

## IS PINOCHET DEAD?

**Y**ES, QUITE DEAD. To make sure, the grandson of General Prats, Pinochet's predecessor, spat on the former dictator's corpse as it lay in state in December 2006, revoltingly bloated as the result of an addiction to chocolate and other goodies. Prats certainly inherited the attitude of his grandfather, who was blown up in his car in Buenos Aires on Pinochet's orders, together with his wife—a cowardly crime typical of the dictator's treacherous nature. The Prats family well remember how the Pinochets would visit them frequently while grandfather Carlos was still commander-in-chief, always showing a meek and servile disposition. Still, the younger Prats needed courage for this final gesture, as Pinochet continues to attract the fervour of a rich and hate-filled—if ageing—Santiago mob. Led by the rightist parties, they gave vociferous expression to this on the occasion of the funeral. As usual, this was under the protection of the army, shamefully authorized by the Bachelet government to render final honours to its former Commander-in-Chief. In a gesture of minimum dignity, the President herself refused to honour him as a head of state. She had suffered prison and torture under Pinochet, together with her mother, after her father, General Bachelet, had already been brutally murdered—paying in this way for his loyalty to President Allende.

The military pomp was all the more grotesque given that Pinochet had spent his final days under house arrest for his crimes against humanity, and was facing trial for an embezzlement of public funds without precedent in Chilean history. In this small country's rather Spartan tradition of public service, no other president has ever been judged or condemned for crimes against either citizens or state—although a couple of others may perhaps have deserved it to a lesser degree. The funeral rites took place within the protected compound of the Military Academy, in an elegant district of socially segregated Santiago—the corpse then being

whisked by helicopter to the crematorium, and the ashes taken to a grave in a secluded seaside property to avoid popular demonstrations.

At the same time, a rival event was taking place in front of the presidential palace of La Moneda. Under the statue of Salvador Allende, a few metres from the spot where he was forced to commit suicide during the 1973 coup, people celebrated the death of the dictator with dancing and music. However, their mood was rather muted and their feistiness just a bit forced, as were the massive popular celebrations that took place spontaneously in the streets all over Chile. These were rather like those held when a local football team achieves a last-minute draw rather than losing an important match. Many Chileans, including this author, would soon forget the exact date of the occasion.

### *Subterranean tremors*

It certainly escapes no one that although Pinochet may indeed be dead at long last, his legacy lingers on. I will cautiously argue, however, that to a large extent the latter may also now be in its final phase. One symptom of this has been the succession of mass protests and labour struggles that have shaken the country over the last two years. The most internationally visible of these was a long and successful strike in August and September 2006 by miners at Escondida, the world's largest copper mine, located in the northern Atacama desert. It attracted an unusual degree of attention—especially from the *Financial Times*—as hundreds of millions of dollars in ground rent are regularly transferred to the City of London by its owner, BHP Billiton.<sup>1</sup> A handful of multinationals, most of them listed on the London exchange, now control over 70 per cent of Chilean copper exports—the rest of production, as well as over half the reserves, being still in hands of CODELCO, the giant state copper company inherited from Allende. All mineral resources were nationalized by his government, and even the 1980 Constitution, still in effect, declares them 'inalienable'. However, a legislative twist introduced by Pinochet—and retained by subsequent democratic governments to this day—has permitted private companies to take hold of these resources and exploit them under long-term leases. Neoliberal policies have absolved the multinationals

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<sup>1</sup> Chile hardly ever appears in the international press, except when something happened that involved Pinochet. Nevertheless, during the month and a half of the Escondida miners' conflict in 2006, the *Financial Times* ran 119 stories about it, including four front-page headlines.

from paying even a penny in royalties, and most have not paid any taxes either. A law enacted under the Lagos government in 2004, inaccurately called 'Royalty 2', established a timid 5 per cent surtax on mining profits. However, this actually resulted in an effective reduction of 2 per cent for the companies who had been cheating the most on their tax returns. BHP Billiton, the only mining company that had paid some income tax during the 1990s, actually embarked on a tax strike, declaring that it was being treated unfairly. This was indeed true, since while BHP Billiton saw the tax on its profits rise from 35 to 40 per cent, the other companies, which had been avoiding tax altogether, saw their nominal rate reduced from 42 to 40 per cent.<sup>2</sup> In 2006, these companies' transfers were equivalent to 75 per cent of the total budget of the Chilean state. During the strike, the Escondida unions publicly called for the copper industry to be taken back into state ownership. More recently, that section of the mining workers employed by subcontractors, who make up about half of the total, successfully negotiated as a block.

During May 2007, the same results were achieved by workers employed by subcontractors in the forestry industry, in the south of the country. For the first time these conflicts broke the restrictive Chilean labour legislation that prohibits industry-wide negotiation, permitting collective bargaining only in the individual firm. The turning point of the lumber strike was when a young worker rammed his tractor through a barricade set up by the police, who shot him dead. He earned a net salary of 60,000 Chilean pesos a month, or US\$120, while the forestry industry had just reported billions in profit.<sup>3</sup> His funeral turned into a huge march through the city of Arauco, where every house flew a black flag at half-mast. A similar situation occurred the following month when the subcontractor workers in charge of garbage collection in Santiago also went on strike and won. It should be emphasized that all these movements are technically illegal, and the first major strikes in industries where a significant part of the workforce is atomized between hundreds of subcontractors, creating exhausting and underpaid jobs with very few

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<sup>2</sup> Before 2004, these companies had sought protection under a special 'tax invariability' clause available for foreign investors, requiring them to pay 42 per cent on any declared profits—and then not declared any. 'Royalty 2' reduced this rate to 40 per cent at the very moment when high copper prices made it impossible for them to continue avoiding taxation.

<sup>3</sup> The exchange rate is roughly 500 Chilean pesos to the US dollar.

labour rights, short-term and highly precarious—the position with most jobs in Chile today.

Meanwhile crowds of city workers have rioted in Santiago, the sprawling capital that is home to more than a third of Chile's 16 million population, over a public-transport overhaul that has created chaos. From February 2007, large-scale private contractors replaced the thousands of privately owned buses that used to ply the city. The latter—which delivered a poor service, congested the streets and polluted the air—were themselves the product of Pinochet's early privatization of the state company, set up during the preceding developmentalist period, which had provided quite decent service. The public are furious at the incompetence of the new contractors and the under-funded and poorly designed system, known as TranSantiago, which after many months still fails to function properly. One morning recently a metro train blew a tyre, interrupting service for about half an hour. According to the press, this was because it was overloaded with passengers. An irritated crowd stuck outside the station barricaded the Alameda and fought the police for hours. Perhaps the most salient aspect of this protest was that those involved were not simply the unemployed poor, rioting within their *poblaciones*, which they have frequently done over the years, but for the most part salaried employees on their way to work.

### *Schools in revolt*

A year earlier, in March 2006, a million secondary-school students had occupied their schools and taken to the streets, warmly supported by their teachers, parents and the vast majority of the population. School students are affectionately nicknamed *pingüinos*, and really do look like the Antarctic birds when they flock out of school in their dark blue and white uniforms. Traditionally, some take to the streets every year shortly after the beginning of classes, which in the southern hemisphere start in March. This time, however, in just one week the movement spread from a small bunch of schools to the entire educational system. More significantly, the *pingüinos* were not just demanding free bus passes and the like, but the abolition of the LOCE—the national education law.

The LOCE was promulgated by Pinochet on his last day in office in 1990, and remains the basic framework that has spurred a continuing privatization of the school system. No democratic government has so

far dared to challenge it: Bachelet's educational programme has merely called for more kindergartens, as if everything else was all right—which is very far from the case. The dismantling of the public system, enforced quite brutally by the dictatorship and continuing at a lesser pace under LOCE, has resulted in a reduction of over 700,000 primary and secondary students since 1974, about a quarter of the then total. The pupils who have deserted the public system have migrated to private schools, created with the lure of public subsidies. Efforts by democratic governments since 1990 to restore public expenditure on education, which was cut in half by the dictatorship, have been ineffective in stopping this process: the public system continues to lose tens of thousands of pupils each year. Today, half of all students are in private schools and universities, and families disburse half the total fees—the corresponding figures for OECD countries are respectively 19 and 8 per cent. The resulting poor quality, social segmentation, and inequity of the privatized educational system are so severe that they prompted the student protests and the overhaul of the system that is now under way.

When asked what the solution might be, over 70 per cent of Chileans answer that schools should return to the Ministry of Education. Many of them remember that by the end of the 1960s the state had built up a decent public system, with relatively high coverage at all levels of education. Most Chileans sent their children there at no cost to the families. Overall, the impact of neoliberal policies has reduced the total proportion of students in both public and private institutions in relation to the entire population, from 30 per cent in 1974 down to 25 per cent in 1990, and up only to 27 per cent today. If falling birth rates have made it possible today to attain full coverage at primary and secondary levels, the country has fallen seriously behind at tertiary level, where coverage, although now growing, is still only 32 per cent of the age group. The figure is double this in neighbouring Argentina and Uruguay, and even higher in developed countries—South Korea attaining a record 98 per cent coverage. Significantly, tertiary education for the upper-income fifth of the Chilean population, many of whom study in the new private universities, also reaches above 70 per cent.

The recent reform has abolished LOCE and replaced it with a framework law that recognizes the right of citizens to an education of good quality. In addition, it re-establishes in part the capacity of the state to regulate the education system. New funding has been announced that should

raise public expenditure on education from about 3.5 per cent of GDP in 2007 to 4 per cent in 2008—in the early 1970s, Chile had allocated 7 per cent of GDP to this purpose. However, most of this increase will supplement funds distributed on a per pupil base through the LOCE-inspired voucher system; the value of vouchers for poor students, most of whom are in public schools, will be raised more than the rest. An additional US\$100 million has also been assigned to improving the public schools, to be distributed on a budget basis. It should be noted that LOCE prohibited the state from funding its own schools over and above the vouchers. This was considered ‘unfair competition’ with private schools, which received the same vouchers; of course, no such prohibition was applied to the latter. Details of the partial reconstruction of the national public-school system remain to be announced. This system, built up over a century, was dismantled by Pinochet, with schools turned over to municipalities that in most cases still lack both the expertise and the funds to administer them properly.

Chile’s notorious privatized pension system, another legacy of the dictatorship, is also in disrepair. Overwhelming evidence has shown that some two-thirds of the workforce have no effective coverage at all from the Administradoras de Fondos de Pensiones (AFP) system, while the rest can expect only uncertain and meagre pensions. Nevertheless, almost everyone is forced to contribute about 13 per cent of their salary to the AFP, if they manage to get a formal job.<sup>4</sup> These private administrators, in conjunction with related insurance companies, have taken for themselves one in every three pesos contributed to the system since 1982. The balance has been invested mainly in a handful of large conglomerates—twelve large groups presently hold half of all funds invested in Chile, the owners of AFP and the insurance companies among them. In this way, the privatization of the pension system has meant that a figure in the region of half the present GDP has been transferred from the pockets of salaried workers into the deeper ones of big business.

The Bachelet government is now overhauling the system. The reforms under way assume that the state will have to take responsibility for the majority of future pensioners, and establishes for them a fairly universal, non-contributory, though very basic pension. Its amount has been set at

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<sup>4</sup> A small proportion of employees—less than 4 per cent—including the military and those who refused to change to the AFP system in 1981, contribute to the old Cajas de Previsión, while all the rest have accounts with the AFP.

75,000 pesos, about two-thirds of the minimum wage. All those with less than 200,000 pesos a month from the AFP will receive the basic pension, at least to make up this minimum. The third of the workforce with AFP pensions above 200,000 pesos, however, will remain just as they are today: forced to contribute to the AFP and expecting pensions half of what they would have been under the old pay-as-you-go system, worse still in the case of women.

Clearly, this intolerable situation will have to be addressed as well, sooner or later. Polls reveal that a vast majority of active Chilean workers would return to the pay-as-you-go public pension system if only they were permitted to do so. This is still the source of pensions for three-quarters of retirees in Chile. Similar situations have already prompted Argentina and Peru, which had partially copied the AFP model during the 1990s, to allow employees to return to the old pay-as-you-go systems that were mostly kept in place in those countries. Tens of thousands of Argentines flocked to change on the very first day this was permitted, in May 2007; the first person standing in line was Kirchner himself.

Finally, Bachelet listened to calls from economists right across the political spectrum to reduce the peculiar Chilean fiscal rule of maintaining a 'structural fiscal surplus' of 1 per cent of GDP. She recently announced she would reduce this to 0.5 per cent of GDP for the fiscal year 2008. The Lagos government had formally enacted this rule as a law even though the late economist Rudi Dornbusch had called the scheme 'stupid'—and he was a former teacher of ex-Finance Minister Nicolás Eyzaguirre, the 'brain' behind the rule. Chilean current fiscal surpluses—as opposed to the long-term, so-called 'structural' average—have been quite grotesque since copper prices shot up in 2004, reaching 10 per cent of GDP in 2006. Moreover, Eyzaguirre's fiscal austerity during the years of recession from 1998 to 2003 has been widely blamed for the severity and duration of the slump.

### *Changing models*

Calls to replace *el modelo*—the 'neoliberal model'—in Chile are now coming from surprising quarters. Increasingly vocal critics are to be found across the whole spectrum of the governing coalition, known as the Concertación de Partidos por la Democracia—not only in the Socialist Party but also among Christian Democrats. The former Partido

Demócrata Cristiano leader recently presented a poll commissioned by his faction which showed that 82 per cent of Chileans wanted a 'change of model'. Even the former Christian Democrat President Frei Ruiz-Tagle—renowned for privatizing public utilities during the 1990s—called for public transport to be taken back into state ownership as a solution to the TranSantiago debacle. The leading economist of this movement is Ricardo Ffrench-Davis, another Christian Democrat, and senior economist at ECLAC. Similar voices are now being heard even from the right.

On the left, the Partido Comunista and Partido Humanista have been longstanding critics of *el modelo* and currently receive around 10 per cent of the national vote, together with smaller groups. However, they are still marginalized by Pinochet's 'binominal' electoral system, which generously subsidizes the parliamentary representation of the right-wing Alianza por Chile coalition, the Concertación's main rival. Under the 1980 Constitution, two candidates are elected to the Chamber of Deputies from each electoral district, and elections to the Senate work similarly. Each coalition presents a list with up to two candidates per district. In order to win both seats, however, the leading coalition—usually the Concertación—needs to gain over two-thirds of the vote; failing this, the second seat is automatically allocated to the runner-up. In practice, the governing Concertación gains over 50 per cent of the vote in almost every electoral district and elects one representative everywhere. However, it rarely manages to double the vote of the Right, which traditionally gets slightly over a third of the vote in most districts and as a national average as well.

The system is made worse by the fact that the districts, especially for the Senate, have been drawn in such a way that they grossly over-represent regions where the right gets a higher proportion of the vote—such as certain remote and thinly populated rural zones, which have a representation in the Senate half that of Santiago. In this way, the Right with one-third of the vote secures nearly half the seats in both chambers, whereas the parties to the left of the Concertación are completely excluded, because although in some districts they win up to 20 per cent of the vote, they never reach the proportion needed to elect a representative.

At the grass roots, however, leftist parties lead a social movement that has received wide support. All those in favour of 'changing the model' have come together in a Parlamento Social, convened by the Central



Unitaria de Trabajadores, the national student federations, and all the main social organizations. All political parties except those of the Right are formally represented in the Parlamento Social, including the partners of the governing Concertación coalition. For the first time since the 1980s, these have agreed to participate together with the Communists. The programme of the Parlamento Social calls for major reforms in education, pensions, labour legislation, and the electoral system. Charging royalties for copper and other natural resources is also an important point in this platform.

The Bachelet government, and especially the President herself, is less closely identified with *el modelo* than her predecessors. Some changes, however limited, are taking place in social policies, mainly in pensions and education. Up to this point, however, the government's reform proposals being discussed in parliament stop short of touching the basis of the model. How is it possible—anyone might ask—that despite such a wide coalition advocating change, *el modelo* continues to be hegemonic in Chilean public policy, even beyond the strictly economic sphere? The answer to this question has a lot to do with the political arrangements of the Transition period that followed the end of the dictatorship in 1989.

### *Beyond 'the possible'?*

The Pinochet dictatorship ended in 1989, after a long struggle during the 1980s, in the wake of a deep economic crisis. Millions of Chileans waged their own *intifada* that they called *protestas nacionales*. A sophisticated Communist-led urban guerrilla, from whose actions the dictator barely escaped alive in 1986, accompanied these protests. They turned pretty bloody at times, with over sixty people killed by the military in Santiago in just one night, at the peak of the demonstrations. In that climate—and under strong pressure from the US, especially the US Armed Forces Southern Command—Pinochet was forced into negotiating a way out with the moderate sectors of the democratic movement. In 1988, the opposition managed to oust the dictator in a plebiscite that he lost, and elect four successive Concertación coalition governments—under Partido Demócrata Cristiano presidents Patricio Aylwin, 1990–94, and Eduardo Frei, 1994–2000; and Partido Socialista presidents Ricardo Lagos, 2000–06, and, since 2006, Michelle Bachelet.

The centre parties' pact with Pinochet managed to isolate the Communists and other radical democratic forces, and ensured the former dictator another decade as Commander-in-Chief. The Constitution he signed in 1980 has remained in force, albeit with a number of modifications. But while personalities and parties closely bound up with the old developmentalist model have taken many top state posts, as well as a majority of parliamentary seats, an aggressive young Chilean bourgeoisie has now assumed the leading role. This layer exercises complete control over banks and corporations in an economy where state-owned businesses have been significantly reduced; they hold sway over most of the media as well. Through the parties of the Right, the Unión Demócrata Independiente and the Renovación Nacional, they make use of constitutional prerogatives inherited from Pinochet to control almost half of parliament and exert effective veto power over all relevant matters of state. Their lobbyists, some of them ex-ministers or high functionaries of the democratic governments, roam around at will and even hold paid consulting jobs in parliament and government departments, including at the presidential palace. In addition, neoliberal ideology has maintained its hegemony over higher education, government cadres and public policies, especially in the realms of economic and social policy—as well as over state management and modernization initiatives.

### *Stuck in transition*

This state of affairs has survived during a 'transition period' that has now lasted as long as the dictatorship it replaced. The transition arrangement was supported widely, although grudgingly, by the Chilean population, especially the expanding salaried middle classes that have maintained a very low profile and been notably cautious in their demands, after decades of economic prostration and exclusion from participation. This situation prompted Patricio Aylwin famously to declare in the 1990s that everything in Chile, even truth and justice, could be expected only 'within the possible'.

Economic growth has played its role as well in the prolonged transition. Under the first three governments after 1989, the economy grew at a very fast pace until 1997, when it entered a recession that lasted until 2003. The impressive economic growth of the 1990s allowed for almost everything in Chile to be multiplied by two, three, or even four, during

this extraordinary period.<sup>5</sup> Total public expenditure grew faster than GDP between 1989 and 2000, then slightly slower than GDP from 2000 to 2005, under the Lagos government; the same was true of expenditure on social programmes. As a result, although the Chilean budget almost trebled during this period—an increase of 2.8 times—it is still no more than about a fifth of GDP, which is low even by Latin American standards. Nevertheless, public spending on health more than trebled—3.4 times from 1990 to 2005—and on education more than quadrupled—4.4 times in the same timeframe. Under President Bachelet public spending has been growing at almost 10 per cent a year, once more significantly above GDP, especially on social expenditure.

Infrastructure construction has been impressive, with paved roads, reservoirs, railways, metro lines and highways all more than doubling during this period, or at least being completely revamped. Santiago itself is a showcase for the country's impressive pace of economic development. Countless cranes watch over the growth of high-rise buildings, and urban freeways extend in such a way that even old *santiaguinos* get lost in a city they no longer recognize. The experience is perhaps similar to what the main cities in Europe must have lived through during the second half of the nineteenth century, or the US in the twentieth. When curious tourists visit Santiago at the end of the twenty-first century, they will probably wonder how it is that almost every construction in the city seems to have been erected during this period. The spectacle is almost comparable to that of emerging East Asian cities, even if Santiago's population of some 6 million is small by these standards. In short, the face of Chile changed significantly and for the good during the transition period. In a land renowned for its national poets, and now again experiencing ebullient artistic activity, it would not be surprising if an aspiring Chilean Baudelaire were now writing on the new boulevards tearing through Santiago.<sup>6</sup>

In the same period, Chile's population has grown by only 22 per cent, from 13 million in 1990 to 16 million in 2005, which means that

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<sup>5</sup> GDP increased by 80 per cent between 1989 and 1997, measured by the 1986-based series, and a further 33 per cent between 1997 and 2005, measured by the new 1996-based series. This means that GDP altogether increased by a factor of 2.3 from 1990 to 2005. Growth slowed down to just over 4 per cent in 2006, but is expected to recover to between 6 and 7 per cent in 2007 and 2008.

<sup>6</sup> Marshall Berman's visionary *All That Is Solid Melts Into Air* would make a lot of sense to a Santiago reader these days.

available goods have increased significantly faster than Chileans. In fact, poverty was reduced from roughly half of the population at the end of the 1980s to one-fifth in 2003, while the number of destitute fell to around 6 per cent. Health and education indicators, as well as the Human Development Index calculated by UNDP, have also improved quite impressively. Nevertheless, most of the economic growth benefited the upper-income segments of the population. Average real wages, for example, recovered by only 53 per cent between 1990 and 2004, less than half the increase in GDP. The share of wages in GDP is presently under 40 per cent, worse than at the end of the dictatorship; before the coup, the proportion was over 60 per cent. The level of real wages at the end of the dictatorship was so low—about 25 per cent below pre-coup levels—that only in December 1999 did Chilean workers on average recover their pre-coup purchasing power. Teachers and other public employees, moreover, though they received wage increases roughly of the same order as the increase in GDP, had such low wages at the end of the dictatorship that they still have not recovered their former purchasing power. In the case of teachers, their wages in 1990 were only two-thirds of what they had earned in the early 1970s, a level that they are still about 20 per cent short of recovering.

Earned income distribution thus deteriorated severely during this period. If public social expenditure and non-contributory pensions are also taken into account, it was just as bad in 2003 as it had been in 1990. But if contributory pensions, military pensions and transfers to the AFP system are also included, public expenditure has been generally regressive. To be fair, there was a timid tax reform in 1990, and initially a significant recovery in the level of public social expenditure targeted towards the poorest sectors of the population. In addition, public employees' salaries, which had been even more severely depressed than the average during the dictatorship, initially experienced a quite rapid recovery, in the context of a slower but steady overall wage rise. Affiliation to unions and collective bargaining also surged for a few years, only to fall again to a very low level; at present unionization is only 11 per cent of the employed workforce. All this resulted in a brief improvement in income distribution. But a much faster increase in corporate profits during the booming 1990s, then again after 2004, quickly surpassed this, and income distribution has continued to deteriorate since 1993; very rapidly so if public social transfers are not taken into account.

Significant changes have certainly taken place in Chile since the end of the dictatorship, but these have been mostly in the political and military spheres. The end of the Pinochet government and the establishment of the 'transitional' arrangement were the most obvious of these. Less well-known but still more significant, however, has been the subordination of the military to the civilian authorities, which started when Pinochet left the top army post in 1997, and has advanced quite significantly today. By way of example, during Pinochet's funeral his grandson, then a junior officer, broke protocol and delivered an intense harangue; something similar occurred with a speech by an army commander in the south. The High Command expelled both immediately and stripped them of honours.

### *Crimes and punishments*

These developments chiefly took place after October 1998, when Pinochet was detained in London and kept under house arrest for three years while the Spanish judge, Baltasar Garzón, sought to prosecute him for crimes against humanity. More recently, a US Senate Committee investigating money laundering under the Patriot Act provisions discovered that the former dictator held tens of millions of dollars in dozens of secret accounts, mainly with the Washington-based Riggs bank. These two events triggered judicial hearings in Chile through which the human-rights movement has managed to make real advances in investigating both the crimes committed by Pinochet's regime and his personal thefts. After 1998 Pinochet lost all his judicial battles, being acquitted in a number of these only by faking madness and other illness—dozens of processes opened against him followed him to the grave. Many of his generals and sidekicks have been less lucky. Hundreds have been tried and condemned, and dozens are now in jail; special and rather comfortable jails, but where they will spend the rest of their lives in each other's company, which is quite a punishment in itself. These include all the heads of the dreaded and once all-powerful DINA led by General Contreras himself, a bunch of whom were accompanied to prison in 2006 by a rain of insults, spittle, rotten eggs and tomatoes thrown by the families of their victims.

The dark history of repression has been almost completely reconstructed, with ever more horrors surfacing. As late as December 2007, the judge investigating the assassination of successive leaderships of

the Communist Party unearthed the up-to-then unknown existence of a secret joint unit of all repressive organs, reporting directly to Pinochet and operating from a house in a comfortable residential neighbourhood. This unit was responsible for torture and murder, and later dropped bodies into the sea from Pinochet's personal helicopter—including some who were still alive. It seems an appropriate irony that the main changes in Chile during this period were triggered by quite unexpected incidents in London and Washington, given the role that these capitals played in Pinochet's rise to power in 1973. Yet important as these events were, it is advances in human rights in Chile itself that have made the difference. This has been the main path by which the democratization of the country has been slowly proceeding.

The Transition political system, on the other hand, has proved incapable of breaking with its founding pact, which ensured impunity for Pinochet and his accomplices; it is only under Bachelet that this may finally have begun to change. Pinochet was rescued from house arrest in London in March 2000 mainly thanks to pressure from the Chilean government, with some help from British Foreign Secretary Jack Straw. At home, virtually every institutional power opposed the continuation of judicial hearings against him. At one point, a meeting in La Moneda Palace with this quite explicit purpose brought together President Lagos, the speakers of both houses of parliament and the leaders of all political parties represented there, along with the commanders of the armed forces. Also present were cardinals, archbishops and other religious leaders—and most significantly, the presidents of the Supreme Court of Justice and the Appeals Court of Santiago, where the Pinochet case was due to be heard the following week. The assembled company received emotional messages from the UN General Secretary, Kofi Annan, and even from the Pope himself. Nevertheless, Pinochet lost by fourteen to five in the Appeals Court, and went on to an even worse defeat in the Supreme Court some weeks later; this stripped him of his immunity as former head of state, thus opening the way to the prosecution of both himself and his accomplices. All this happened during the long Chilean summer of 2001.

How were these advances attained by an apparently fragile group of elderly mothers, wives and children of Pinochet's victims? How could a quite small bunch of human-rights lawyers—brilliant and energetic, but seemingly in permanent disarray—confront and defeat the country's most reputed criminal lawyers, who undertook Pinochet's defence

in courts that were normally well-disposed towards them? As with the London and Washington incidents, it was basically a direct consequence of the universal and long-standing repulsion against Pinochet and his crimes. In Chile, anybody who walks the streets in the company of well-known figures of the human-rights movement can witness the respect with which they are saluted everywhere, by ordinary people feeling safe in the anonymity of the street. From a bunch of youngsters riding an SUV in one of Santiago's most fashionable districts to a modest bus sputtering over a remote country road in the south of the country, full of peasants carrying their sacks and live chickens, someone will spot the passing human-rights figure and everybody joins in an emotional salute. In the case of Juan Guzmán, a man of conservative background who became the first judge to condemn Pinochet, for a long time he was unable go out to dinner without the restaurant customers giving him a standing ovation. It can be a moving scene, evidence that historical memories do not necessarily fade away, even with people who otherwise may seem a bit inebriated with modernity, shopping malls and credit cards.

### *Land of rumours*

Two of the classic conditions for deep political change seem to be present in Chile today. On the one hand, an overwhelming majority are quite convinced of the need to 'change the model', and very clear regarding what is needed to replace it. They want to put an end to neoliberal market extremism and restore a deeper involvement of the democratic state in all aspects of social and economic life. On the other hand, 'those above' are clearly unable to continue managing affairs as they have done over the past decade. Both the governing coalition and the rightist opposition are in disarray at present, with significant divisions within each bloc, mostly over such matters as those described above. Bachelet herself is living proof of such disarray. She clearly tried to make a clean break with the government cadres that had managed affairs since 1990. Initially she made headway, declaring that her rules for filling government posts would include parity between men and women—which in itself meant a huge replacement of senior personnel, almost entirely male—and would avoid 'repeating courses', i.e. she would not nominate high functionaries who had already held similar government positions. However, her considerable weakening, especially after TranSantiago became a 'bad word', as she put it, has forced her to retreat considerably in recent months, reinstating the diminished power of neoliberal forces within her government. It is

not improbable, though, that she will tilt left again should the political situation change significantly in the coming months.

For this to happen, the third classic condition for change must appear, and it usually does so quite unexpectedly: those below must not only be convinced of the need to change, but must also be so fed up with the present situation that they come out by the million and demand it. That may be the case if the current mood of tense exasperation curdles into a widespread mobilization of significant social forces—especially, the massive emerging class of the urban salariat. Chileans know a lot about these conditions, as many have lived through national crisis at least twice in their lifetimes, first in the late 1960s and early 1970s with Allende, then during the 1980s under Pinochet. They know that not much can be achieved if these three conditions are not in place. On the other hand, they have learned that even when such conditions are met, it is both necessary and possible for the people to unite on a broad and strong front to make change happen in concrete terms—and then to do what is needed, acting without any hesitation. They have also learned that the outcome is not always the one they expected; it can indeed seem quite different to what they initially wanted. However, change takes place all the same.

That is why, in Pablo Neruda's words, 'our land has become full of rumours', rumours of exciting things that may happen. Conditions may be present for the Transition era to follow Pinochet to the grave, and Chile may finally rebuild full democratic institutions. Moreover, maybe the current tremors in Chilean society are due not only to impatient demands for an end to the endless transition. Perhaps something else is stirring even deeper below the surface of current events, in the hot magma of those forces that produce large shifts in social, economic, and political tectonic plates. For it is not impossible that events may finally prompt the end of *el modelo* itself, the neoliberal period which, even in Chile, does not seem destined to outlive its criminal progenitor for long. Pinochet pioneered the Washington Consensus decades before it became consensual, although it ultimately triumphed right across the region, if with considerably less extremism outside Chile. His death pointedly coincides with the moment when Latin American support for this strategy seems to be coming to an end.