

CHILE IS THE PLACE TO WATCH

Ricardo Lagos has the chance to redefine a continent's political dispensation

By JORGE G. CASTAÑEDA

CHILE HAS ALWAYS BEEN A SORT of leading indicator in Latin America, foretelling the direction other countries are headed, or suggesting where they should be going. In the 19th century it was one of the first nations in the region to adopt a functioning model of constitutional democracy; it also built one of the first semi-independent judiciaries in the hemisphere, and toward the close of the last century it experienced one of the first confrontations between local government and foreign ownership of valuable natural resources—its huge nitrate deposits. Much more recently, Salvador Allende attempted the first modern experience of combining socialism and democracy in the region, and Augusto Pinochet put in practice the most effective and brutal authoritarian experiment in Latin America. Finally, since 1989, Chile has been considered by many to be a model of successful transition in the region, combining economic growth with a progressive social policy and a broadening democratization of political life.

No scenario can ever be as rosy as this quick description suggests, but last Sunday's primary elections in Chile tend to confirm the country's role. By a wide margin Socialist Ricardo Lagos became the Concertación alliance candidate for the presidential elections scheduled for December of this year. He defeated Christian Democrat Andrés Zaldívar by a 3-to-1 margin, and became the first Socialist at the top of the ticket of a coalition that has governed Chile since the return to democracy in 1989. Lagos is a heavy favorite to win the presidential vote in December, currently leading the strongest right-wing candidate, Joaquín Lavín, by nearly 20 points. And while Lagos represents about as moderate a left as one can imagine, there is no mistaking the importance of his probable arrival at the Moneda Presidential Palace early next year—for Chile itself, and for the Latin American left in general.

Ricardo Lagos will face two basic challenges: proving that the left can govern effectively, competently and democratically, on the one hand; and, on the other, showing that having a Socialist president *does* make a difference. He can address these tasks on three fronts, and his success or failure will determine the impact of his likely victory in December. First, Lagos will have to make significant headway in removing the "locks" or safeguards im-



Ready on the left: Lagos looks like a winner

posed by the Pinochet dictatorship before it left power to protect its policies, people and crimes. Until now, the two Concertación governments of Patricio Alwyn and Eduardo Frei have proved impotent in the face of these safeguards: the "designated" senators, who have a virtual veto on all constitutional amendments, are still in place. They are mostly Pinochet appointees or allies—the general under house arrest in London is one of them himself—and they have until now blocked any constitutional reform in Chile. Until they are removed from office, significant legislative changes are practically impossible in Chile.

This leads directly to the second front—the abysmal inequality plaguing Chile, and against which the democratic regimes of the past decade have proved powerless despite the advances in reducing extreme poverty. On some figures, the distribution of income in Chile is worse even than in Mexico; to change this state of affairs will take time and effort. The crucial need now is to re-empower the Chilean labor movement, bestowing upon it the previous rights it lost after the 1973 coup d'état, and creating new ones, particularly for seasonal laborers in the fruit-export industry. The workers' movement in Chile was traditionally one of the strongest and most combative in Latin America; today it lacks basic union rights, and enjoys small or no access to collective bargaining, unemployment insurance and the right to strike. Without such empower-

ment and the legislative reforms it entails, it will be difficult to even make a dent in inequality. Lagos's probable victory in December will bring to the fore what Chileans call their "social debt"; this does not mean that this debt will be immediately repaid.

Finally, Lagos will have to address and perhaps redefine Chile's role in the world economy. A social policy based on greater labor rights and on a higher tax take to improve education, health and housing will obviously not please every foreign investor; fortunately Chile enjoys a regulatory framework for restricting the entry of portfolio, speculative capital. Still, a Lagos administration may have to strengthen existing controls and decide whether Chile wishes to continue to go it alone on matters such as these, as well as on trade negotiations, or finally join Mercosur. Together with Brazil and Argentina, and to a lesser extent Uruguay and Paraguay, Chile could develop regional deterrents to short-term capital inflows, and also harmonize social policies across the Southern Cone. Until now, Chile has preferred to wait for accession to NAFTA or the Latin American Free Trade Zone, neither of which seems imminent.

Ricardo Lagos is an experienced, committed politician; he carries a legacy as well as a symbolic and heavy responsibility for the future. Few Latin American left-of-center leaders are as well equipped as he to design and implement an alternative to radical free-market policies in countries like Chile, Mexico, Peru and Argentina. As so often before, everyone is watching Chile to see where it goes.