Anti-government hostility marks Chilean election campaign

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Socialist Party leader Ricardo Lagos, who won the Chilean presidency as the candidate for the ruling Concertacion coalition in early 2000, is facing his first major electoral test in tomorrow's congressional elections. After entering office with promises of dealing with the crimes of the military and former dictator General Augusto Pinochet, as well as providing better health care and working conditions, Lagos has delivered on none.

The media has pushed the election into the background—in fact, it was barely mentioned until early November. In part that is because the official establishment in Chile has been preoccupied with the deteriorating economic situation in Chile's large neighbour, Argentina, which has already had a dramatic impact on Chile's currency and investment flows.

Lagos has also taken advantage of the Bush administration's "war on terrorism" to divert attention from his record. After September 11, he immediately pledged support for the US aggression, backing "any reprisals against Afghanistan and the terrorists." His government has also boosted police powers to deal with alleged terrorists, making it easier for police to detain suspects, seize documents and search premises.

During the campaign, Lagos has offered little in the way of policies. Instead, he has attacked the opposition Alliance for Chile—made up of the Independent Democratic Union (UDI) and National Renovation (RN)—and its presidential candidate Joaquin Lavin, from the right. Lagos has denounced them for failing to strengthen the police, crack down on teenage "delinquency" and ensure "law and order" in the areas where they control local government.

Lagos has aligned himself more openly with big business. He recently attended the ''annual dinner for industry'' with 1,300 entrepreneurs, where he said he was adopting their ''pro-growth agenda'', including initiatives to "prevent the over-regulation'' of the economy. ''Chile demands unity'' to confront the current climate of international uncertainty and its effects, such as ''the economic recession that has already arrived,'' he said.

For their part, the rightwing parties have sought to make a populist appeal to sections of the poor by pointing to the impact of the government's economic policies and its failure to improve health and other services. The Alliance has been able to openly campaign in impoverished areas which have traditionally been the strongholds of the Socialist Party and its allies.

There is widespread disillusionment with the government. In July, polls registered 44 percent disapproval for Lagos' presidency. Losses are widely predicted in the lower house, where the Concertacion now holds 70 of the 120 seats. The Christian Democrats are expected to lose 5 of their 38 seats. As a result, the Concertacion could lose its majority in Congress for the first time since 1990.

However, there does not appear to be great enthusiasm for the right-wing opposition coalition, the Alliance for Chile, either. Recent polls show that 30 to 40 percent of voters remain undecided.

Behind the hostility to Lagos is his growing accommodation with big business, the rightwing and the military hierarchy. He won the last presidential election after vowing to bring the military to justice, which could only be achieved, he claimed, in the Chilean courts. Almost two years later, not only have most of the cases about the thousands of people murdered or "disappeared" by the military been stalled, but Pinochet has been let off scot-free by the Chilean high court.

Just days before Lagos took office, Pinochet was freed from house arrest in Britain, but faced hundreds of criminal complaints in Chile. Backed by the military and the right-wing, Pinochet's lawyers argued that he was unfit to stand trial. Lagos continually stated that the courts should be allowed to act independently, but fresh evidence emerged last week showing that he struck a deal with the military to secure Pinochet's freedom.

According to a *New York Times* on December 10 article, "a top Socialist Party activist close to the president said Lagos worked quietly to assure that General Pinochet would not stand trial". The article continued: "At a meeting with the military high command last year in the Defence

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Ministry, Gen. Ricardo Izurieta, the chief of the army, told Mr. Lagos that he did not want his successor to have to deal with the politically delicate situation of a Pinochet trial." In the words of the newspaper's confidante: "The president reached across the table and shook General Izurieta's hand, and it was understood... It was not an explicit deal but it was implicit."

While the details of Lagos' pact with the military have not been made public, there is a deep sense of disquiet among workers and young people who voted for him. In late November, Lagos attended military exercises in Pampa Colorada, becoming the first president to be invited to do so since the junta's fall.

Lagos has openly appealed to big business. In a recent interview, he stated: "A socialist today understands that the fall of the Berlin Wall means we live in a world in which the market is not leftist or rightist. It is simply an instrument to be used."

That "instrument" has enriched the top echelons of society at the expense of the poorest layers. Over the past decade, the proportion of people in the poorest 10 percent of the population who earn less than the minimum wage has grown from 48 to 67 percent. Twenty percent of the country's GDP remains concentrated in the hands of six rich families, while the official unemployment rate has soared to 10 percent, the highest rate since Pinochet's rule.

Lagos directly contributed to this polarisation by cutting government spending earlier this year to control inflation. The government also allowed the peso to decline in value, boosting export earnings but cutting real wages. Lagos boasted recently: "We have devalued our currency 30 percent with almost no inflation. I did that with tough fiscal policies. A left-wing politician has to be tough enough to say no."

The conservative Heritage Foundation has endorsed his policies by releasing a survey reporting that Chile's ranking as a free-market economy had jumped from 13th to ninth in the world—and number one in Latin America.

International markets have generally favoured Lagos' policies, but analysts have warned against the "slow pace of reform," particularly in de-regulating the highly bureaucratic financial and economic system. According to a stockbroker quoted in the *Economist* magazine, "It takes 18 months and 72 procedures to get permission to open a supermarket". In addition, several key bills have not passed through parliament, and new labour laws took more than a year to pass, amid divisions within the ruling coalition.

Argentina's economic dive, intensified by the threatened withdrawal of IMF loans, has caused a 19 percent decline in the Chilean peso over the past 10 months. Several transnational companies, including Kraft foods, have shut down their operations in Chile. Layoffs in major industry and bank mergers have resulted in thousands of job losses in the past month alone.

The ruling Concertacion, essentially a partnership between the Socialists and the Christian Democrats, entered office in 1990, promising improved living standards and "growth with equity" after nearly two decades of military rule. Over the last decade, however, its support has steadily declined as the government has implemented the dictates of big business. In the 1997 congressional elections, more than 1.24 million blank votes were cast—more than double the 1993 figure.

As opposition to the openly pro-business Christian Democrats grew, Lagos was selected as the first Socialist Party presidential candidate since Pinochet ousted Salvador Allende in 1973. Lagos won the March 2000 presidential run-off, but by less than 1 percent.

Now with his own support waning, Lagos has turned to the Stalinists of the Communist Party (PC) in a bid to regain some credibility among working people. In August he signed an electoral pact with the PC which has repeatedly warned Lagos about the growing discontent with his government and called for "unity of the left" against the rightwing. The payoff for the PC, previously banned under Pinochet, is the opportunity to win seats in the lower house for the first time in over two decades.

But far from blocking the rightwing, the Lagos government, with the backing of the PC, is paving the way for its return. For the first time in a decade, the pro-Pinochet forces could take a majority in the Congress, something that would have been unthinkable in 1990.

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