61.80%.**

The fact that divorce is not contemplated in Chilean law could be considered a violation of the 2nd paragraph of the International Pact of Civil and Political Rights, because it forces married women to permanently submit to laws maintaining patrimonial dominance, even when the marriage has dissolved.

Despite recommendations made in Chapter J of the Beijing Action Platform, mass media continue to employ stereotypical images of women where the body and sexuality are portrayed as objects and where their role in society is almost exclusively reduced to domestic activities.

- **Women's Initiative Group** (formed by CEDEM, CEM, DOMOS Corporation, FLACSO, Women's Institute, ISIS International, La Morada Corporation, MEMCH, PROSAM Corporation). Summary of the document «Chilean women, 5 years after Beijing» January 2000.

¹ Data from the ministry of health in «Debates for 2000» (December 1999) Health and Future, Santiago, Chile.

community services. But the market-centred model and policies that orient macro-economic development tend to reproduce the deficiencies rather than overcome them. The new investments have had a negative influence, restricting employment and the purchasing power of the population.

Employment and real incomes have been reduced. It was foreseeable that progress regarding poverty and indigence would be partially reversed in 1999. The percentage of the national income pie that goes to working families has not grown. If the slice is now bigger in absolute terms, it is because the national income pie practically doubled in size during this time.

SOCIAL SPENDING: EDUCATION AND HEALTH CARE

While there has been significant growth in housing, health care and education, social spending remains focused on sectors of extreme poverty. This social spending policy flows from a conception of the «subsidiary role» of the government, in which it is reduced to guaranteeing «free access» or «free choice». Hence the government continues, in words and action, to neglect its role as defender of social and economic rights. There are clear coverage deficiencies in all policies and social programmes.

Throughout the last decade, distributive mechanisms favoured a minority. The 10% of the population with the greatest income controlled 41.3% to 42.2% of total income. The other nine-tenths,

roughly 80% of households, received the same amount, according to 1998 data (CASEN Survey, Mideplan, 1998).

Regarding citizen participation, there has been a strong demobilisation in almost all area in Chile. Democracy is restricted in Chile by the «institutional chains» inherited from the dictatorship and the de-structuring of values and politics generated by the neoliberal consumption model. ***In this sense, the corporate sector, multinationals, military, and owners of the communication media, tend to impose their hegemony.***

There is, however, new growth in the Chilean social movement, in the form of ecological, consumer, cultural, women's and minority groups of diverse expressions. All of these appear to possess much energy and motivation and they are able to place certain themes on the public agenda. This phenomenon is accompanied by the creation of NGO networks that deal with national and international subjects.

- ***The Chilean Alliance for Just and Responsible Commerce (ACJR) is the Chilean Chapter of the Continental Social Alliance. ACJR is formed by the Group of Agro-Regional Studies (GEA), Latin American Women's Network for Transforming the Economy (IEP), the Centre of National Alternative Development Studies (CENDA), Consumers International, National Council of Consumers and Users (CONADECUS), League of Conscious Consumers, and Consumer and User Organisation (ODECU). alianzacj@usa.net***