

Two Conflicting Models of Society

This election is probably the one with most uncertainty as for the direction that the next government might take, if the candidate of the *Concertación* and the Communist Party wins. Her proposal implies a radical change; none of the existing things seem irremovable. Discrepancies are not marginal, as a developed democracy, but crucial ones.

In a recent talk, L&D adviser Lucía Santa Cruz analyzed Michelle Bachelet's government program from the perspective of the changes in the principles that govern our society. Her points of view caused great impact on public opinion, and thus we decided to reproduce the whole text given its contribution to the debate previous to the ballottage of December 15th.

«Mario Vargas Llosa wrote not long ago: “the prototypical factor of a third world election is that every issue seems to be in question and everything starts all over again, from the nature itself of the institutions to the economic policy and the relationships between power and society. Everything can be reversed according to the electoral result and, consequently, all of a sudden the country steps back, losing all that has been gained throughout the years from one day to the next. Thus, the characteristic of living in underdeveloped countries is to be jumping all the time, more often backwards than forwards, or in the same place, without moving forward”.

The obvious question today is: Are we again in front of the typical third world election as defined by Vargas Llosa? Are we at an inflection point? Are we, as candidate Bachelet affirms, at the end of an economic and political cycle? Is it the end of the liberal representative democracy being replaced by direct, plebiscite-types of democracy and the substitution of the market economy? Is it the end of

the model and the implementation of the “other model” in vogue today?

Indeed, this election is probably the most important one since the return to democracy, the most uncertain, not so much in relation to its results, but to the possible direction that the next government of the center-left *Concertación* and the Communist Party will take. Their proposal –as the candidate herself has clearly and insistently announced – deals rather with a radical change than with continuity as all previous ones.

Everything seems to be in question and under discussion, none of what exists seems irremovable and it is right to ask ourselves: A country where nothing is irremovable is viable? Questionings refer to very important issues: discrepancies are not marginal, as in a developed democracy, but crucial ones. Somehow, we would be going back to the roots that are so much inclined to permanent refoundation.

Results

How do we analyze this perspective in the light of the electoral results of November 17th? Michelle Bachelet got a difference of 20 points with regard to the center-right candidate and has enough reasons to feel a winner. However, a bigger “electoral phenomenon” was expected. Despite the fact that her main campaign goal was to win in the first round, she did not succeed, obtaining 500 thousand votes less than in her last election; a much lower percentage than, for example, Eduardo Frei, all of which was expectable due to the proliferation of candidates. The voluntary vote allowed a civic participation of 52%, a figure very similar to that of the United States and 12% higher than Switzerland. It is impossible to interpret the reason for the abstention, since it does not necessarily respond to an act of rebellion regarding the system, as some maintain. On the contrary, maybe the citizens who do not vote believe that there is nothing particularly decisive at stake. When there has been something of the sort, as in the plebiscite year, abstention was close to zero.

Contrary to the worst omens, the right wing was not crushed in the parliamentary elections as in the sixties, as some had predicted. The candidate of the *Alianza* got more votes than what surveys had predicted, but she was far from reaching the voting of the parliament candidates of her coalition, 25% vs. 38%. Incidentally, the most relevant political datum is the triumph of the New Majority in the Congress, mainly due to the binominal system which allows doubling, and gave it a 10% higher representation than its effective voting. This can perfectly well allow the New Majority to carry out, in alliance with independents and/or insubordinates of *Renovación Nacional* (RN) and *Unión Demócrata Independiente* (UDI), all the deep structural transformation proposed in the government program.

In this context, it is essential to fully understand at least some of the crucial aspects of Michelle Bachelet's government program.

From a conceptual point of view, it postulates a reconstruction of society, of the political and economical system, from a single guiding idea – main characteristic of totalitarianism – in the name of which all other legitimate aspirations existing in a diverse and plural society are sacrificed: that is, equality. This equality would be obtained through the State's coercive action in all spheres, especially education. An equality that is sought by means of higher taxes, greater income distribution, public spending increase, establishment of constitutionally guaranteed universal collective rights (regardless of its real and effective economic viability) and a sustained interference of the State in the scopes of conducts and values belonging to private life, and that in a liberal democracy must stay outside the scope of popular sovereignty.

As the program says: "The transversal goal in the design of public policies, not only the educational one, should be to reduce segregation and rely on a more socially and culturally integrated country." The new Constitution replaces the concept of subsidiary State, since it "shall establish a social and democratic Rule of Law, which assumes the economic, social and cultural rights as true obligations of the state activity, in order to ensure a minimum social equality for an effective enjoyment of all rights."

In this regard, it is important to differentiate between the proposals that, although sometimes relevant and serious, as the tax reform, are not properly crucial and the proposals implying a permanent and essential change of the political and economical system.

In fact, higher corporate taxes are proposed which change the focus in order to favor the public sector activity above the private one, and social spending above the creation and improvement of employments through growth. This means that, in the last eight years, the corporate tax has suffered a 50% tax increase, without considering the elimination of the fund of taxable income (FUT), which is easy to identify as a serious constriction to the companies' productivity. Nevertheless, there are other proposals which should cause real concern, because they create situations that are very hard to reverse.

Education

In relation to the proposals referred to the educational system, what hides behind the slogan of "free and quality public education"? In education matters, Bachelet's government program has the main and almost exclusive objective of equality, even proposing measures that conspire against quality; it implies strengthening the State provision of education at

all levels, with serious detriment to educational freedom. The “end of profit in the entire educational system” is a euphemism to conceal the destruction of great part of the private subsidized education. The program establishes that no public subsidies will be granted to the schools pursuing economic compensation, which represent 88% of subsidized schools, among which 93% charges less than 15 thousand Chilean pesos. Furthermore, with the purpose of imposing this achievement equality, it forbids, on the one hand, all types of selection (which means the end of emblematic public schools) and, on the other hand, the rights of the most vulnerable parents to contribute to the education of their children through shared financing, preventing the possibility to invest on a better education for the children and restraining it to the richest only. Under the same logic, in higher education levels, which become “an effective social right”, the selection system is modified by creating “equity quota” equivalent to 20% of the enrolment for students of the most vulnerable 40%, regardless of their academic achievement or performance. The universal fee-free system pretends to standardize the university education, condition the accreditation to requirements imposed by the State and it is thus transformed into an instrument for the State control of most of the educational system.

Property Rights

Bachelet’s program also introduces a radical change in the concept of property rights. The new Constitution, in addition to formally recognize private property rights, adds that “it should envisage the idea that property is binding and that its use should at the same time serve the purpose of commonweal. In this regard, it should be recognized that the social function of private property and inheritance rights shall delimit its content, in accordance with the law”. In this perspective, the limits to property and inheritance rights will be subject to the simple discretion of a law. In other words, from being a personal right with constitutional status, it becomes vulnerable to the intentions of a simple temporary majority. Confirming the same spirit, “it declares waters as national goods affected with a public interest, whatever their condition, the place where they are deposited or the course they follow, including glaciers. And still further “the new Constitution must recognize the full, absolute, exclusive, inalienable and imprescriptible public domain of the water and mining resources and the radio electric spectrum.” This constitutional prescription allows the widest range of reforms to the mining legal and constitutional regime, precisely when it is going through multiple problems such as water shortage, energy cost, price of metals, minerals act, pressures of the indigenous communities and environmental requirements. In fact, it allows from imposing royalties on the fringe of taxes to completely ruin the mining institutional regime, the strength of its institutions and the permanence of the Decree Law 600.

Still more important, the program clearly insinuates a radical change in the concept of democracy. In modern age, the liberal representative democracy has given political form to these ideals of individual freedom and personal autonomy, because it recognizes that the government – including democratic governments ruled by majorities – represents a potential threat to people's freedom. This is supported by the wise premise that rulers are neither better nor worst than average citizens, neither more virtuous, nor more altruist, nor more generous and, as Lord Acton used to say, power corrupts and absolute power corrupts absolutely.

Therefore, in order to live in society, we give rulers part of our individual freedom to endure an orderly coexistence with our fellow men. The important thing is that we give only part of our freedom and delegate in the government only the functions that we are not capable of undertaking by ourselves, or through spontaneous voluntary organisms, but we keep our inalienable individual rights.

In a simplified form, these are the philosophical bases underlying the political-economical organization model based on the market economy, the representative democracy and a government with limited scopes of action, which Chile adopted 25 years ago.

Democracy

From the very start, the idea of representative democracy, of the relevance of individual freedom and governments that are limited by mechanisms such as separation of powers and uncompromising individual rights, has been in conflict with the so-called totalitarian democracies, and it was fought over by popular democracies of the 20th century, especially in the soviet zone of influence. The so-called popular democracies –which give limitless powers to the governments- in the same way as populisms, are based on the dangerous premise that nothing that governments make can break freedom, since the government, by the sole fact of being the majority, would guarantee it and would act for the own good of the society as a whole. In other words, it is estimated that popular sovereignty cannot make mistakes, cannot go wrong. In this democratic school, an alleged identification is created between the individual and the government. Consequently, it is believed that when the government is the expression of the majority there is no danger that it may coerce individuals. Thus, the indefinite extension of the scope of government is justified as well as its interference in all spheres of people's individual life. So, power does not require limitations, counterweights or balances.

The constitutional proposals of Bachelet's program make precisely that:

It eliminates the counterweights of the power of majorities such as, for example, some of the inalienable rights of the liberal representative democracies like, for example, property rights. It restrains the freedom of expression when establishing that “a law will determine the limits to the concentration of the property of social communications media, both mono-media and multimedia, as well as the plural opening of the radio electric spectrum and the distribution of public advertising, so as to guarantee the information pluralism and free access to information”. All this is a clear interference in the economic bases that guarantee the autonomy and freedom of the communications media.

It estimates that the Constitutional Court, the body which acts as the governments' counterweight, “is a countermajoritarian institution, because it has the power to counteract democratic decisions”, and therefore, it proposes that its nomination be made by the political power without interference of the Supreme Court.

The current autonomy of the Central Bank of Chile, which restrains the governments' power on money, is also threatened. Bachelet nominally reaffirms the autonomy of the Central Bank, but limits it while stating that: “the Central Bank, the Council for Transparency and the regulatory institutions are placed in the institutional Administration, their autonomy is recognized and the law will establish the measure of the autonomy and of the configuration of their competences”. In other words, their autonomy degree and actual powers remain subject to a reform of the law.

It widens the spectrum of matters that are subject to the discretion of the State, taking it to the extreme of proposing changes in the sociocultural patterns promoted by and from the State to foster equality “inside the family in relation to domestic chores and the care of children”, and defining the constitutional duties that people would have, not only with regard to the State, but also “in front of the community in which they live, so that duties overcome individualist perceptions that deny the need for cooperation and social solidarity”.

It declares that “it corresponds to the State to favor the equal access of women and men to popular election posts, as well as positions of professional and social responsibility”. That is, the State could decide the distribution of private sector posts by gender in order to “achieve the biggest possible effective equality”.

The program does not only radically eliminate the counterweights to the majorities, but also limits the power of elected representatives by substituting it by direct democracy forms. In a liberal representative democracy, the elected representatives are those who settle the legitimate conflicts of interests that arise in every society, who dictate and manage the

public policies. Bachelet's proposal is that "citizens" (The street? How do they express themselves?) generate policies, define priorities and manage them. ("The State recognizes the right to civic participation in the generation of policies, definition of priorities and their management").

It has been said that constitutional reforms will be made through the institutional channel. This does not guarantee their success if quorums are not reached, since it establishes that "the differences between the National Congress and the President of the Republic entailing a disagreement on the content of the constitutional reform, in any of its constitutional proceedings, shall be subject to a constituent referendum so that people may mediate in case of any such differences".

The Presidency of the Republic and the National Congress shall agree upon criteria that allow giving constitutional and legal course to the process of change; and allow the expression of the real popular will in the sense of the changes. Citizens must actively participate in the discussion and approval of the new Constitution. For that purpose, and to start with, the constituent process involves approving in the Parliament those reforms that enable a deliberation that fulfills this condition.

In relation to moral and ethical values, a clearly anti-religious proposal is established, a new conception of the Secular State which forbids "all references to religious-natured oaths, books or symbols". On the other hand, the recognition of the "sexual and reproductive rights of women" is another euphemism for the legalization of abortion by women's simple decision.

In brief, as the communist leader Karol Cariola stated, the program is the first step for the establishment of socialism in Chile; according to her, imitating Ecuador, Venezuela and Cuba. What they are trying to create is not only a social-democrat Welfare State, but a "social and democratic State governed by the Rule of Law". Therefore, it also corresponds to the State to guarantee the right to education, work, housing, health protection, social security, the rights of handicapped people and the elderly, the right to enjoy the environment without contamination".

In this manner, under the concept of Welfare State no aspect of the economic, social and political institutional framework eludes the attempt of radical reforms based on the expansion of the State's scope: pensions, health, private health insurers (*Isapre*), labor legislation, operation of the markets, etc.

The key question is what the viability of these reforms is, in the understanding that they have been subscribed by all parties of the New Majority, and there is a real possibility of having the necessary majorities to

implement more than 70% of the program without the votes of the *Alianza* and more, in agreement with other independent sectors. Obviously, the New Majority is a very heterogeneous coalition and it is possible that when trying to implement these transformations in practice, differences may arise that are hard to reconcile. Once more, in spite of the radicalization of the composition of the Congress, the decisive role will be played by the Christian Democratic Party (DC) who has 23 deputies accounting for a third of the total of the Chamber; and 6 senators representing a third of the senators of the New Majority. Thus, the DC is a determining political force when it comes to put the agenda into practice. We should bear in mind that the President of the DC, Ignacio Walker, has made clear that the Christian Democratic Party would be “at the vanguard” of the implementation of this program. Most probably, any hindering of the program at the parliamentary level will aggravate the street protests, now exacerbated by the Communist Party from the Congress, which could inhibit the demonstration of any sort of Christian Democrat disagreement, as was the case during the student protests.

I would have liked to analyze the deep causes of the defeat of the right coalition after four years of government. I will refrain from doing so for opportunity reasons, but it is impossible not to point out the profound uneasiness that I believe to represent with regard to the store of unacceptable errors from all center-right sectors, including the parties and its leaders, the government and, above all, the indifferent, accommodating, disinterested, individualist voters, to the extreme of not recognizing the political dimension of their own lives and future, who seek a tailor-made candidate in accordance with their personal tastes, who lack the minimum necessary civic education to know that politics is the only non-violent way to solve the conflicts existing in the society, that we vote for political projects and not for individuals and who not only indulge in not contributing to the nominations neither with funds nor time, but who are also incapable of getting out of bed to vote.

The deep underlying cause of the political failure lies in the fact that our sector, deep down, believes that there is a contradiction between the model of market economy and justice and social cohesion. They believe that the sole possible social justice depends on distributive models and resorts to them when appealing to commonweal. In politics, a group who can only enhance its efficiency and effectiveness and is not capable of transmitting an own sense of what is just can hardly have a long-term platform that persists over time. This is particularly unexplainable if we consider that the only formula that has brought less poverty to this country, more well-being, higher equality degrees in all spheres, more opportunities, more social mobility, more meritocracy, is precisely the development model that is seriously threatened today».