

# Chile's successful transition

**MESSAGE BY HE MICHELLE BACHELET**

PRESIDENT OF THE REPUBLIC OF CHILE

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**I**t is with deep pleasure that I write this introductory message for this Special Report on Chile, an initiative of FIRST on the occasion of my visit to the United Kingdom.

I am sure that FIRST readers are no strangers at all to the history of Chile. I am sure they are familiar with those legendary republican institutions that were forged in my country during the nineteenth century and which, in the mid-twentieth century, gave birth to one of the world's most vibrant and long-lived democracies. And they also know what happened in 1973. They know about the collapse of Chile's institutions and the massive violation of human rights.

In 1990, democracy was restored and, with it, respect for the rights of our citizens. 18 years have passed since then and there are some obvious questions. Has Chile consolidated its re-established democracy? Are there any lessons to be learnt from the process through which we have lived? And what are our challenges now?

I would like the reader to accompany me in the following exercise:

Let's go back 20 years. The opposition to the dictatorship has just opted for a peaceful transition to democracy – rather than a rupturist approach – through basic agreements with the authoritarian regime on the transfer of power. Its aims are ambitious. In 16 years time:

- Chile will be a fully democratic country, free of all risk of a return to authoritarian rule;
- people's civil rights will be totally respected;
- the progress achieved towards truth and justice in cases of human rights violations will have few parallels among other transitions around the world;
- the remaining anti-democratic provisions of the Constitution will have been repealed;
- the economy will have grown at an average annual rate of more than 5.5 per cent;
- the poverty rate will have dropped from 40 per cent to 13 per cent;
- enormous progress will have been achieved in housing, healthcare and education;
- road, port and airport infrastructure will have been almost completely renewed;
- a woman will have been elected as President of the Republic.

In 1988, would the reader have dreamt for a

moment of such an outcome?

Yet that is precisely what happened. In other words, Chile's transition to democracy is a success story. This reflects the will of an entire country to reach agreement on returning to the road of progress, democracy and social justice that had characterised it for decades.

It reflects the will of Chilean politicians to put past antagonisms behind them and to adopt a new attitude to the challenges of the future.

I am proud to have contributed to the reconciliation of Chileans and to a better future for our children. During my election campaign, I said that "Chile Somos Todos" – Chile Is Each and Every Chilean. A country is built by all its citizens. That was how Chile achieved great things in the past and that is how we are building a better country today.

The main lesson of Chile's political process is the importance of reaching agreements, of engaging in dialogue and of growing in understanding.

But, today, Chile's democracy faces new challenges. Because of what we have achieved, we can now set ourselves even more ambitious goals. And we can, of course, address not only those areas in which we remain weak but also the new concerns and realities that have emerged in the world of globalisation.

Our first challenge refers to social cohesion. Citizens today not only expect democratic behaviour from their leaders; they also expect democracy to deliver on day-to-day needs, thus giving real meaning to the concept of a citizen's right to have rights. We are currently embarked in landmark reforms regarding the pension system, education, pre-schooling, health care, housing and unemployment insurance. These reforms are the basis of what we call a Social Protection System.

The second challenge refers to our economy. We have done pretty well, but we cannot fall into distraction or self-complacency. We continue to be deeply committed to free trade. Since 1990, we have developed an expanding network of free trade agreements, including Mexico and Canada. The trade agreements signed during recent years with China, Japan, India, the European Union, the United States, South Korea and the European Free Trade Association, as well as the Strategic Transpacific Economic Association Agreement with New Zealand, Singapore and Brunei,

have opened up many more foreign markets to Chilean goods and led to more dynamic cultural and social exchange, as well as international cooperation in the area of science and technology.

Domestic investors have materialised almost 1,800 projects outside our country, with capital that reaches US\$38 billion. Most of these resources are invested in the region. As a matter of fact, Latin American markets concentrate 88 per cent of the global investment.

Chile wishes to grow by enhancing its presence in the international arena. International integration is a key project and, therefore, we have successfully opened our markets to foreign investors. They find an attractive business environment, anchored in our political and social stability, its solid macro-economic fundamentals and its tradition of integrity and transparency.

As a result of these policies, Chile is widely identified as an obvious first choice for foreign investors seeking to expand into Latin America and, indeed, other world markets.

We have some important tasks ahead. If we want to seriously compete in the big leagues, our human resources must be better prepared. In 2008, we have increased the education budget by over US\$900 million, with special attention to students from vulnerable social situations. We are also investing in innovation and technological transfer. The entire R+D system is being redesigned and we are investing in innovation projects throughout the country.

Our third challenge refers to a better democracy. The country's achievements in strengthening democracy will be meaningful only if we are able to consolidate political citizenship and create social and cultural citizenship as well. We must persevere in our efforts towards opening our institutions to the mobilisation of society's concerns, to the issues that genuinely matter to people, by generating sound and transparent mechanisms for participation.

I have highlighted just a few of the challenges we face today, in social cohesion, in the economic area and the strengthening of democracy. But I would like to insist: Chile has come a long way to be where it is, and it is satisfying to look back over 20 years and see every Chilean enjoying

the fruits of this great, collaborative project. We are more prosperous and fairer, and we look forward to improving even more. There is good reason, therefore, for us to be optimistic about our future. We still have a long road ahead of us and I am convinced that each Chilean has a contribution to make, the right to dream, to pursue happiness, and the duty to participate in this wonderful project of making Chile a better place. ■

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