

PRESENTATION

The United Nations Development Program (UNDP) has the pleasure of presenting its third Report on Human Development in Chile 2000. With this Report we will fulfill the request made by the Chilean Government in the Agreement signed on June 12, 1995 by the Minister of Foreign Affairs and the Resident Representative of the UNDP and witnessed by President Eduardo Frei.

The great social transformations taking place in this change of millennium stimulated the UNDP to promote an in-depth reflection on the challenges these changes mean for development policies. Since 1990, the UNDP has published an annual World Report that analyzes various aspects of development from a specific standpoint: Human Development. This perspective enables an evaluation of the positive and negative conditions facing people in their attempt to be the true subjects and beneficiaries of development.

The possibilities for Human Development vary, naturally, in accordance with conditions in each country. For this reason it is advantageous to study significant factors using national reports. Thus, at the request of the Chilean Government, the UNDP formulated two Reports on Human Development in Chile, both of which were dedicated to studying certain challenges faced by the country using rigorous scientific methodology. The 1996 Report presented an analysis that detailed Human Development factors according to regions and municipalities and provided valuable empirical information for regionalization policies. The Report demonstrated that modernization implied a better standard of living throughout the country (although it was unequally distributed). Nevertheless, questions concerning the quality of life remained pending.

The 1998 Report highlighted the discordance between the great advances in modernization and an insecure subjectivity. The insecurity manifested by Chileans with respect to their daily lives and social care systems (health, social security) and certain degrees of uncertainty regarding the future revealed people's difficulties in creating and enjoying their desired quality of life. At that time, concerns for strengthening Chileans' abilities to more effectively influence the country's development were presented.

Individuals are able to take advantage of the options presented by development to the degree that they are able to shape social processes. Human Development is therefore closely linked to people's abilities for governing current changes and providing their institutions and policies with sustainability. A strong society can achieve both objectives.

How can Chileans' capacity for governing be increased? It is clear that a more complex society must have more complex mechanisms and institutions for governing. A new form of government is needed that involves the whole of society. That is what is meant by the notion of "governance." Governance emphasizes the fact that a differentiated society –such as Chilean society- will only produce a "good government" if it is able to articulate the multiple actors and factors that make up its social life.

The current Report 2000 approaches certain sustainability challenges that stem from Human Development in Chile. The idea is simple: Chile needs a strong society in order to govern changes. The quality of social life must be improved so that Chileans can effectively influence the path of the country's development.

This Report reviews the opportunities and restrictions encountered by social life in three strategic areas of development. Firstly, a strong society assumes that there are certain shared aspirations. These “shared dreams” outline future horizons around which forces can be united.

Secondly, the quality of social life depends upon associative connections and “social capital.” People’s social capacities increase when relationships of trust and cooperation are formed in diverse arenas.

Finally, a society’s strength is measured in terms of the vigor of its civic action. This is the form that best expresses the will and capacity of determining a nation’s destiny. These three aspects are related and their interdependence indicates the social sustainability of Chile’s development and its capacity for governance in the face of the challenges of the new century.

This Report, as is true of all UNDP publications, is an invitation to critical and constructive dialogue. It does not intend to pass judgments nor establish absolute truths, but rather to present useful information for the public debate of development strategies in Chile. We believe that this Report represents –due to its innovative subject matter, empirical backing and the responsible logic of its studies- the kind of contribution that the Chilean government and people expected for enriching the contemplation of these changing times and orienting the country’s public policies.

We hope to fulfill the UNDP’s function and to have the opportunity of providing thought-provoking lines of analysis for other Latin American countries. In the long run, contrasting different experiences is indispensable, both for examining one’s own national experience and for formulating common policies in light of a globalized world.

I would like to thank the individual and institutional consultants, the external collaborators and the UNDP Human Development Program team for their contributions. These professionals, of recognized academic prestige, have enjoyed complete independence in the drafting of this text. Consequently, this Report does not necessarily reflect the views of the UNDP or its Executive Board.

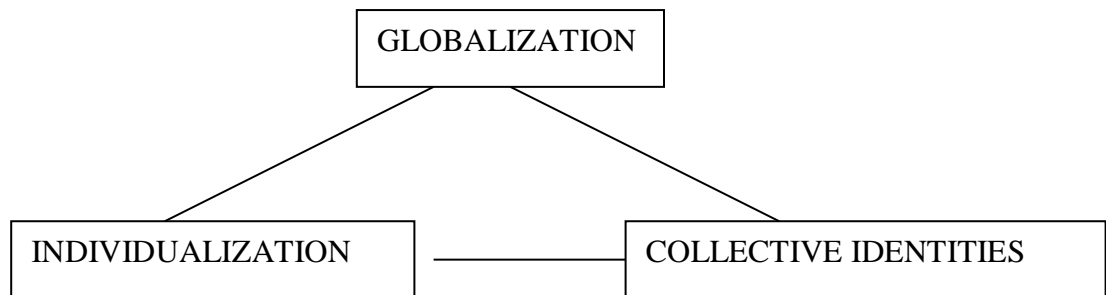
In the chapters that follow, the reader will find a documented look at the possibilities for strengthening Chilean society. One can be sure that Chile has the potential for facing the challenges of the new century. However, it should be noted now that opportunities do not arise spontaneously, nor are challenges resolved automatically. Potential capabilities for sustainability and governance must be cared for, secured and made more dynamic. As progress is made in this area, new challenges and questions will arise. Human Development does not have a “solution” that can be decided on once and relied upon forever. It requires the accompaniment of a continuous and flexible process of reflection. I hope that in the future we will be able to continue contributing to the knowledge of the challenges, advances and risks of Human Development in Chile.

Thierry Lemaesquier
Resident Representative
UNDP Chile

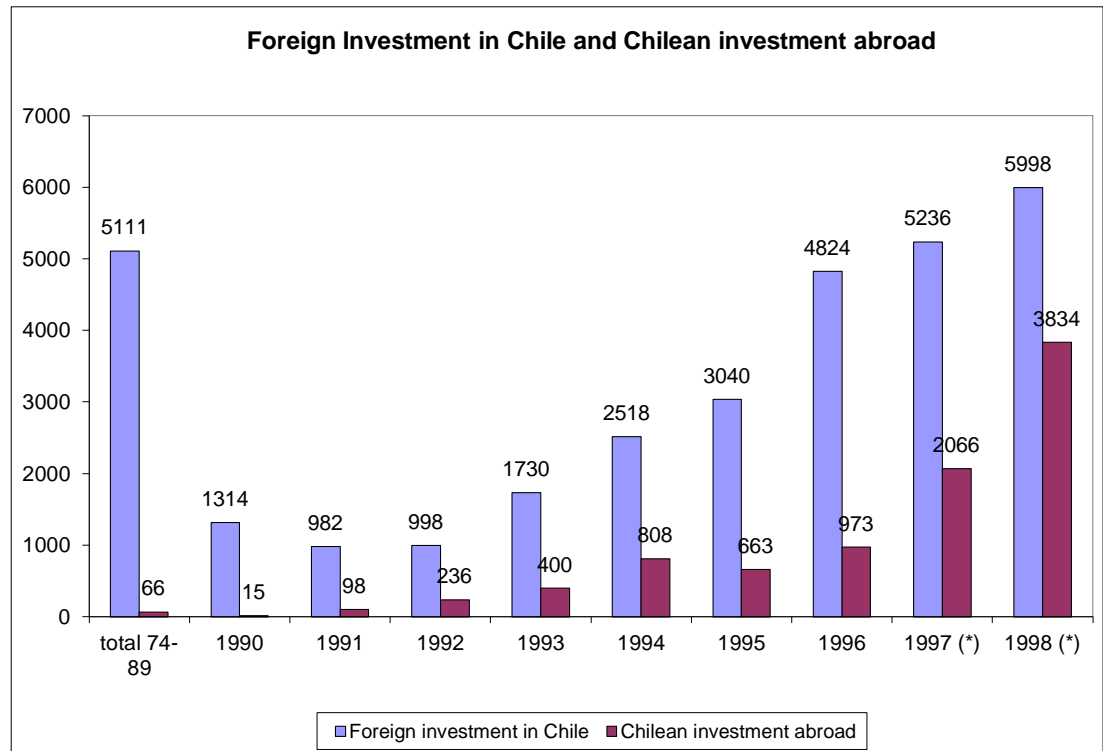
HUMAN DEVELOPMENT IN CHILE:
TOWARDS A STRONGER SOCIETY FOR GOVERNING THE FUTURE

I. CHALLENGES OF A CHANGE OF ERA

The world is changing. It is impossible not to be amazed by the impressive transformations introduced by globalization in the world economy, communications and lifestyles. Technological advances, navigating through cyberspace, the ability to buy imported goods and to travel abroad have become daily experiences for many Chileans. But these are not the only changes, although they might be the most obvious ones. Who can overlook changing social relations, or how are redefining family roles, or how companies are reorganizing? Lifestyles are changing. Inherited traditions no longer command people's behavior. Now individuals must make their own decisions about their life projects and the construction of their personal development. The old links become weaker and are replaced by new ones. A reformulation of social identities occurs. The identification ties have become more flexible and less significant. People easily pass among their different dimensions, strengthening their human identity, their religious identity, their birth origin or their national identity. Those transformations, both accelerated and silent, are the ones that characterize the current change of era.



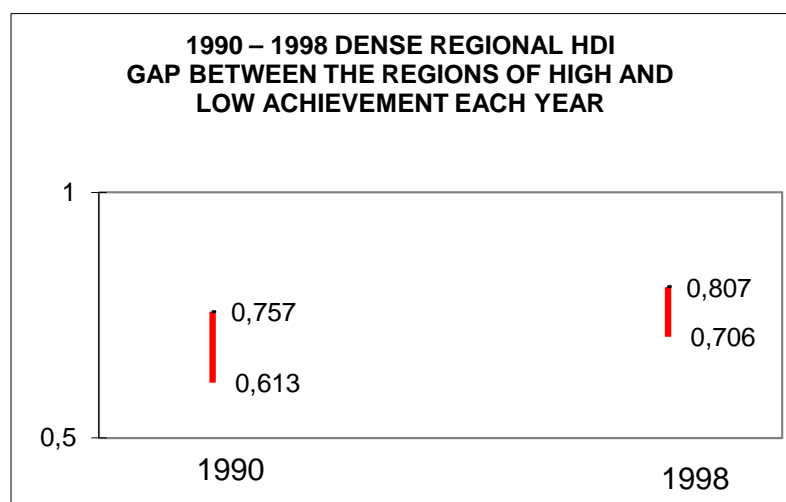
This change of era is the great backdrop for Chile's development. The restructuring of politics and the economy, new boundaries of space and time and the redefinition of national identities are global challenges that Chile –in specific ways- must also face. World megatrends interweave with domestic characteristics, emerging traits combine with century-old traditions. To the old inequalities we must add new differences, while the institutional continuity may hide unknown phenomena. It is at this point when the Chilean people must decide which road of development is appropriate for the country. Appropriate in terms of a development model that responds to Chile's historical experience and idiosyncrasies. And also a process that people feel is their own, because they want to be active in the shaping of their future.



Source: Central Bank 1999 (*) Provisional figures.

Includes: Foreign investment under the 600 Executive Order and Chile's foreign investment via chapter 12.

Changes imply opportunities and risks for the development of individuals and society. They offer more options, but also restrictions. Advances made during this decade are evident. The UNDP Human Development Index offers a way to observe the Chilean people's improved level of life. This Index measures both the economic performance of the country and the population's health and education levels. Comparing figures from 1990 and 1998, presented in N 3 of the Sustainable Human Development Subjects series, we can observe three remarkable results. First, it is necessary to emphasize that since the reestablishment of democracy, Human Development in Chile has improved from 0.803 (1990) to 0.847 (1998). This means that in 1998 Chile is 22% closer to the ideal goal of Human Development. Second, it is worth mentioning that during said period all the regions of the country considerably increased their Human Development levels. Finally, the difference among the regions decreased by 30% between 1990 and 1998. In short, we have achieved not only increased Human Development, but we have also reduced the gap between more developed and less developed regions of the country.



Source: UNDP Chile, 1999

Nevertheless, the modernization of the country also has negative aspects that cannot be ignored. The 1998 Report reliably showed that behind the various problems people had, there were serious problems in terms of personal safety. Mistrust in personal relationships, the deficiencies of institutions charged with social security and difficulties in giving sense and orientation to current processes are some of the insecurities suffered by Chileans. The Report notes the need to pay attention to people's subjectivity on a level that is similar to the one enjoyed by economic and institutional development. Only an adequate complementation between both considerations will enable socially sustainable Human Development in Chile.

At the same time, every social process implies construction and destruction, positive and negative effects. It is inevitable that the future provide not only opportunities, but threats and risks as well. And it is not always easy to distinguish among them. Social realities seem to become more ambivalent. All of this produces confusion and uncertainty. How can we face and take advantage of current transformations?

The uncertainty has to do, on the one hand, with the difficulties in interpreting the content of said changes. Our "mental maps" and conceptual tools are not able to comprehend and give meaning to the new phenomena. It seems that we lack perception criteria that allow us to discern the opportunities and threats that the new century presents. On the other hand, confusion leads us to the resources available. What tools does Chilean society have available for taking advantage of opportunities and neutralizing risks? Challenges change, as well as

the social resources available for facing them. We must know how to discover and /or create them.

That is the aim of the present Report. The 2000 Report invites us to discover and discuss the criteria and instruments that allow the Chilean society conduct processes of social change, in order to achieve a Sustainable Human Development.

II. Governing Changes

We can easily distinguish two keys for interpreting changes. These interpretations do not correspond to political postures, but to ways of bringing social process into focus.

One perspective sees social transformations as spontaneous and self-ruled processes, such as the market. From this point of view, social life is so complex that any human attempt of governing it would not only be irrelevant but also ill-fated. Consequently, the market is considered the organizational principle of society. If men cannot do or say anything about the course of change, then politics does not make sense. We only need effective public management to adapt the country to the modernization processes underway, taking advantage of the opportunities inherent in said processes. It would be necessary to leave the trends of change to develop freely, because they would automatically find their natural balances. Individually speaking, this adaptation is illustrated by the “consumer’s logic”. In a certain way, the consumer would play the role of the human freedom to choose among several alternatives, estimating costs and profits and being responsible for the consequences of his decision. If all individual-consumers act following this rationality, society’s decentralized coordination would be guaranteed.

This approach clarifies some problems and obscures others. First, the idea of a spontaneous and self-ruled order tends to consider society as a given “nature.” Nevertheless, opportunities are not given in advance, nor challenges solved by themselves. People create options; but their power to create and take advantage of opportunities is unequal. Social disparities overshadow human equality. This shows, secondly, the limits of an approach centered on individuals. Individuals make decisions according to resources, values and rules that are unmistakably social. Individuals do not exist outside of society. Consequently, society must generate an environment that allows each individual to freely choose their options. This social responsibility springs from another fact. Third, it is worth highlighting that society’s cohesion has “critical limits,” beyond which it runs the risk of fragmentation. Nevertheless, social integration is not assured once and forever. We must care for it and renew it constantly. Therefore, a solely adaptive development strategy fails to create conditions for social sustainability.

Through the limitations outlined, an alternative view can be seen. An integrated focus should jointly approach the individual and society. Individual initiatives depend on the society's capacities and, inversely, society's strength feeds on individual capacities. This inter-dependence between individual and society does not produce a spontaneous balance; the relationship varies according to the way the social order is organized. Society is more than the sum of its individuals. It represents a specific constellation that obeys its own dynamics.

Social dynamics are constrained or modified by the intentional participation of people. Thus, social and civic action is important. On the one hand, the country's development is not guided by an "automatic pilot" and people's well being is affected by which options are chosen. On the other hand, the intentional construction of the future reacts to a normative principle of modernity. Human beings are the ones that decide, under the given historical conditions, the order that governs their cohabitation. In short, this approach has to do with actively shaping social changes.

EVOLUTION OF INTERNET USE IN CHILE NUMBER OF USERS AND TRAFFIC						
Date	No. of Clients	Average Users per Client	No. of Users	Increase in No. of Users	Monthly Traffic (minutes)	Increase in Minutes
June 1998	68,000	2.5	170,000		58,000,000	
March 1999	100,000	2.5	250,000	47%	110,000,000	90%
August 1999	150,000	2.5	375,000	50%	170,000,000	55%
October 1999	250,000	2.5	625,000	67%	287,500,000	69%

Source: Subtel Information 1999

Chile has entered a new phase of its development. There is no way of returning to the past, nor is there a single model for the future. As society changes, its goals and horizons also change. The speed and extent of these processes require a continuous labor of reflection and action to guide Chilean development along the appropriate paths. That is what the perspective of Sustainable Human Development proposes, emphasizing the individual as the subject and beneficiary of development. People will be the effective subjects of development when they govern the processes of changes. They will be able to shape these processes to the degree that the individual initiatives are supported by the social capacities of the whole.

UNDP has defined the strategy of "governing changes" in terms of governance. This notion refers to a new type of "governability" that involves both the individual and society, the State and private actors, and national and international players. This kind of joint effort of governance seems inevitable, both in order to distinguish the determining criteria for an appropriate development and to mold the changes according to that shared horizon. Above all, it will be necessary to

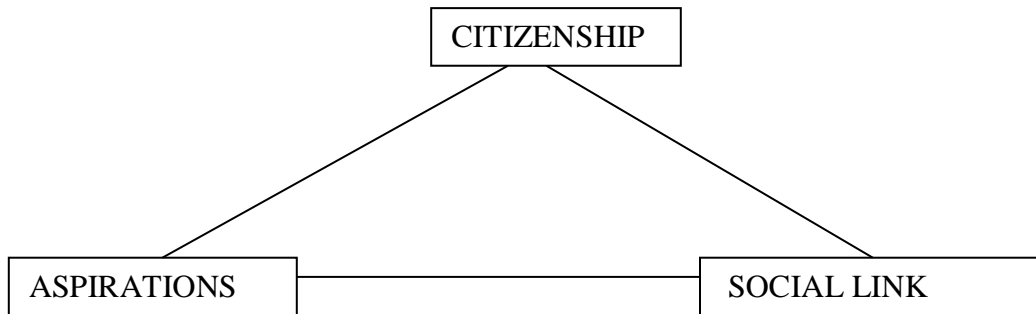
pay more attention to governance capacities in order to strengthen a human development that is sustainable in the short and long terms. The 2000 Report intends to contribute to the social guidance of the Chilean process, showing some of its “intrinsic capacities” than should and can be strengthened.

HOW TO GOVERN CHANGES?

The responsible and lucid handling of changes exceeds an individual’s capacities. Human Insecurity in Chile, as indicated in the previous Report, has to do precisely with the lack of protection felt by many individuals when facing an uncertain future. To overcome insecurities we need abilities for social perception and collective action. All individuals must use social capacities, whether these are values, knowledge, experiences or habits. In fact, it is within the framework of the development options created by society that people can enjoy the opportunities provided and transcend threats. Nevertheless, Chileans can not use habitual resources to face the challenges of the new era. The megatrends mentioned above imply a restructuring of social elements. Part I of this Report shows how globalization, individualization and social identification processes compete with the typical organization of Chilean society. Much has been said about economic wealth; now it is time now to ask ourselves about the country’s social wealth. In following with this perspective, the 2000 Report emphasizes the quality of social life.

The basic principle of this Report states that Sustainable Human Development in Chile demands improvements in the quality of social life in such a way that it encourages Chilean’s capacities to shape the social order and secure the future. The quality of social life is important. It represents a value in itself, as we will see farther on, but it is also a resource. Chilean society’s ability to determine the course and pace of its development depend upon the strength of its social life. There can be no governance without a strong society. Strengthening society is both a requisite for shaping change and also the result of a successful strategy for change.

A better quality of social life implies several conditions. The Report highlights three areas that deserve increased attention. The first relates to the hopes people have for the future. We need to know the dreams Chileans have, because they reveal the social life desired. Realizing dreams depends on the social resources available. Therefore, secondly, we approach capacities for collective action. The study on the associative fabric and ties of trust and cooperation reveals the “social capital” that exists in Chile. The third issue is civic identity. Civic action represents the mediation between people’s daily lives and the political mechanisms of influencing the country’s course of action. It is assumed –and this is the Report’s hypothesis- that these three areas will reinforce each other, shaping the possibilities of Chileans for seizing the future.



The bulk of the Report –Parts II, III and IV- is devoted to analyzing the results of the empirical studies carried out for each of the three areas of social life and the reciprocal strengthening that occurs among them. The data is based on a national public opinion survey, in-depth interviews, discussion groups, on-site studies, information management with public and private sources and several exploration and validation workshops conducted with specialists.

IV. HOPES FOR A MORE HUMAN SOCIETY

A society is able to take control of its destiny when it knows how to think about the future. What do Chileans think about tomorrow? What kind of country do they want? The 2000 Report presents an investigation about the hopes people have, exploring through several methods both the difficulties involved in imagining the future and wishes for a better tomorrow.

In a first approach, we verify that people, in their daily lives, do not usually speak of collective dreams. They talk about expectations for their individual and family welfare, but they do not seem to have an image of the social life they hope to have. Several factors foment this blockage. The memory of past conflicts and disenchantment with unfulfilled promises can inhibit conceptions of the future. Above all, the perception of modernization as an automatic process that is impermeable to people's values and demands tends to discourage any kind of hope. In their conversations, people seem to start from the supposition that if there is no chance of modifying the process, it is better not to have hopes about the future. Nevertheless, as people share their frustrations with others, they also discover that they share certain hopes. Initial hopelessness leads to realistic aspirations. Conversations turn to a positive appraisal of dreams. This view is confirmed by the results of the public opinion survey, carried out for the present Report.

ASSESSMENT OF DREAMS						
Which of the following statements do you agree with?						
	%		%	N.A.	D.K / D.A.	
Dreams are unattainable; or	21	Dreams can come true.	78	-	1	
Dreams help one to reach his/hers life objectives; or,	74	Dreams do not lead to anything in life.	24	-	2	
It is only good to dream when you are young; or	7	It is good to dream in all stages of life.	92	-	1	
Given the times we live in, it is not worth dreaming; or	14	In the times we live in, one must dream in order to better face the future.	84	-	2	
My main objective is that my children do well, but I still have my own dreams; or	54	I do not have my own dreams anymore; my only objective is that my children do well.	29	-	5	

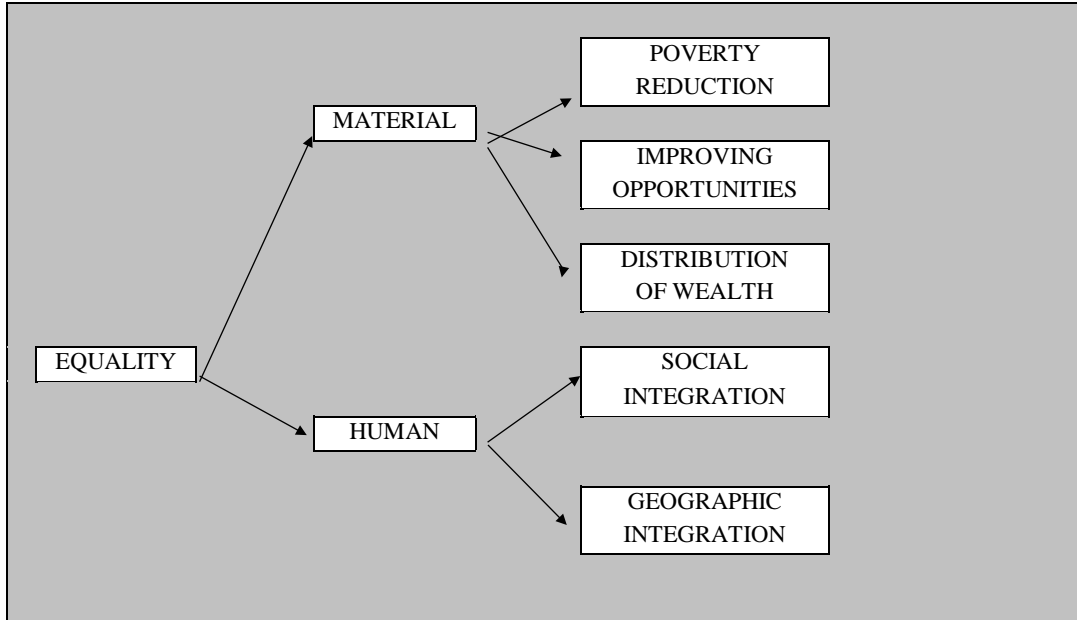
Source: 1999 UNDP National Survey.

What favors the formulation of collective hopes? Dreams are not individual inventions; they are born from conversations, from contact with other experiences, from the stimulus provided by the environment. Through conversation, a relationship of trust is created and a language is generated, which allows the naming of affections and desires. This implies a meeting space with “others” and a sharing of notions about the future that give meaning to dreams. But the decisive factor seems to be different: the formulation of hopes tends to be associated to the perception that they are feasible. People’s dreams are based on the changes achieved in their daily lives. This means that dreams do not represent a sort of utopia, but that they emerge from experience itself. In other words: people think about the future when they believe they can have an affect on it.

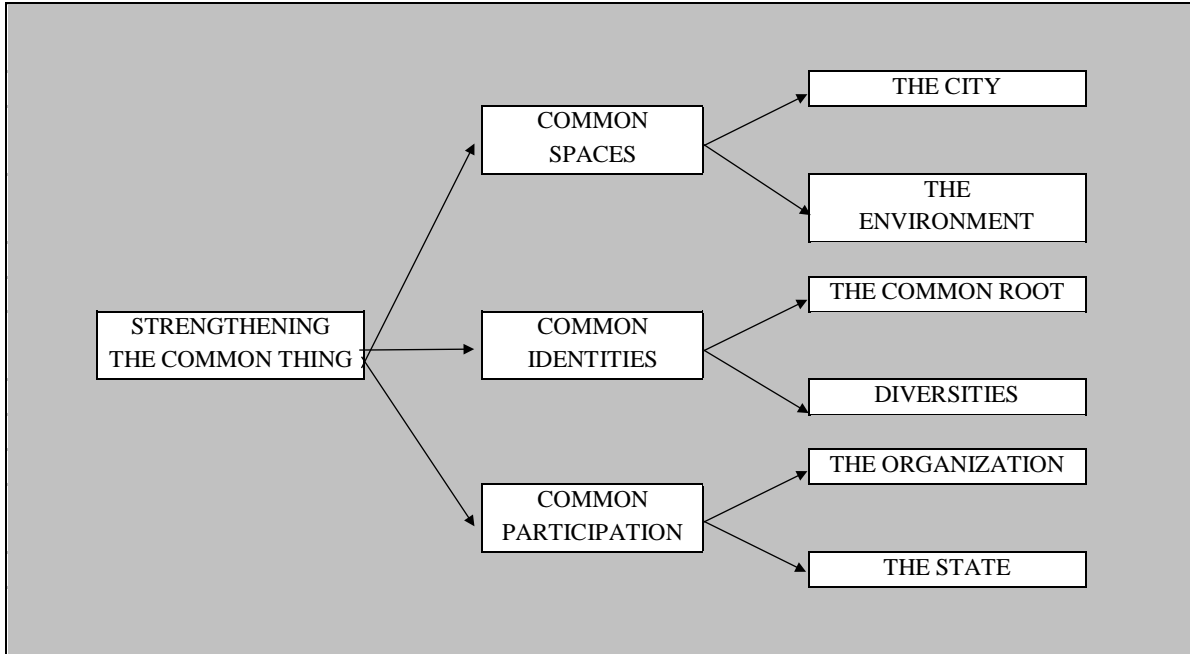
ASSESSMENT OF DREAMS AND TRUST IN CONVERSATIONS				
(percentages)				
Trust in conversations				
Assessment of dreams	Low	Medium	High	Total
Low	38	26	24	29
Medium	27	23	28	26
High	35	51	48	45
Total	100	100	100	100

Source: 1999 UNDP National Survey

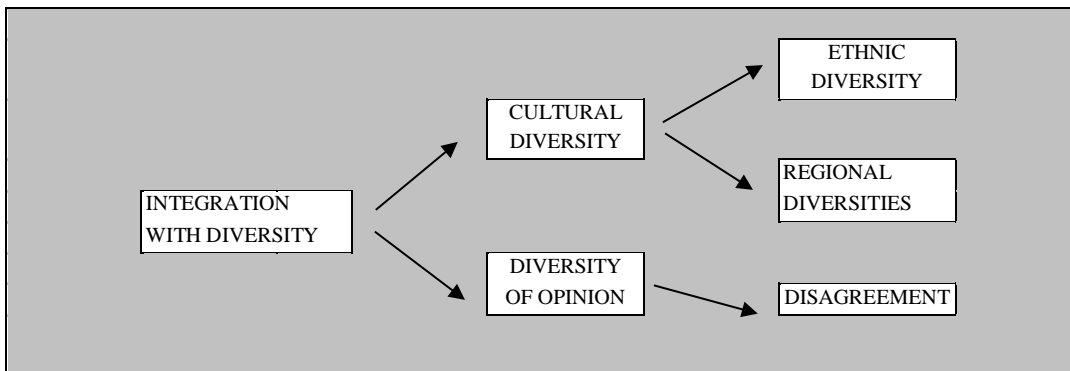
What is the content of aspirations? In general, they respond to a lack of something. People wish for things that they lack. But this not about a list of isolated problems (job, crime, health). People have a dream for their country. Their hopes form a coherent constellation that reveals a vision of society. Part II of this Report shows four subject areas that emerged from the in-depth interviews.

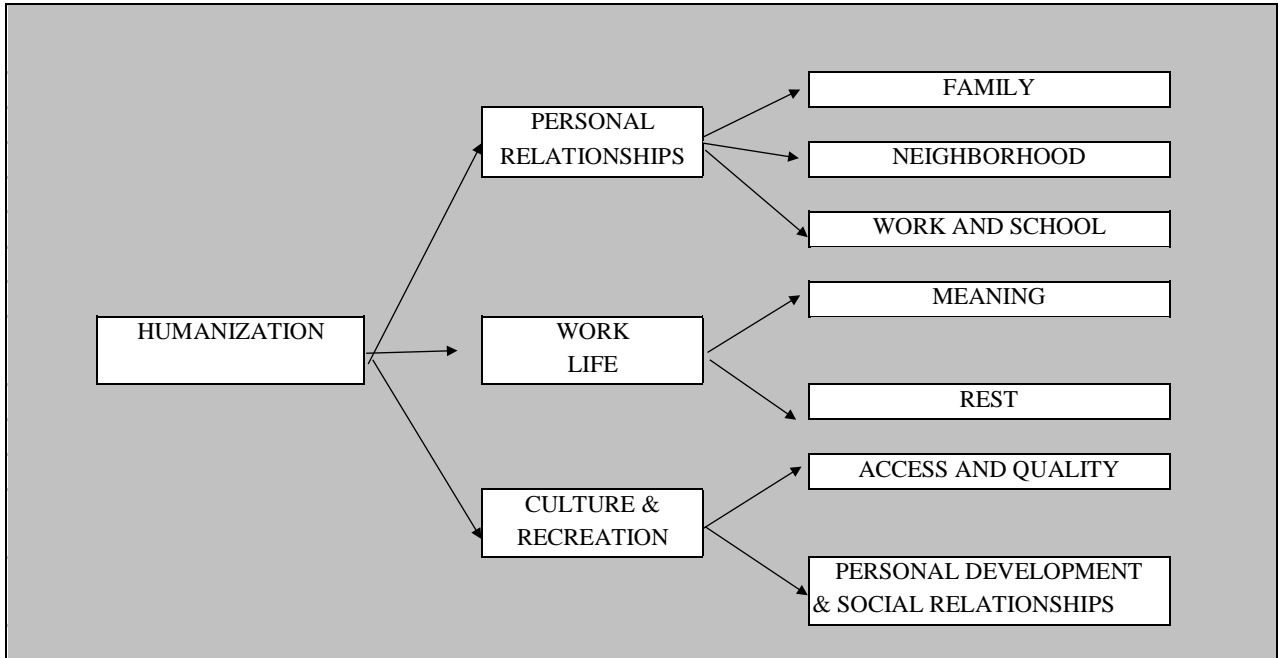


First, it is worth highlighting the desire for more egalitarian society. This has a material connotation: more welfare and a better distribution of wealth are demanded. But when the welfare claim is formulated in terms of an equitable access to health, education and social security, the reference to social equality is unmistakable. Moreover, the dream of a more egalitarian society refers to the quality of human relationships, to fair and respectable treatment. Second, and very much related to the above, we find the hope for strengthening that which is “common.” When Chilean society’s “unity” becomes less evident, this “common” thing becomes more urgent. The dream about more and improved social harmony tends to be related to a demand for shared space. Concerns for safe neighborhoods, stronger communities and the desire to meet people from diverse backgrounds are expressed repeatedly. In general terms, this has to do with a desire for the re-appropriation of public space.



A third area highlighting hopes is the valuation of social diversity. The dream of equality does not revoke diversity. On the contrary, it is what would allow the different aspects of the Chilean society to express themselves. Fourth, and summing up the above, the hope for a “more human society” is manifest. It refers to aspects of daily life (more “time for myself,” better interpersonal relationships), but also to politics as an activity that should be respectable and encourage participation.





In short, Chileans tend to value dreams and have clear ideas about the forms of social harmony that they desire. These ideas may differ from those of the previous era, which were devoted more to great stories. Today’s hopes and dreams seem to be more related to people’s daily experiences. This makes them more realistic: people venture to dream when they see a certain degree of feasibility. Therefore, hopes tend to be optimistic or pessimistic, depending on how people visualize their own lives and the country’s future.

HOPES FOR THE COUNTRY’S FUTURE - I						
Which of the following statements about the future do you identify with?						
I dream of a more optimistic country	I dream of a country where traditional values are respected	I dream of a more protective country	I dream of a country with increased integration in the world community.	I dream of a country where the environment is respected.	I dream of a more egalitarian country	DK-DA
10%	19%	8%	11%	15%	35%	2%

HOPES FOR THE FUTURE COUNTRY - II						
Which of the following statements about the future do you identify with?						
I dream of a more entertaining	I dream of a more honest country	I dream of a safer country	I dream of a more friendly country	I dream of a more economically	I dream of a more tolerant country	DK-DA

country				developed country		
3%	28%	22%	5%	37%	4%	1%

V. ASSOCIATIVITY AND SOCIAL LINKS

The role of conversation in the formulation of dreams shows the need for social links. Underlining the above: a complex society in an accelerated transformation – as is the Chilean case- leaves isolated individuals quite helpless. Only by associating with others are people able to strengthen their individual and collective capacities. Therefore, the opportunities and restrictions faced by social ties in Chile represent a good indication of our capacity for governing change.

Part III of this Report offers three views of social ties in Chile. First, it presents a national map of associations, which, without being exhaustive, constitutes the largest such record available in the country. Second, it quantifies through a national survey the formal and informal “social capital” in Chile. Third, it analyzes the association dynamics in six places, showing their on-site strengths and weaknesses.

Formulating a systemic record of associations in Chile has been a hard task. The difficulties experienced reflect the reduced prominence of a social resource that should be considered crucial for the country’s development. Due to a lack of reliable data we had to exclude, in particular, associations of religious inspiration, which seem to be the most widely recognized. Nevertheless, the UNDP map registers 83,386 social organizations. This is equal to 56 associations for every 10,000 inhabitants. Thus, the country seems to have a remarkable associative rate.

REGISTERED ASSOCIATIONS		
By region		
	No. of Organizations	Org. per 10,000 inhabitants
Tarapaca	3132	81.1
Antofagasta	2206	48.4
Atacama	1672	63.2
Coquimbo	4253	75.7
Valparaiso	8456	55.4
Metropolitana	25497	43.0
O’Higgins	4697	61.1
Maule	5210	58.0
Bio Bio	10035	53.0
Araucania	6363	74.4
Los Lagos	6874	66.1
Aisen	882	95.6
Magallanes	837	53.9
S/I	3272	
Country	83386	56.3

Source: National Associations Map, UNDP 1999

Geographically speaking, according to the data available, the regions of Aysen, Tarapaca, Coquimbo and La Araucanía show the highest associative rate, while Antofagasta and the Metropolitan Region show the lowest number of associations per inhabitant. In terms of activities, excluding the religious associations, the groups are dedicated mainly to economic issues (22%); health, education and housing-related issues (20%); and neighborhood associations (20%). In the first group we find trade unions, professional schools, and trade and business associations. The second category includes parent centers, student organizations and health and gathering committees. Neighborhood councils and the “participatory paving groups” (*pavimentos participativos*) are typical neighborhood associations.

The 1999 UNDP Survey has allowed an exploration of associativity at the individual level. As a general trend we can see that a larger percentage of men and elderly people tend to belong to organizations. Furthermore, people belonging to high social-economic groups have a percentage of participation that is quite superior to that of the middle and lower groups. A similar trend is shown by people from rural zones and cities outside of the Greater Santiago area.

The interest in associations in recent years is based on the following premise: associations empower not only the capacities of the people involved, but can also exercise coordination functions formerly carried out by the State. Above all, the association could represent the social basis required for the optimal functioning of economic and political institutions. According to this we speak of “social capital” to summarize the existing degree of association, social trust, reciprocity and civic commitment.

As already detected by the 1998 Report –and as seen in other Latin American countries- the degree of social trust is relatively low in Chile. This is also true with regard to trust in democratic and economic institutions. Furthermore, the people interviewed tended to perceive that reciprocity guidelines do not prevail in social life. In fact, half of these people feel that their rights are not respected because of their economic condition. On the other hand, there is a wide recognition of civic behavior rules. Using these variables, we created an Index that allows a “measuring” of social capital and the relationship that exists with the assessment of hopes. The following table confirms the assumption about the internal dynamics of social life. People surveyed who most value dreams are the ones who have more social capital.

FORMAL SOCIAL CAPITAL INDEX / ASSESSMENT OF DREAMS (percentages)							
Formal Social Capital							
		Null	+	++	+++	++++	Total
Assessment of Dreams	Low	47	32	31	21	15	29
	Medium	18	28	24	27	30	26
	High	35	40	45	52	55	45
	Total	100	100	100	100	100	100

Source: UNDP National Survey, 1999

The above investigation perceives social capital based on formal associations. However, considering the influence that individualization processes and the re-definition of collective identities have in Chile, it seems plausible to presume that today, many people, especially young people, seek new forms of association. They have their associations, trust and cooperation ties, but it is possible that they are more diffuse and flexible than before. That is to say that a transformation of social capital may be occurring, moving from formal organizations to informal types of association. Certain phenomena (from hooligans to any *ad-hoc* organization in charge of a social program) point in that direction. Though the trend is difficult to measure, we can confirm, in fact, that a sort of “informal social capital” of significant dimensions exists.

SOCIAL CAPITAL INDEX			
(% of surveyed people classified in the top two sections of each category)			
	Formal	Informal	Difference
Social-economic group			
High	56	76	20
Middle	28	51	23
Low	27	36	9
Gender			
Men	35	53	18
Women	23	41	18
Generational group			
18-28	26	51	25
29-35	26	45	19
36-44	26	39	13
45-53	32	49	17
54 and more	36	47	11
Urban zone			
Urban	27	45	18
Rural	40	55	15
Area			
Greater Santiago	26	49	23
Rest of the country	30	45	15

From the above chart, we can distinguish two trends. We verify, on the one hand, that all the social economic groups have more informal social capital than formal social capital. This would indicate that daily sociability represents an important potential source trust and cooperation for the country. Furthermore, it suggests that such social capital could be reinforced by strengthening informal links. Greater sociability would be possible, for example, through the active use of public spaces and improving the availability and attractive use of “spare time.”

Furthermore, we observe that the upper social-economic group has much more social capital than other social-economic segments. There seems to be an uneven accumulation of capital. This social imbalance may reinforce economic inequalities. The group whose economic situation requires more social capital is precisely the group that has the least social capital. Also, due to a lack of social links, this group will have fewer aspirations. And, without a creative vision of the future, it will be difficult for this group to visualize and take advantage of unexpected opportunities. This vicious circle confirms the evidence of other studies: poverty is related to the absence of social networks. This lack is not solved through centering economic support on individuals. More attention should be paid to the impact that “social issues” have on people’s well being.

Association and social capital are dynamic processes, subject to stimulus and obstacles established by the social environment. In the 60s, the State strongly promoted social organizations, many of which are still active today. In retrospect, the value of that State-legal promotion was its symbolic meaning: the recognition of collective identities and an active integration into social and civic life. On the other hand, the associative impulse that took place during the 80s was caused by society’s defensive reaction against disintegratory trends. During the 90s, we can see a new expansion in both traditional and new associative activities. However, the available data do not allow us to carry out an historical comparison with previous decades.

YEAR OF CREATION OF SELECTED ACTIVE ORGANIZATIONS (1955 – 1999)					
Type of organization					
Period	Cooperatives	Trade Unions	Foundations	Corporations	Trade Associations
1955 – 1959	48	61	43	402	-
1960 – 1964	81	116	470	470	-
1965 – 1969	326	503	624	624	-
1970 – 1974	200	399	514	514	-
1975 – 1979	61	114	466	466	-
1980 – 1984	21	531	984	984	815
1985 – 1989	24	1036	1309	1309	701
1990 – 1994	189	2240	1080	1080	1206
1995 - 1999	139	1975	786	786	478

Methods for strengthening social participation has not yet been satisfactorily solved. The initiatives started during the 90s have sought to encourage social participation. However, the issue is not always social capital in the sense of a civic cooperation that is culturally supported. The importance of State mechanisms (especially at the municipal level) and public policies is clear. Nevertheless, it is not easy to anticipate which social links are the most appropriate. There are emerging phenomena, particularly among youth and the

middle classes, which go beyond traditional forms of association, while ancestral habits of association are maintained among indigenous people. One difficulty emerges from the social policy dilemma: what should be prioritized, the efficient performance of a specific project, or the slower and more delicate self-organization of the people? Another major problem seems to lie in the gap that separates the macro-social arena, where a great part of today's social problems originate (from employment to crime and drugs), from the micro-social level in which social organizations operate. Many times, local associations' efforts do not manage to solve a community's main problems and this may discourage the participation in said associations.

In the future, it will be necessary to assess social policies in terms of their impact on social capital (in a manner similar to the assessment of environmental impact). From this perspective, the role of regionalization and municipalization policies is fundamental. It is their job to create favorable conditions for social networks, encourage the coordination of local actors and provide incentives for expeditious communication among local, regional and national players. The importance of such associative networks is clear, both in the productive sphere (the association of urban and rural small and medium-sized businesses), the political arena (community associations) and the cultural realm (launching of local identities). This is the way in which other countries have managed to "filter" and process the megatrends of our era. What we need today is a new governmental architecture that is capable taking advantage of the favorable effects of globalization and individualization while counteracting their harmful effects.

VI. MORE CIVIC POLITICS

Chilean society's transformations are not automatic and they do not guarantee a successful development. It is society itself that must define the goals to be reached and the resources that it wants and is able to utilize. This implies a continuous job of reflection and judgment and, of course, the ability to direct this social process. This task -governing change- is the "purpose" of politics. That is why politics is conducted and what should be expected from it.

It is normal in a representative democracy that interest in politics is centered on institutions, procedures and actors. However, politics does not end in the political system. It establishes its roots in social life and the privileged mediation between "institutional politics" and social life lies with the population. Citizens have a two-pronged function. On the one hand they look at the problems and challenges, fears and desires experienced in their daily lives. On the other hand, through democratic institutions, they mold their social harmony. Civic identity operates, then, as a sort of "converter" that translates people's hopes and associative resources into political action.

Part IV of the Report is devoted to exploring the opportunities and restrictions of civic action in Chile. Recent debate has emphasized the weaknesses of civic

identity. It seems that there is a growing separation from the democratic system, especially among younger individuals belonging to the lower social-economic segments. In fact, the 1999 UNDP survey shows a high rate of political antipathy among these social groups. Furthermore, support of democracy varies according to the political position of the people interviewed.

SUPPORT OF DEMOCRACY ACCORDING TO POLITICAL POSITION (percentages)								
	Left	Center left	Center	Center Right	Right	None	DK-DA	Total
Democracy is preferred	63	82	62	42	32	35	39	45
Non democratic government may be better	12	10	13	39	37	18	20	19
Do not care	25	8	24	19	28	39	28	31
DK – DA	0	0	1	0	3	8	13	5
Total	100	100	100	100	100	100	100	100

Note: options are a) democracy is preferred to any other form of government; b) in some circumstances an authoritarian government can be better than a democratic one; and c) for people like us it is the same to have a democratic or a non democratic government.

Source: UNDP National Survey, 1999

The skeptical attitude may be in reference to a certain way of doing politics, which appears like a self-referred activity, colluded with the powers that be and foreign to people's concerns and affections. But it may also be derived from a distorted vision of what democratic politics is and what it can do today. In-depth interviews provided us with two visions of politics. Firstly, an instrumental approach that identifies politics with non-ideological and efficient management that solves concrete problems, and secondly, an approach that emphasizes participation in order to express social diversity. This demand for "more human politics" seems to announce an emerging trend.

The lack of interest in political affairs does not equate to a withdrawal of the population. There are signs favorable to civic action. Half of the people interviewed said that they "can do a lot to change the path of the country." This statement can be read as an indication that there is a significant level of confidence in the ability to impact the future. Such confidence in collective action reveals itself as a very important resource. As was expected, those who are confident in their abilities to influence the country's future tend to show a high degree of political participation. Even more important is the fact that trusting in collective actions tends to be linked to a pluralistic vision of order. People are not afraid of different interests and opinions when they learn to handle diversity and social conflicts.

This civic preparation seems to be directly linked to the quality of social life. According to the survey conducted, we can confirm a "virtuous triangle" that includes aspirations, social links and civic identity. The people interviewed that

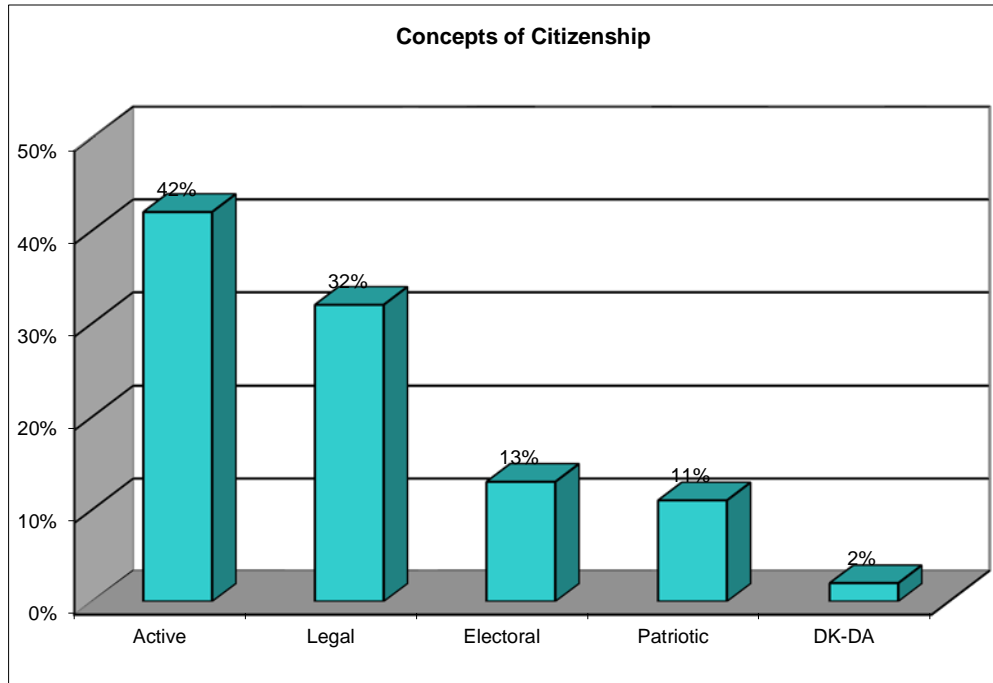
most value aspirations and have the most social capital also tend to show higher political participation. Inversely, those who place less value on dreams and posses less social capital tend to show a higher political disinclination.

CIVIC PARTICIPATION AND SOCIAL CAPITAL (% of social capital groups)					
Index of participation	Social capital Pattern				
	- formal - informal	- formal + informal	+ formal - informal	+ formal +informal	Total
Degree 1 (low)	64	46	32	24	48
Degree 2 (middle)	32	44	58	51	42
Degree 3 (high)	4	10	10	25	10
Total	100	100	100	100	100

Source: UNDP National Survey, 1999

It is worth highlighting this result for two reasons. From the theoretical point of view, it would confirm Robert Putnam’s hypothesis about the positive relationship between social capital and civic identity. From a political perspective, it shows civic action under a new light. Its strength does not only depend on institutional politics but also, and especially, on the quality of social life. More than campaigns “from above,” what motivates and encourages civic activity is the population’s confidence in its ability to influence the country’s path of development.

Social links and civic action strengthen each other. On the one hand, dreams about the future and having social capital reveal themselves to be nutrients of civic action. Civic action, in turn, targets the quality of social life. A re-defining of civic identity seems to occur. Political institutions are no longer the only point of, although similar attention is given to social harmony. When asked about what they understand by “being a citizen,” people emphasized two options that together, form what can be called active an “active” civic identity. The preferences for “participating actively in community issues” or for “feeling responsible for the course the country takes,” suggest that civic action tends to move -partially- from the political system to social links. Thus, an assessment using traditional criteria (interest in politics, voter participation) would not reveal emerging forms of civic identity.



Source: 1999 National UNDP Survey

Question: A citizen is someone who...?

Answers:

Active civic identity: "feels responsible for the course of the country or participates actively in community issues."

Legal citizenship: "Follows the country's laws".

Electoral citizenship: "Votes".

Patriotic civic identity: "Swears loyalty to the country".

Together with the transformation of Chilean society and, consequently, of politics, civic identity also seems to change. Certain evidence reveals more civic politics – that is the recovery of politics as a typical civic exercise. Politics would provide opportunities for civic action that -complementarily to institutional politics – is mainly concerned about the quality of social life. There would be a circular relationship: a strong society, capable of generating hopes and social links, encourages politics to be more civic, and, inversely, civic action aims to strengthen the social network. This challenges the way in which the political system works. On the one hand, it would be better to "go to the social issue," recognize and encourage the strengths of society and promote the civic action. On the other hand, the political system should "let social issues in," invite the expression of public issues and listen to the keys of social conversation. This learning process would enable the taking advantage of opportunities that the civic issue offers and would avoid the risk of populist outbreaks.

VII. SOME CHALLENGES

In summary of this Report: Part I confirms a change of era that implies opportunities and risks for Human Development in Chile. These changes demand a new type of government. To govern these changes, people must have a strong society. From this point of view, the Report proposes improvements in the quality of social life. The three subsequent Parts of the Report analyze the opportunities and restrictions present in Chilean society. The investigation shows that Chileans have aspirations related to social life, associative resources and partake in civic action. Also, Chileans seem to feel confident in their ability to change the course of the country's development. In short, certain social conditions seem to exist that will enable people to become the true subjects of development. The potential is there but the mentioned social abilities must be distinguished, activated and made more dynamic.

The options and risks of development are not natural facts; they are the result of processes that have been created, reproduced and modified by Chileans. The results of the study can only show a snapshot of the current transformation. This by itself does not guarantee Sustainable Human Development. The strengthening of society is the result of determination and intentional action. Part V of the Report sums up some of the challenges detected throughout the study.

First, it is worth reiterating the merging of social and individual capacities. A strong society is nourished by individual creativity. It is strengthened when each person's dignity is respected, when their identity ties are recognized and when their contribution to the welfare of the country is appreciated. But, each Chilean's individuality can develop only when basic conditions of equity exist. People who feel discriminated because of their economic condition, educational level or gender, hardly feel part of a common world. Objective conditions and subjective perceptions of inequality are an example of the "critical limits" of the social order, beyond which development's sustainability is endangered.

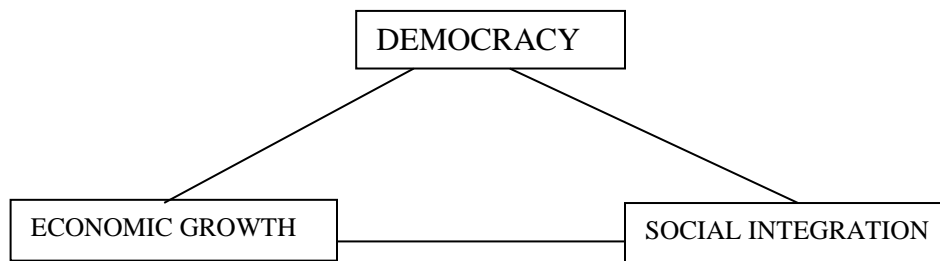
Second, it is also worth stressing that people can only individualize within society. Strengthening society implies strengthening people's social capacities. The Report emphasizes the importance of two dimensions: conversation and association. Real and fraternal encounters with others are not only highly demanded by the people, they are also part of learning to have confidence in collective action. Social links cannot be restricted to the private sector; they require public sphere as well. Strengthening that which is public issue means enlarging the range of shared experiences, expectations, and compatible knowledge and language. Thus, it means updating the cultural ties through which Chileans construct a common world.

A third challenge consists of creating and securing trust in collective action, in both the social and civic realms. During the past year, the country has seen that such trust does not appear by turning one's back on the past. Chile requires a

memory that has made peace with its history. This means recognizing the efforts made by each group and each institution for the construction of the country. Only then will fears and mistrust be overcome. Only then do the “others” stop being enemies and can be seen as partners in the joint construction of the future. And that horizon’s renewal is essential if we intend to decide the country’s course of development.

Fourth, one must be aware that the current transformations tend to be ambivalent. We must know how to identify opportunities and threats. On the one hand, insight requires social reflection. A complex and dynamic society such as the Chilean one cannot be diagnosed once and for ever. Challenges are and will be an on-going issue. Thus, only a continuous effort will allow us to decipher unclear phenomena and give sense to blind processes. On the other hand, permanent social innovation obliges an updating of ethics. When social life changes so dramatically, it is also necessary to renew the ethical principles on which judgments about reality are based. The foundation exists. In fact, the Chilean (and Western) tradition uses an “others ethic” as a basis for fair treatment, true communication and honest behavior; in sum, for solidarity.

Finally, a renewal of our ways of thinking and doing politics seems inevitable. In fact, many people cannot picture the usefulness we expect from politics in a society that has changed so much. Frequently, politics is seen as a separate world, disconnected from social life. If, to the contrary, we think of politics as the construction of a “common world,” how can we create a collective order in a highly differentiated society? The challenge corresponds, in particular, to the political system. But without doubt, it is a task for all citizens.



A globalized society faces global tasks. As is the case for other countries, Chile must couple sustained economic growth with the strengthening of social integration and it must achieve this in the framework of democratic institutions. This kind of task requires a joint effort. Thus, the 2000 UNDP Report wishes to place the beginning of the new century, under the slogan “stronger society for governing the future.”