

## Human Development Report in Chile - Year 1998

### The Paradox of Modernization

#### *United Nations Development Program*

#### Synopsis

The "1998 Human Development Report in Chile" continues the series of reports that began, at the request of the Chilean Government, with the first National Report presented in 1996.

*This* 1996 study reported the advances made in Human Development in different regions of the country, yet noted the unequal distribution of these opportunities across Chile. In this way, the Report focused the challenge to integrate processes of development and democratization such that they incorporate all regions, communities, and peoples.

Furthermore, the report affirmed that "the changes experienced in recent years especially affect people's daily-life and human relationships, their family and community networks, their values and identities". The study proposed a working-hypothesis that "while Chilean society has advanced in certain quantitative aspects, certain qualitative elements must be improved." Thus, the report concludes, in order to make Human Development more sustainable we must "complement the measure of standard-of-living with one of quality-of-life." (UNDP, 1996)

To this end, the 1998 Human Development Report aims to focus these aspects of the Chilean society in an effort to better understand the sense and focus of today's process of modernization and its impact on people's daily lives and relationships. The study strives to relay and analyze, as objectively as possible, what the Chilean people think, feel, and experience when faced with the country's current processes of change. In sum, the report reflects on the opportunities and the threats posed to the individual--the subject of development.

The 1998 study analyzes the above from the perspective of Human Security, the theme of the 1994 World Human Development Report, prepared by UNDP. The 1994 report established that "Human Development is the process of expanding the range of opportunities people have. Human Security means that people can exercise their options in a free and secure way and that they can reasonably assume that today's opportunities will not completely disappear tomorrow" (UNDP 1994). In this way, the report emphasized that the concept of Human Development should be understood as a continuous process of construction in people's daily lives. It is at this level where unemployment, disease, crime and the lack of insurance have a real impact on the way individuals and families plan their lives.

The empirical data surveyed and analyzed in this Report reveals important advances made in Chilean development. At the same time, it exposes the significant degrees of mistrust Chileans experience in their human relationships as well as in their relations with the country's health, social security, education and work systems. This uneasiness observed suggests that the elements of security offered by the current "modernization pattern" are insufficient or inefficient. In short, the Report's conclusion is that despite considerable advances made, neither optimum levels nor equitable distribution of Chilean Human Security have been achieved.

#### **Sources of Information**

This Report employs different analytical methods to observe our country's current transformations from various angles. Like all UNDP Human Development Reports, its arguments and conclusions are based on empirical evidence. In this study we have relied on the best and most current available information, including, among other secondary sources, the 1996 CASEN household survey, recently published by MIDEPLAN. In addition, the study incorporates primary information drawn from studies designed for this Report. Qualitative studies included a series of "discussion groups" and an anthropological study of family background, while quantitative data was drawn from a national opinion survey implemented in conjunction with the *Centro de Estudios Públicos* (CEP). The goal of this empirical work continues to be the existence of a well-founded base of information to sustain the report's analysis of the effects of current transformations on the daily lives of the Chilean people.

## **CONTENTS AND MAIN CONCLUSIONS OF THE 1998 HDR**

As documented in this Report, Chile has achieved a series of important economic and social advancements.

The country has maintained a high rate of growth, real wages have increased, and inflation and unemployment have decreased to historic levels. In addition, the quantity, variety and destination of exports have increased substantially. Over the past 10 years Chile has more than doubled its *per capita* income level.

In addition, poverty continues to fall as Human Development rises. Social spending has doubled, particularly in education, health, and housing. Both regional and communal decentralization has advanced, and people are increasingly prioritized in the design of public policies.

Monetary subsidies have played an important role in improved opportunity distribution: prior to Fisco's redistribution measures, the top 20% of the income bracket accounted for 14.4 times the wealth of the bottom 20%. After redistribution measures, the gap shrunk to 8.6. (Speech on the state of public finance. Minister of Finance, 1997).

Diverse public programs have also responded to the need for distinct and specialized support for vulnerable sectors of society—the elderly, handicapped, youth, and women heads-of-home, among others.

In addition, the government has proposed new projects (some of which have been written into law) which aim to improve elements of the individual's Human Security. Among them are projects which focus the improvement of collective-bargaining procedures and the expansion of its use; a legal project that establishes a safety-net for the unemployed worker (PROTAC); labor-training-program reform; the improvement of the housing subsidy system, State guarantees of the quality of housing; and the consumer's law. Such programs are clear examples of the effort being made to focus the subjective individual in order to achieve a more coherent development process that will promote Human Security.

Nevertheless, along with these important advances, there continue to exist significant levels of mistrust in inter-personal relationships as well as in relationships between the individual and the health, social security, education and work systems. This persistent social malaise suggests that the elements of security reaped from the current "pattern of modernization" are insufficient. The phenomena presented in the different chapters of this Report lead to the conclusion that although the country has progressed, Human Security in Chile has not reached satisfactory levels nor achieved an equitable distribution.

Assuming that this conclusion is correct, we must reflect on the possible explanations for this social malaise. The report suggests one hypothesis: based on the information reviewed it is plausible that the enduring mistrust in Chilean society has its roots in feelings of uncertainty or insecurity. From this broad hypothesis flow the two questions that structure the report's analysis:

Why do people feel insecure if the modernization of social and institutional systems has registered improvements in opportunities?

What consequences might this incongruity between modernization's achievements and people's perceptions have for a process of development that aims to be human and sustainable?

### **Framework of Analysis**

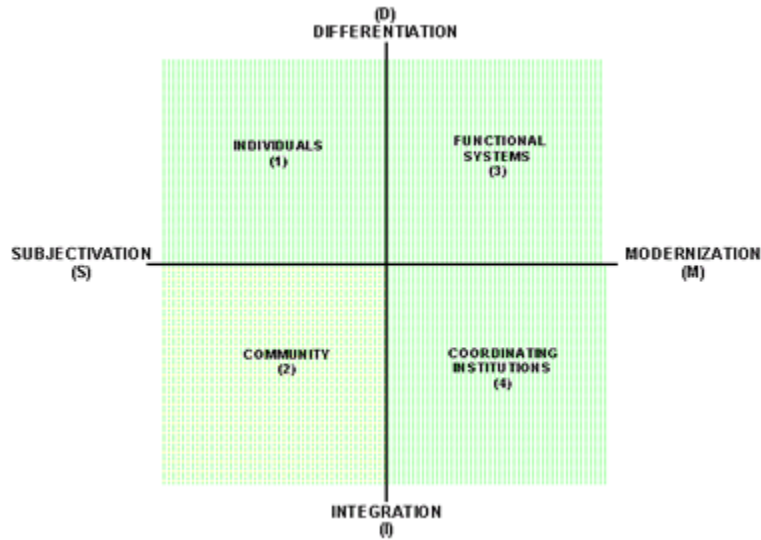
To explore these issues, the study rests on a framework of analysis that allows for the interpretation of Human Security as it relates to Human Development in Chilean society. The conceptual scheme focuses how different aspects of society should be integrated in the pursuit of modernization and Human Security.

Modernity is riddled with various tensions, one of which is that between the process of modernization and the individual's subjective experience. Here, modernization is understood as the expansion of the means-end calculation to incorporate broader aspects of social life. While application of this rationale is what makes modern society both efficient and dynamic, these criteria become absolute ends if they are not placed in the context of the subjective dimension of development. As the concept of Human Development well reminds us, the individual is the subject of the social process. Modernity is meaningless outside of the individual, his values and characteristics, his knowledge and inspiration, his fears and projects. The concept of "subjectivity" is comprised by the individual as well as his socio-cultural patterns and his daily social interactions.

To this tension between modernization and "subjectivity" is added a second tension: that between modernization and the process of differentiation. This means, subjectively, the development of the individual in his multiple and diverse expressions. Objectively, it refers to the differentiation of distinct social fields as "functional systems" such as, for example, economics, education, health, social security, science, and law.

A process of integration, both social and systemic, occurs along with this process of differentiation. The process of social integration is grounded in the values and social norms that unite individuals into collective identities, while the process of systemic integration incorporates the individual into the internal logic of the political, economic and cultural systems.

Throughout the history of modern society, these tensions have produced both threats and opportunities. On the one hand, there is the danger that one pole might distort, displace or subordinate the other pole of the tension. On the other hand, the possibility exists that the strengths of the different trends might serve to complement one another. The concept of Human Security refers to the relationship between modernization and subjectivity, and differentiation and integration. This relationship represents the "virtuous circle" of Human Development.



The concept of Human Security, then, refers to the existence and use of the social mechanisms that allow for the equilibrium between these tensions. Human Development refers to the accumulation of skills that individuals can achieve in time given an adequate balance of the various social conditions.

In the Chilean case, one could argue that the dominance of the quadrant that refers to modernization, specifically to the economic, is causing the disjunct between the quadrants and adversely affecting the individual and collective subjective experience. The report's central hypothesis is that this disjunct comprises the social malaise that impedes improvements in Security and Human Development in Chile.

**Human Security Index: methodological proposal**

The third chapter of this Report outlines the "Human Security Index" which aims to make the concept of Human Security operative. This chapter presents a descriptive view of the phenomenon of Human Security in Chile by employing statistical methodology especially designed for this Report. These instruments aim to synthesize the different dimensions and scopes of expression of Human Security, presenting a vision of Chilean Society from distinct angles: spatial, social-economic, gender, and age.

The concept of Human Security is comprised of two distinct, complementary perspectives that, together, constitute the overall security of the individual: the objective, which refers to facts that are empirically knowable, and the subjective, which refers to the personal opinion of the individual regarding his overall security.

The most important conclusion suggested by these instruments is that Human Security, both objective and subjective, is low and unequally distributed among the different social and regional groups of the country. Both calculated indices give empirical support to this statement.

To illustrate, the following chart presents the results of the Objective Human Security Index (OHSI) for the different regions of Chile (see CHART A).

**CHART A**

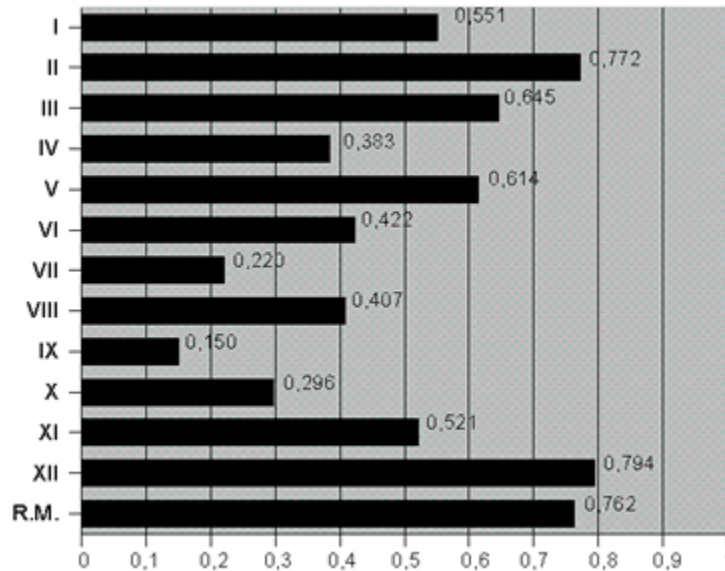
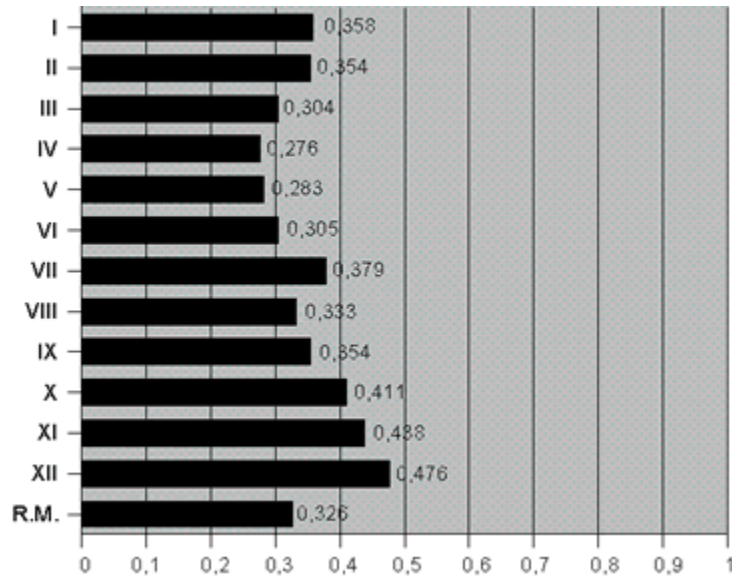


Chart A shows that Chile's regions display unequal levels of objective Human Security. Magallanes, Santiago (Metropolitana) and Antofagasta form a first group of regions that register the best conditions of objective security. A second group includes the regions of Atacama, Valparaiso and Tarapaca, which register intermediate conditions of objective security, followed by the region of Aysen. Finally, the regions of O'Higgins, BioBio and Coquimbo register low levels of objective security, followed by Los Lagos, Maule and Araucania.

Similarly, the Index of Subjective Human Development (SHDI) shows that there exist important differences in the regional subjective security assessment in the broad context of the index's low value (see CHART B).

However, the subjective assessment is distinguished by the change observed in the general trend that, until now, the different regions have registered. Now, according to the Index of Subjective Human Security, the Far South regions, from Los Lagos to Magallanes, display the highest levels of the Human Security Index while regions of the center-north zone, from O'Higgins to Atacama register the lowest levels. Also surprising is that the Metropolitan Region, while usually the leader in the majority of the regional classifications, registers ninth relative to other regions when it comes to subjective Human Security.

## CHART B



A comparison of the Objective (ISHO) and Subjective Human Security (SHSI) levels registered by each region demonstrates that certain regions display a significant gap between achievements in levels of objective security and those in levels of subjective security.

The following chart shows the regions of Magallanes, Tarapaca and BioBio (each with different Indexes of Human Security) as those that register the smallest differences between objective and subjective security. In contrast, Maule and Los Lagos are the regions that display the greatest gap (an increase of 8) between indices of Objective and Subjective security, followed by Atacama, Valparaiso and Metropolitan, which display a decrease of 7. These figures suggest that there exists an important gap between improvements in elements of objective security and those in elements of subjective security. (see FIGURE A).

**FIGURE A**

Rank in OHSI	Region	Rank in SHSI	Difference
6	Tarapacá	5	1
3	Antofagasta	6	3
4	Atacama	11	7
10	Coquimbo	13	3
5	Valparaíso	12	7
8	O'Higgins	10	2
12	Maule	4	8
9	Bío-Bío	8	1
13	Araucanía	7	6

11	Los Lagos	3	8
7	Aisén	2	5
1	Magallanes	1	0
2	Metropolitana	9	7

Source: UNDP based on CASEN 1994 and 1996 and the CEP-UNDP 1997 national survey of Human Security.

Both this comparison of the ISHO and ISHS indices as well as other empirical data presented in the Report support the conclusion that there exists a significant gap between objective improvements and the individual's subjective perception of his security.

In the end, the socially-desirable goal of this objective – subjective comparison is that the individual internalize the rational and logic of elements of objective security and the type of social relations that they structure. In this way, improvements in objective elements of security would translate into the individual's subjective appreciation of these same elements of security.

The existence of differences between objective conditions and subjective perceptions reveals a gap between systems and the individual, capable of causing society's malaise.

### **Insecurity: damaged subjective perceptions**

A qualitative study based on discussion groups provides a second methodological approach to the evaluation of Human Security. This study convened 18 focus groups to discuss the form and emphasis people give to the concept of "Human Development" in daily-life conversations.

These conversations revealed three basic fears: fear of others, fear of social exclusion, and senseless fear. These three fears relate to the basic elements of social existence: trust in others, a sense of belonging, and the certainties that order the reality of the daily life. However, in modern society these constitutive elements are neither produced nor reproduced in a clear and spontaneous way. Instead, they are among modernity's projects. The absence of these elements suggests possible weaknesses in the mechanisms Chilean society has employed to progress towards social integration.

### **Fear of others**

The following chapter focuses the issue of crime and the individual's security, in general, from an objective, institutional point of view. The concept of "fear of others" is one of the principal indications of insecurity revealed by the discussion groups.

In fact, the Chilean people tend to associate insecurity with crime. Crime represents one of main concerns of people interviewed in different surveys over the past few years.

However, the studies done for this Report suggest that the feelings of insecurity registered are based less on actual crime rates than on a metaphorical image of an omnipresent, omnipotent criminal—an image that personifies an ambiguous, overriding fear, and one that is, therefore, exaggerated.

In this way, the analysis of the citizen's sense of security refers to underlying factors in Chilean society. The concept of "fear of others," for example, appears to incorporate other insecurities-- those caused by the deterioration of social networks, of the feeling of community and, lastly, of life's order, itself.

### The state of social relations in Chile

In their discussions, the focus groups also revealed that the concept of "us"—a concept comprised by identity, trust and human relations—is disintegrating. Chapter six reports the empirical results of the findings on the state of social relations in Chile.

One first trend highlighted by the discussion groups is the so-called "retraction of social relations". The "we" with which people identify, in which people trust and with which people build their relationship networks, is increasingly restricted to close circles of friends and relatives. At the same time, the public sphere appears more and more as a space occupied by a nameless and even threatening "other"(see FIGURE B).

**FIGURE B**

<b>Social relations:</b>				
<b>Assessment of social relations in Chile</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>	<b>DN/DA</b>
People respect others' opinion	27,9%	16,7%	52,9%	2,4%
It is unlikely that people will help others without expecting something in return.	63,8%	11,1%	22,7%	2,4%
People override respect for others in order to pursuit their individual goals.	76,1%	11,5%	9,8%	2,5%
It is easy to make good friends.	53,8%	17,0%	27,6%	1,6%

Source: CEP-UNDP 1997 national survey on Human Security

The "retraction of social relations" to the most intimate circles reveals the individual's mistrust of this anonymous "other". As such, the "we" becomes more a shelter and a defense than a common space for interaction and exchange.

A second trend focused by the groups is the weakness of the public "we"-- the "we" grounded in more distant, less intense relations between relative strangers. An important contributing factor to this weakness is the perception of a lack of recognition and representation in the public institutions-- precisely the institutions responsible for the creation of the links that constitute modern citizenship.

### Communication, information and Human Security

Despite the media's crucial role in the daily life of the Chilean people, its contribution to Human Security is ambivalent. The interviewee's reports of a sense that they lack information and,



moreover, that they mistrust the information they receive indicate that people do not feel adequately prepared to evaluate society's opportunities and risks (see FIGURE C).

**FIGURE C**

<b>How informed do you feel regarding the facts that can affect your life?</b>	
<b>Very/sufficiently Informed</b>	<b>34,1%</b>
<b>Less informed/ Not informed</b>	<b>64,2%</b>
<b>DN/DA</b>	<b>1,7%</b>

Source: CEP-UNDP 1997 national survey on Human Security

This feeling of insecurity does not come from an inability to access information media; in fact, Chilean media offers wide coverage and variety. Instead, it is the excessive time dedicated to information media, in particular, television, that seems to affect Human Security by distorting certain basic elements of social behavior.

Today, television is the activity that consumes the majority of the individual's free time, regardless of social-economic level. On average, Chileans watch 3 and a half hours of television a day during the week. This fact, in combination with other information revealed in this Report, suggests that television is a contributing factor to the aforementioned process of the "retraction of social relations."

Indeed, it seems that the individual increasingly seeks security by attempting to escape, rather than impact, reality—a strategy of "security through withdraw" that distorts normal social behavior.

### **Systems and Human Security**

In order to present a more comprehensive objective analysis of Human Security, the Report examines the individual's sense of security as it relates to health, social security, education and work. Chapters Seven and Eight report on people's perceptions of security in each of these four spheres.

Both chapters argue that, despite important achievements in each of the four areas, elements of these systems that fail to provide the individual with a sense of security must also be studied.

The successful process of modernization reported by macro-social indicators in each sphere is confirmed by public opinion polls which report that the Chilean people feel that they live better than their parents did. In this sense, the relationship between the individual and the health, social security, education, and work spheres seems to be satisfactory. Moreover, the spheres examined display not only this process of "differentiation", but also one of integration. Effectively, there exists a high degree of "systemic integration"

in the sense that the health, social security, education, and work systems provide important services and opportunities to the Chilean public.

In this light, there should be no evidence of objective or subjective insecurity. Nevertheless, Chileans report feelings of insecurity in each of the four spheres. In spite of advances in indicators of modernization—or, perhaps, because of them—the Report's empirical studies find that the majority of Chileans are unsure that they will find work or that the education available will guarantee their children a secure future. Moreover, Chileans do not feel that they have access to high quality medical attention, and they worry that their present income is insufficient to allow them to live comfortably later on in life.

### **Modernization and social malaise**

The aforementioned social malaise is neither a conscious sense of insecurity nor a collective complaint. Instead, it is a diffuse malaise (and perhaps more puzzling for the very fact that it is not spurned by a clear cause). Nevertheless, its diffuse character does not mean that it should be easily dismissed as an innate, inevitable human sense of dissatisfaction; in fact, today's social malaise could produce an estrangement between citizens that would ultimately undermine the social order. In any case, the registered social malaise suggests that Human Security in Chile is less laudable than what the macro-social indicators express.

This malaise can be understood in the following ways. One explanatory factor appears to be the individual's lack of confidence in the health, social security, education and work systems. This mistrust may be rooted in the perception that these systems display an unequal distribution of opportunities and risks. Research not only confirms the reality of unequal access to employment, consumption, education, health care and social security, but also reveals this inequality as perceived by the Chilean people. The majority of the interview subjects, excepting members of the upper class, were unsure that they would be able to reap the benefits of development or adequately guard against risk.

This lack of trust may stem from the character of the systems, themselves: Chileans do not trust the health, social security, education and work systems because they do not fulfill their respective functions. Interview subjects were especially critical of the health and the social security systems: the majority of those interviewed do not view these systems as "providers" of security, though their explicit function is to do just that. Operating under a predominant "logic of the free-market," these systems inadvertently neglect their social function as "providers" of security.

A second explanation may lie in the fact that the excessively market-oriented, contract-based nature of the relationship between the individual and these systems eschews an important cultural dimension of these relationships. The excessive focus on the "economic" neglects other elements that may be important to individuals in their relationship with these systems, such as trust, solidarity, respect, belonging, and, more generally, the other constitutive elements of daily social interactions. As a result, the mechanisms of social integration have weakened, ceasing to center the individual. Instead, the individual is seen more as a tool that can be used to improve the competitiveness and productivity of the systems.

### **Systems and Human Security: the case of social security.**

The social security system represents a case study of the state of the individual's relationship with society's systems. The modernization of the Chilean social security system has received wide recognition and praise. Nevertheless, the evaluation is not entirely positive if it includes an assessment of social security's role in promoting the individual's sense of security.

There are several sources of the sense of insecurity registered in public opinion polls. First, because inheritance is uncommon, Chilean households cannot count on a base of capital accumulated over the past two or more generations.

Second, 35% of the Chilean labor force is without coverage due to the limited coverage of self-employed workers, and the fact that many companies in the informal sector do not provide coverage or that many in the formal sector have large social security debts.

Third, the social security system does not establish nor guarantee a fixed pension rate, a likely source of the reported sense of insecurity of the beneficiaries. Moreover, the complexity of the system and the lack of information about codes and procedures mean that ordinary Chileans cannot exploit the available support to their greatest benefit. While benefits will be greater under a new social security system more dependent on the market's rates of return, the fact that pension amounts will be subject to market cycles will distort the relationship between the individual's work and the pension amount. As shown in Table D, this fact seems to affect the individual's subjective perceptions, whether or not the individual is a beneficiary of social security.

## FIGURE D

### Assessment of security according to relationship to pension system

<b>Did you or your spouse contribute or are you presently contributing to a pension fund system?</b>	<b>Positive assessment of security regarding social security</b>	<b>Negative assessment of security regarding social security</b>
YES	23,9	76,1
NO	21,2	78,8
DO NOT KNOW	20,0	80,0
NO ANSWER	14,3	85,7

Source: CEP - UNDP 1997 national survey on Human Security

Subjective perceptions of insecurity are not arbitrary. Studies show that a 1% difference in the earning capacity of a beneficiary during his or her active life have an impact of 20% on the amount of his future pension (O. Macias and M. Salinas, 1997). Thus, long-term earning capacity is good, showing a 12% annual average from 1981 to 1998. However, concern remains over short-term market fluctuations, particularly when economic turbulence might escape domestic control.

In short, Chileans are confronted with a social security system that fulfills its role from an economic point of view, but fails to respond to the individual's subjective perceptions of security with the same degree of success. The Chilean public does not feel that the social security system provides them with a secure future.

The case of social security is an example of the Report's analyses of the systems that structure the daily life of the individual (health, education and work). While recognizing the advances achieved through modernization, this Report seeks to explore other elements of these systems that negatively influence the individual's Human Security.

## **The family: a threatened source of security**

Family surveys comprise another methodological approach to the evaluation of Human Security. These surveys focus 26 families, selected at random, from different regions, diverse walks-of-life, and various social-economic strata. Chapter nine of the Report aims to explore how these families confront and cope with insecurity in their daily life.

Despite the random selection of the subjects, all of the families interviewed reported moments of crisis that produced a general sense of insecurity. These experiences, they reported, left them permanently altered. While many were adversely affected, some succeeded in making positive personal changes in reaction to the crisis experience. These families maintained their unity in the face of significant adverse conditions that confronted them. However, they do not feel able to confront new crises that might emerge. In the most extreme cases, some react to this feeling in a defensive way, withdrawing themselves from human relations and their social environment.

In this lies the present-day deterioration of the family: in the challenge to adapt, while retaining unity, to the increasing incorporation of women into the work force, to the progressive individuation of children's preferences and forms of communication, to heightened economic pressure for social integration through market consumption, etc.

Traditional family norms are increasingly inept to manage society's threats and opportunities in a way that protects and promotes the Human Security of family members. Major changes in family composition attest to this observation. While the nuclear family decreases in size, the extended family registers increases in size, often composed of three or more generations. Marriages are on the decline, and many children are born out of wedlock. Prenuptial relations between couples, single mothers, and teen-pregnancy are increasingly common. Also on the rise are the number of broken families, second-marriages that unite children of different mothers and fathers under one roof, and single-parent families. At the very least, the meaning and composition of the "family" has become varied and diverse.

In this light, we must recognize the toll that the process of modernization has taken on mothers and families. The improvement of our Human Security will require an open public dialogue and a new discourse as the path to a revised social contract between the Chilean family and Chilean society. Next year's Report will further explore this issue.

## **GENERAL THOUGHTS ON HUMAN SECURITY IN CHILE**

The studies compiled by this 1998 Report suggest three related answers in response to the central question of why the Chilean people feel insecure:

### **Insecurity caused by the disjunct between modernization and subjective perceptions.**

One of modernity's trends has been the rapid pace of economic change. The most outstanding characteristic of recent decades, in structural terms, has been the growing distinction between "functional systems" and specific "rules of the game." Both the economic system and the health, social security, and political systems have increasingly become separate fields-- less-integrated and more self-contained. Obeying exclusively their own internal codes, these "functional systems" have acquired an autonomy unknown until recent years. When disconnected from non-market elements such as people, families and communities, this autonomy has a negative impact on the individual's sense of security. In this sense, the hope is that today's systems will balance this autonomy with a focus on people and their subjective perceptions of modernization's processes.

## **The shortcomings of security policies**

Chileans' sense of insecurity is also related to the shortcomings of current public policy designed to provide for citizens' security. The Report features several chapters which analyze Chile's approach to security.

One problem with the current security scheme is the excessive emphasis on cost-analyses of risk, without a corresponding focus on the quality of service to the people that the security systems aim to serve. These foci should be complementary, not antagonistic. Too often, problems are reviewed and addressed in a process grounded in calculations of investments, costs and benefits. Another recurring problem is the failure of the security mechanisms to consider new threats. Today's security apparatus should be ready to respond to the new risks Chileans face, for example, the effects of external economic crises or the effects of environmental degradation.

One of the main reasons for insecurity reflected in the Report's studies is the uncertainty of access to existent opportunities and their persistent uneven distribution across diverse sectors of society. Especially notorious are the spheres of education and health-care where equal access to services for all beneficiaries is still not a reality despite advances made in recent years; in fact, more often than not, the socioeconomic level of the individual still determines his options. In this light, the development of new government projects that aim to focus precisely these inequities are particularly important. The current process of educational reform is especially worthy of note.

## **The deterioration of social networks**

It is important to recognize that feelings of insecurity are not simply an inadvertent effect of modernization, but also the result of changes in subjective experiences and perceptions.

The concept of Human Security rests largely in the notion of "social capital"--the accumulated fund of social trust, of the collaborative creation of rules of the game, and of partnerships generated in society. This component of Human Security becomes even more essential today, as increasing specialization requires increased cooperation between individuals.

However, the data presented in this Report reflect a deterioration of social networks in Chilean society. High degrees of mistrust, reluctance to form partnerships or to participate, the loss of traditional collective identities, and the debilitation of inter-generational cohesion in the family all attest to this deterioration of Chile's social fabric. This social deterioration finds expression in what has been coined a "pathology of social networks" (Fitoussi and Rosanvallon, 1996)—violence within the home, sexual assault, drug addiction, and rising juvenile delinquency, among others.

As such, the reconstruction and reinforcement of social capital is one of the principal tasks of Human Development in Chile.

## **The mechanisms which "deactivate" insecurity**

In light of this state of affairs, we must ponder why this social malaise is not more apparent. In other words, we must ask what factors serve to neutralize insecurity, maintaining it in a state of diffuse malaise?

One way of "deactivating" insecurity is through denial, and success is the most categorical way to deny a problem: after all, "the system works". Moreover, these evaluations of success rest on

empirical facts. However, extrapolation easily leads from the verified fact, "the system works fine this way", to the erroneous conclusion, "the system only works fine this way".

From another angle, this verified economic success has encouraged a business-like approach to domestic problems. Across the socioeconomic spectrum, from the elite to the common man, there exists a general consensus on means and end: solve people's problems through adequate management. In this way, society's insecurities are reduced to specific problems. The management of concrete problems at the micro level allows for a social control that is difficult to achieve at the macro- level of society as a whole.

Another prevalent approach rests on the idea that the most efficient way to dissolve the threat of collective insecurity is by "privatizing" risk and responsibility. Only once risk is assigned to (and assumed by) the individual does the notion of social responsibility disappear.

Similarly, collective insecurity is "deactivated" by the difficult task of attempting to name and classify it as a collective problem. To open the public dialogue needed to clarify today's social malaise, we must first work to strengthen social relations and to improve communication between Chile's citizens.

Once the Chilean people can name and classify their feelings of insecurity, society's insecurity will become an intelligible, concrete collective problem. In this way, uncertainty and insecurity will not remain relegated to some "dark corner" that hides the persistent diffuse malaise revealed by the Report.

### **One-sided answers**

Public debate in Chile has taken note of the social malaise. Public officials have also detected it, and some have offered tentative explanations. The different interpretations that have emerged can be summarized by two broad approaches **The "technocratic" approach** accepts the process of modernization and the mechanisms of society's different systems as basic to social development. From this approach flows a simple formula to address the subjective sense of malaise and insecurity: greater efficiency = greater integration of the individual into the system and thus, less insecurity.

In contrast, the **"nostalgic approach"** prioritizes the subjective process and denounces the erosion of history, of tradition, of collective identity, and of spontaneous social interaction present in today's society. This approach portrays the subjective as assaulted by the processes of modernization, and thus denies modernity's important contribution to Chilean development.

The "technocratic" and "nostalgic" approaches share a common element: each prioritizes either subjective processes or modernization's processes, yet neither proposes a complementary or equilibrium relationship between the two.

### **Consequences of the disequilibrium**

The main sources of objective and subjective insecurity in Chile seem to be this disequilibrium between modernizing and subjective processes, and the difficulty that society has had in confronting and accepting this reality. Present-day Chile is characterized by a disjunct between these poles that, unchecked, threatens to distort both subjective processes and modernization's sustainability; indeed, it may even shake the basis of democratic life.

## **Re-defining the meaning of democracy**

The Report's diagnostic presents the corollary that this disjunct could have a negative impact on democracy, both in structure and in meaning.

Indeed, it would be premature to identify the public apathy apparent in the 1997 elections as a rejection of democracy; instead, the apathetic electorate seems indicative of a more general sense of dissatisfaction with the present way of life. While, it seems that this dissatisfaction revealed in the Report is of a more general character, directed towards Chilean society at large, it is, nevertheless, a problem that falls under the rubric of the political system. This relegation of responsibility to the political system is based on an implicit assumption that democratic politics can change the present way of life.

The sense of malaise expressed by Chileans necessarily calls into question the significance of the democratic system and politics, in general, for today's modern society. On the one hand, the sphere of politics is inserted in the processes of modernization and therefore operates (like other functional systems) as a self-contained "political system" governed by its own "internal logic." On the other hand, politics preside over the constitution of individual and collective subjects in a "community of citizens." The inevitable gap between these two tendencies – "institutional politics" and "civic politics" – appears to be increasing. This split is evident in the growing separation between citizen and political system.

In the light of the 1998 Report, this growing gap emphasizes the need for "civic politics" to find expression for its goals and projects, to develop ways to convey its practical experience, and to integrate the sense and meaning of the citizen's daily life into the functional code of institutional politics.

It short, by assuming that the political sphere can change the present way of life, we assign politics the difficult task of endowing the development process with a "project" and a vision of the future that "makes sense".

One of the great challenges of Human Development in Chile is the construction of "civil society." Next year's Report will explore if and how Chilean democracy could capture the subjective elements and meaning of the functional systems in the context of present-day society.

## **Challenges to achieving the necessary equilibrium**

Chilean society is modern in the sense that it can auto-analyze its present "way of life," its history, and its goals. The process of promoting Chile's modernization not only creates challenges, but constitutes a challenge in itself. The analysis and discussion of the conditions required for development is at once a constitutive factor of the subject of development and one that allows this subject to control the process.

Sustainable Human Development is grounded in a basic concept: the human being as the center of development. However, we must remain ever-conscious of the conditions and challenges created by today's domestic and global context if the concept of sustainable human development is to become more than a noble goal. The concept of Human Security helps to capture the opportunities and risks at stake. Throughout, the Report aims to present both the achievements and the shortcomings of current processes of transformation.

In the Chilean case, rendering a complementary relationship out of the current tension between modernizing and subjective processes presents significant challenges. A first challenge lies in

strengthening social capital. The most effective way to endow the subject (individual and collective) with agency once again is through a strengthening of the social networks between citizens—through the protection and promotion of different forms of social interaction, of trust, and of cooperation between individuals.

Strengthening social capital means that society's systems must learn to listen to people—and not only "listen" in an objective sense, but "listen" by putting oneself in the other's place in order to be able to understand his explicit demands as well as his silent fears. Indeed, such a challenge is not easily met when communication is weak, but the existence of a public sphere is a first, essential condition for social dialogue. Only in this open common space can the individual develop the necessary language and interpretative codes to express what he is experiencing.

This "codification" of people's worries and demands, fears and desires, finds expression in public discourse. Through public discourse, citizens seek answers that are practical, but that are also of sense and meaning—proposals that reflect their values and the challenges they face. In short, they seek to recognize themselves as participants in a collective order. As such, public discourse must give expression to Chilean's sense of insecurity and uncertainty, to their fears of others, to their sense of economic exclusion, and to feelings of meaninglessness. It must give expression to people's need to be respected as human beings, and to be recognized both as singular individuals and in their collective identity. In sum, the public discourse comprised by society's many actors must be rendered more human.

The process of reinstating the individual as the protagonist of the development process necessitates a collaborative effort. The intrinsic nature of this project precludes an elitist, centralized approach. As such, the project must have a "grassroots" foundation rooted in social networks. It requires, as Ralf Dahrendorf said, revising the "grammar" of society's grand-narrative. Historically, Chilean society has been constructed and reconstructed according to a "social contract" that binds citizens according to the constitutive principles and goals of the social order. This social contract can take form in a constitution or in a less-formal general consensus, and it is often revised as the socioeconomic-political context changes.

Today's deep transformations and the sense of unease and insecurity that they generate suggest that it is time to revise the "social contract". In short, at this juncture, it is reasonable to question whether managing Chile as a modern society does not require the reorganization of the current modus operandi to further develop a "civic society," or rather, a society of people.

The question then arises that, since many believe that we have already reached a consensus as a society, why reformulate the social contract? The answer is important in the sense that the consensus reached within the political-economic elite regarding the character of the democratic transition and the economic order lacks the broader social contract required by the nuanced challenges of an authentically modern society.

While Chile is part of a global process of modernization from which it cannot be excluded, the rate and direction of the modernization process are not predetermined. As such, the path of modernization is enriched by the focus on Human Development. Although the challenge is great, requiring long-range creativity and innovation, the country is ready to respond.

In this light, this Report hopes to help the country confront the challenges of the new era, along with many other contributions that these analyses strive to make. As is the case of all UNDP reports, the 1998 Chilean Human Development Report is open to dialogue and invites all interested parties to join the discussion.