

The Legal Framework and the Defence System

National Legislation

Systems and Concepts

- Act which creates the Superior Council of National Defence (N° 7.144 1942/01/05. Last amendment: 1959/04/06)
- Act which dictates Regulations on Mobilization (N° 18.953 1990/03/09)
- Act on the National Intelligence System; creates the National Intelligence Agency (N° 19.974
- Ministry of National Defence Organization Statute (N° 20.424 2010/02/04)

Military Organization*

- Code of Military Justice (Decree-Law N° 806 1925/12/23. Last amendment: Act N° 20.357
- Reserved Copper Law (N° 13.196 1958/01/01)
- Act authorizing the President of the Republic the disposition of State-owned Lands and Real Estate used by the Armed Forces (N° 17.174 1969/08/21. Last amendment: DL N° 1.195 1975/11/01)
- Act on Rules for the Execution of Works designated for Exclusive Military Use (N° 17.502 1971/11/12)

- Decree-Law on the Recruiting and Mobilization of the Armed Forces (N° 2.306 1978/09/12. Last amendment: Law N° 20.045 2005/03/10)

 Decree Law of the Military Public Ministry (N° 3.425 1980/06/14)

 Decree Law of the Armed Forces (DS N° 272 1985/03/16)

 Act on National Defence Staff Pension System (N° 18.458 1985/11/11. Last amendment: Act N° 20.250. 2009/017)

- Act of National Defence Staff Pension System (N° 18.458 1985/11/11. Last amendment: Act N° 20.369 2009/09/17)
 Act for Armed Forces' Social Welfare Service Statute (N° 18.712 1988/06/04)
 Act establishing the Authority of the Army Military Industry and Engineering Command (N° 18.723 1988/07/12)
- 16.125 1507677127 Constitutional Organic Act of the Armed Forces (N° 18.948 1990/02/27. Last amendment: Act N° 20.424 2010/02/04)

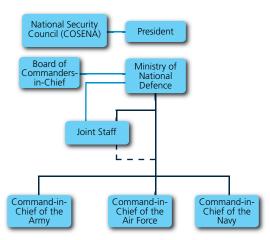
- N° 20.424 2010/02/04)
 Act of the Armed Forces Health System (N° 19.465 1996/08/02)
 Decree with force of law which establishes Armed Forces Staff's Statute (DFL N° 1 1997/10/27. Last amendment: DFL N° 1 2009/05/12)
 Act which modernizes the Mandatory Military Service (N° 20.045 2005/09/10)
 Act on Staff and Professional Troops for the Armed Forces (N° 20.303 2008/12/04)
 Act which amends Act N° 19.067 and sets out Rules for Chilean Troops to take part in Peace Operations (N° 20.297 2008/12/13)
 Act of War Crimes and Crimes against Humanity (N° 20.357 2009/07/18)

* A military justice code reform was passed by Congress. By the closing of this edition, the law was sent to the President for its enactment.

Source: Compilation based on the legislation above mentioned. For constitutional provisions see

Advisory and assistance functional relationship Command reporting line

– – – Joint planning and management relationship

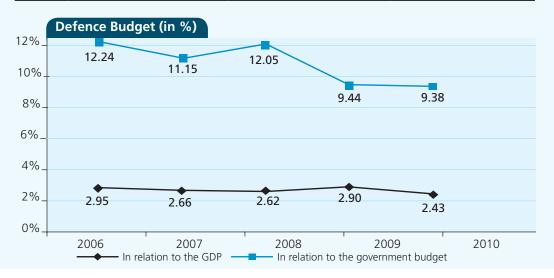


The President may request the advice of the National Security Council, which is composed of the Chairmen of the Senate, the House of Representatives and the Supreme Court, the Commanders-in-Chief of the Armed Forces, the General Director of Carabineros and the General Comptroller of the Republic. The Armed Forces are under the Ministry of Defence. The Minister is advised by the Board of Commanders in Chief, composed of the Chairman of the Joint Chiefs of Staff and the Commanders of the Armed Forces, and the Joint Sta-ff, responsible for the joint preparation and employment of the Armed Forces. The Congress holds the powers granted by the Constitution and permanently monitors defence related issues through the Defence Committees in both Houses

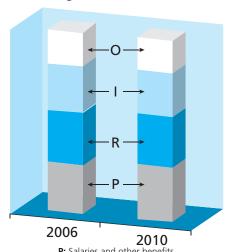
Source: Compilation based on the Political Constitution, Ley del Estatuto Orgánico del Ministerio de Defensa Nacional (Nº 20.424 – 2010/02/04) and Libro de la Defensa Nacional, 2010.

The Budget

	Year	Defence Budget (in US\$)	Government Budget (in US\$)	GDP (in US\$)		
	2006	3,177,404,842	25,967,436,886	107,703,000,000		
	2007	4,276,790,277	38,367,602,309	160,784,000,000		
	2008	4,459,645,809	37,017,804,099	169,919,000,000		
	2009	4,353,450,717	46,105,933,786	150,361,000,000		
ĺ	2010	4,778,329,754	50,953,560,313	196,451,000,000		



Defence Budget Breakdown



Personnel spending = 59% Defence budget = 50% Government budget = 96% GDP = **82%**

Comparative Increase (% variation 2006-2010)

P: Salaries and other benefits
R: Retirement and pension funds / I: Investment O: Other expenses

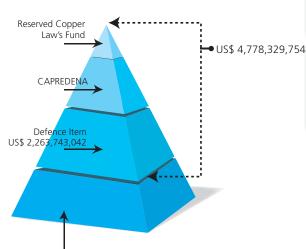
Defence Budget 2010 (in Local Currency)

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Items	Personnel*	Consumer Goods and Services	Other**	TOTAL
Ministry of Defence				
Army of Chile	315,803,208,030	66,692,330,620	10,320,882,470	392,816,421,120
Undersecretary of War	3,151,729,950	3,131,937,990	19,981,083,220	26,264,751,160
Health Organizations	25,864,018,000	14,906,724,000	5,400,586,000	46,171,328,000
Military Industry Organizations	1,780,176,000	751,958,000	339,993,000	2,872,127,000
Navy of Chile	206,283,565,080	89,758,991,710	7,821,966,350	303,864,523,140
Undersecretary of the Navy	749,834,000	309,087,000	13,386,000	1,072,307,000
General Directorate of Maritime Territory	10,957,952,000	25,287,978,000	10,990,726,000	47,236,656,000
Directorate of Health Services	17,023,065,000	26,424,008,000	5,413,504,000	48,860,577,000
Air Force of Chile (FACH)	126,784,211,460	54,877,367,380	4,925,333,800	186,586,912,640
Undersecretary of Aviation	1,230,683,000	427,151,000	21,737,000	1,679,571,000
General Directorate of National Mobilization	964,277,000	1,370,535,000	1,408,624,000	3,743,436,000
FACH Health Organisms	8,589,503,000	9,297,270,000	1,746,850,000	19,633,623,000
Ministry of Defence Administrative Directorate	1,009,226,000	402,173,000	31,590,000	1,442,989,000
Military Geographic Institute	1,780,512,000	1,305,322,000	374,142,000	3,459,976,000
Hydrography and Oceanography Service of the Navy	1,651,916,000	1,535,420,000	370,049,000	3,557,385,000
General Directorate of Civil Aviation	50,872,144,000	17,829,574,000	35,969,560,000	104,671,278,000
FACH Aerophotogrametric Service	655,951,000	757,771,000	587,866,000	2,001,588,000
Ministry of Labour and Social Services				
Retirement Funds National Defence (Capredena)	698,214,895,000	2,949,663,000	98,830,602,000	799,995,160,000
Subtotal	1,473,366,866,520	318,015,261,700	204,548,480,840	1,995,930,609,060
Extra-budgetary funds				
Codelco-Reserved Copper Law***				528,461,000,000
TOTAL				2,524,391,609,060

* Includes supply of social services.

** Current and capital transfers, tax payments, other current expenses, acquisition of financial and non-financial assets, investment initiatives, loans, debt service and cash final balance. CAPREDENA's acquisition of financial assets and loans are not considered.

Composition of Defence Budget 2010



Carabineros, Under-secretary of Carabineros, Carabineros Hospital, Investigative Police, and Under-secretary of Investigations (shown in the budget as part of the Defence item), US\$ 1,427,772,677 As a contribution for the country's reconstruction process, in 2010 and 2011 a total of 600 million dollars shall be transferred by the Reserved Copper Law's Fund, in addition to 520 million dollars to fund the repair of military facilities damaged by the past earthquake.

Between 2007 and 2009, contracts for military acquisitions and upgrades signed with countries of the European Union (Germany, Austria, Denmark, Spain, Finland, France, the Netherlands, Italy, Norway, Sweden, Switzerland, United Kingdom and the Czech Republic) totalled US\$ 786,500,000 and US\$ 279,866,789 with the United States. That amount represents 30% of the Funds for copper sales in 2007, 2008 and 2009.

Source: Compilation based on *Ley de presupuesto del sector público para el año 2006, 2007, 2008, 2009* and 2010. The State Budget passed by the Congress by means of the above mentioned Act is considered herein. The concept of investment is that expressed in "Acquisition of non-financial assets" and "Investment initiatives", and revenues for the copper fund. Extra-budgetary funds: *Estadísticas de las Finanzas Públicas 2000*-2009. Budget Directorate, Ministry of Economy of the Republic of Chile. Acquisitions: reports submitted by the member States in accordance with the Common Position 2008/944/PESC of the European Union Council (reports issued as of October, 2010) and Just the Facts (Center for International Policy, Latin American Working Grayus Education Fund and Washington Office on Jatin American

GDP: Projection of the World Economic Outlook Database, IMF, of each year under review. This source has been taken for comparative purposes. Each country prepares the budget based on its own GDP estimation. In the case of tables expressed in national currency for the budget amounts expressed in dollars, an average exchange rate of 525.51 as of July has been used; this rate was calculated based on figures provided by the Central Bank of Chile.

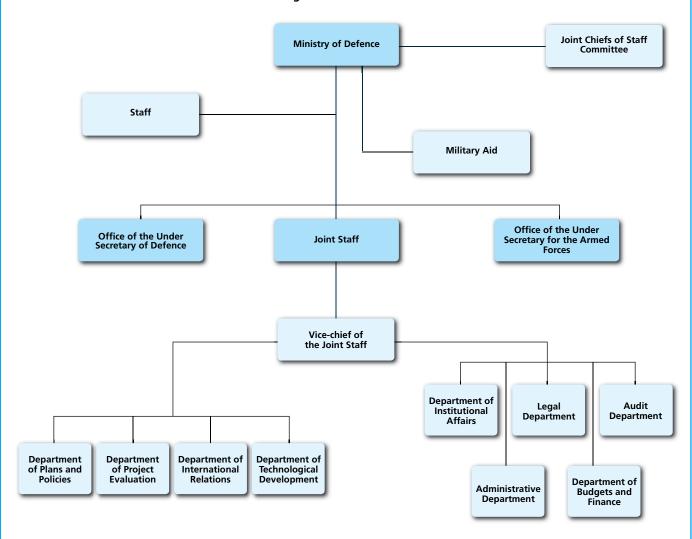
Expressions in Bold Type (Table) make reference to the various defence budget items, which can be found in a sector-based or institutional classification of the Budget Act.



The Ministry of National Defence

Responsibility:
The Ministry of National Defence is the highest body in assisting the President in its government and administration functions of national defence. (Ley del Estatuto Orgánico del Ministerio de Defensa Nacional, N° 20.424 – 2010/02/04, Sec. 3)

Organization Chart



Date of Foundation: 1932

Current Minister (September 2010): Jaime Ravinet de la Fuente

Can military members be Ministers of Defence?: Yes (if they have retired)

Number of military members who were Ministers of Defence: 18

Number of civilians who were Ministers of Defence: 31

Have there been any women in charge of the Ministry of Defence?: Yes (Michelle Bachelet, 2002-2004 and Vivianne Blanlot, 2006-2007)

Average permanence in the Minister of Defence position: 1 year and 7 months

[The Minister currently in charge is not considered. The creation date is related to the moment in which the term "Defence" becomes part of the Institution's name]

Source: Compilation based on information provided by the Ministry of National Defence. As this work was going to press, the personnel corresponding to the new structure determined by the law passed in 2010 is being defined.

Political Definitions

Policy Guidelines

Chile's Defence Policy is framed within the following general State principles:

The Chilean State nurtures no aggressive purposes against any of the world's nations, nor does it have any territorial claims against its neighbours.

Its desire is to protect its citizens, defend national interests, and safeguard its political independence, national sovereignty and territorial integrity.

It has the responsibility to maintain sufficient military capacity to help attain the country's interests and goals, carefully ensuring that such military capability is proportional to the development of the other country's capacities.

It has the right and the responsibility to use all national resources, particularly its warfare power, if necessary, to defend the country and safeguard national interests in countering external threats.

The State must promote citizen commitment to national defence, considering, among other objectives, the necessary requirements of

mandatory military service, fulfillment of national mobilization demands and needs for sustaining reserve capabilities and abilities.
For the Chilean State –as well as for all States in general–, its relative geographic situation continues to be a major factor in the formula-

tion of its defence policy.

It frames its defence policy entirely within the institutional legal framework in effect in the country, and recognizes and honours all treaties and international agreements that fall under such framework, so that its defence policy bears the legitimacy of all State policies, and is representative of the political commitment that binds the State to its citizens and the international community.

For the Chilean State, it is especially important and convenient to maintain a close and coordinated relationship between its defence and foreign policies, by complementing and enhancing each other, though the defence policy should actually act in support of the latter.

The State maintains its commitment to contribute to defence and promote international peace, in line with national interests.

Doctrinarian Principles (Highlights):

Chile's defence will be mainly supported by its own national power, without prejudice to its adherence to security/defence alliances or coalitions.

In cases in which Chile uses its force, whether unilaterally or by integrating a multilateral action, it shall respect the United Nations Charter and be governed by International Humanitarian Law, ensuring the respect of human rights of all the people.

The National Defence will also cooperate to maintain international peace and stability by participating in multinational operations, according to the national interest.

2010-2014 Objectives

To design and efficient and flexible defence system. In the long term,

- a. A national defence system comparable, in terms of efficiency, to that of developed countries similar to Chile in size and strategic challenges.
- b. An active involvement of the Chilean society with the Armed Forces in order to strengthen the relation between the civil society and the national defence institutions

2010-2014 Topics and Measures

To carry on with the modernization of the Armed Forces. The promotion of the modernization process shall continue in terms of material and equipment renovation and structure and deployment.

To go on with the defence industry renovation.

Research and development. The association of the Armed Forces with private and public entities shall be promoted for the development of scientific and technological research.

To submit the bill on health care of the Carabineros and the Investigation Police.

To propose the Strategy of Security and National Defence.

To generate a permanent and close relation between the Ministry of Defence and the Ministry of Foreign Affairs.

To continue the recovery and rebuilding of the infrastructure damaged by the disaster occurred on February 27th, 2010.

Source: Libro de la Defensa Nacional de Chile, 2010 and Cuenta Pública 2010.

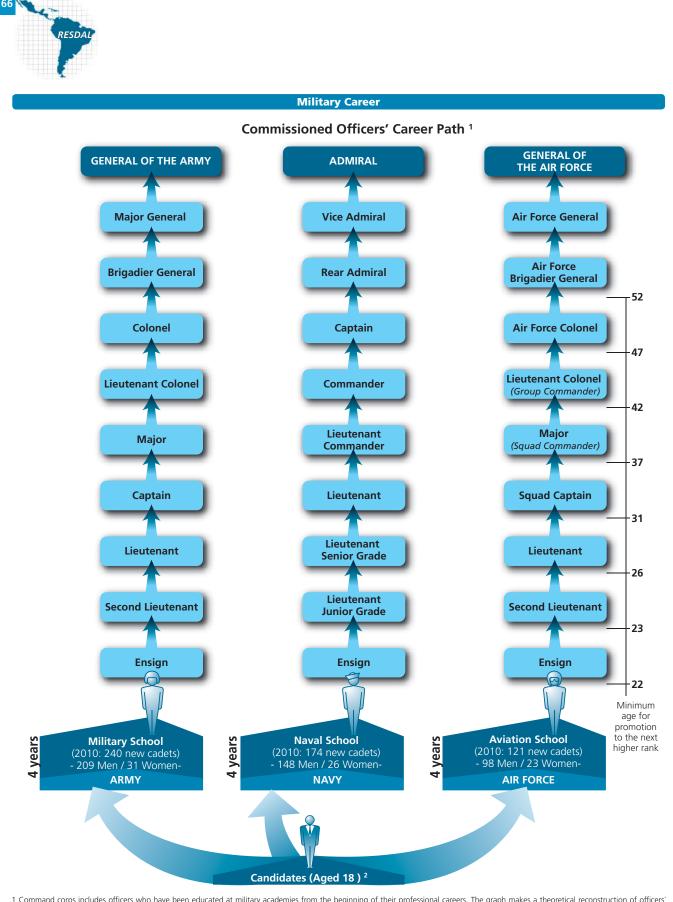
Chile published the *Libro de la Defensa Nacional* (Book of National Defence) in 1997, 2002 and 2010.

Reports Submitted to the United Nations and the OAS

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
×	×	×	×	×	×	×	×	×	×	×	×	×
		*		*	*		*	*	*			
•		•			•			*	•	*	*	*

Register of Conventional Arms: Register of Military Expenditures: 🏵 Implementation of Confidence and Security Building Measures:

Source: Compilation based on reports submitted to the United Nations Register of Conventional Arms and the United Nations Instrument for Reporting Military Expenditures and reports submitted to the OAS on the Implementation of Confidence and Security-Building Measures.



¹ Command corps includes officers who have been educated at military academies from the beginning of their professional careers. The graph makes a theoretical reconstruction of officers' promotion through the completion of mandatory courses. Further requirements for promotion have not been considered.

Source: Compilation based on *Ley orgánica constitucional de las Fuerzas Armadas* (N° 18.948 – 1990/02/27. Last amendment: Law N° 20.424 – 2010/02/04). New cadets: Information provided by the Ministry of National Defence.

² The age of 18 has been considered for comparative purposes. Entry age varies depending on the services: Army up to 22 years old, Naval Force up to 21 years and 6 months, and the Air Force from 17 to 23 years of age.

The Armed Forces

General Mission

The Armed Forces' fundamental mission is the defence of the Motherland; they are essential for national security. The safeguard of public order during elections and plebiscites shall also be their responsibility. (Constitution, Sec. 101 and 18)

The general mission of the Armed Forces is to contribute to maintaining national sovereignty and territorial integrity, as well as to protect the people, institutions and vital interests of the country in the face of any threat or external pressures. They shall also cooperate with the military forces of other countries in bilateral or multilateral initiatives, always in line with the national interest.

(Libro de la Defensa Nacional, 2010)

Specific Missions Army Navy Air Force Its mission is to contribute to safeguarding the national sovereignty and territorial integ-rity, maintain security of the Nation, promote national development and support national The mission of the Air Force is to defend the country through the control and use of the air space, the participation in surface warfare and The rationale of the Army is to contribute in a substantial manner to preserving peace. Its main mission is to ensure national sovereignty, support to the national and friendly forces. Likewise, in times of peace, it fulfils cooperation activities to support the national development, maintain the territorial integrity and protect the people, institutions and vital resources of the country, in the face of any external threat or aginterests abroad gression, as well as to become an important tool international projection, cooperation to deterof Chile's foreign policy. It participates and contributes in many ways and rence, among others. varied intensity in international security and cooperation according to the national interest in compliance with international treaties. Total Strength: 61,851 Officers: Officers: Officers: M 3,463 362 **W** M 2,195 16 W **M** 1,070 95 W Non-commissioned Officers: **Non-commissioned Officers: Non-commissioned Officers:** M 15.918 1,015 **W M** 14,417 1,117 W **M** 5,990 192 W Troops: Troops: Troops: **M** 13,319 1,474 W **H** 620 0 W H 588 0 W **M** 91.98% 8.02% **W** M 93.83% 6.17%**W M** 96.38% 3.62%**W** Total 35.55 30% 13% 57%

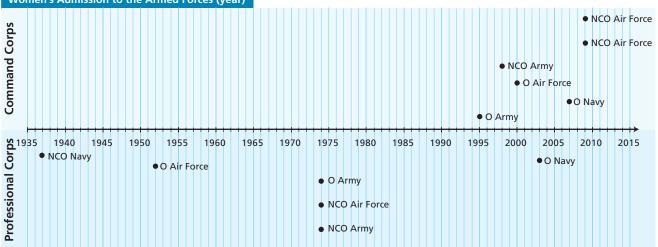
M: Men / W: Women

Source: Libro de la Defensa Nacional, 2010 (missions) and information provided by the Ministry of National Defence (Regular Forces).



Women in the Armed Forces

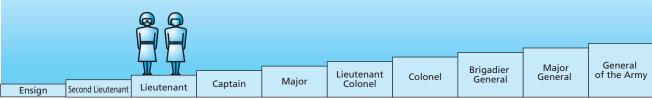
Women's Admission to the Armed Forces (year)



O: Officers - NCO: Non-commisioned Officers

Note: The Command corps includes officers who have been educated at military academies from the beginning of their professional careers. The Professional corps refers to those who develop a career in the civilian sphere and are then incorporated to the armed forces.

Women Officers who have reached the highest rank in the Command Corps (2010)



Note: These ranks correspond to the Army, as an example. The equivalent rank for Lieutenant in the Air Force is the same. The Navy's first women officers are currently in their 4th year of instruction. They will graduate as Ensigns in January 2011.

6.91 % (4,271) of the total Armed Forces are women.

Source: Compilation based on information provided by the Ministry of National Defence and Project 07-184 Global Peace and Security Fund-Resdal.

Military Service

Military service is mandatory for a maximum of two years. Women may enter the service voluntarily.

Candidates and Conscripts (2009)								
	Candi	dates	Conscripts					
	Men	Women	Men	Women				
Army	24,766	7,531	12,408	1,200				
Navy	2,354		760					
Air Force	1,929		520					
Total	29,049	7,531	13,688	1,200				
	36,	580	14,888					

Professional Troops comprise young soldiers from the Military Service as well as Reservists, who are admitted into the institution with the rank of Private, for a non-extended period of 5 years, to serve in different military units of the Army.

At the end of the third year, they may choose to enter the NCO School, taking up a special training course and graduate the following year as Army Class.

Number of Professional Soldiers of the Armed Forces (2010)							
	Men Women						
Army	3,439	264					
Air Force	38	-					

In the Chilean Army, all conscript soldiers may continue and complete their studies through adult education and technical-professional education programs. Work training courses are also provided.

The following table shows the estimated percentage of soldiers registered in the different programs:

Year	2003	2004	2005	2006	2007	2008	2009
Education	53%	59%	59%	58%	61%	62%	61%
Work Training	27%	27%	32%	30%	33%	33%	29%

Source: Information provided by the Ministry of National Defence and Reporte de Responsabilidad Social del Ejército de Chile 2008-2009.

Defence and National and International Community

Participation in Peace Operations

Missions		Military Component						
		MM	MC					
	Men	Women	Men	Women				
MINUSTAH (Haiti)	-	-	495	8				
UNFICYP (Cyprus)	-	-	15	-				
UNMOGIP (India and Pakistán)	2	-	-	-				
UNTSO (Israel and Palestine)	3	-	-	-				

MEM: Military experts on mission, including military observers, judge advocates and military liaison officers, among others - MC: Military Contingent.

Source: Compilation based on documents from the Department of Peacekeeping Operations of the United Nations. Data as of 31 August 2010.010.

Chile contributes 523 military troops to the United Nations peacekeeping missions, which represents 6.84% of the total contribution of Latin America.

The Chilean Joint Peacekeeping Operations Centre, CECOPAC, was created on July 15, 2002 In 2009, 1,476 service members and civilians were trained in peacekeeping operations



In 2003, on invitation of the British government, Chile started participating in EUFOR, a European Union military force with presence in Bosnia Herzegovina. This Force monitors compliance with Dayton agreements. The Chilean Army has a 21 troop contingent that is currently operating with the Dutch Army.

National Action Plan on Resolution 1325

A National Action Plan has been developed for the implementation of this UN Resolution. This initiative is coordinated by the Ministry of Defence, in cooperation with the Ministry of Foreign Affairs and the National Women's Service, and performs cross-functional activities including military, law-enforcement and civil society dimensions. Chile is the first Latin American country to create an action plan for women's security and protection in case of armed conflict. Committed objectives and actions:

Gender Approach

Promote incorporation of gender perspective in the understanding and approach of processes for the prevention of conflicts, conflictive situations and post-conflicts.

Rights Approach

Respect, ensure and protect women's and girls' rights in conflict and post-conflict situations

Coordination

Strengthen coordination efforts developed at the international and interagency levels, as well as with the civil society.

Source: Libro de la Defensa Nacional, 2010 and Plan de Acción Nacional para la Implementación de la Resolución del Consejo de Seguridad de la Organización de Naciones Unidas 1325/2000.

Assistance in Natural Disasters

The earthquake and seaquake at the beginning of 2010 made the Armed Forces deploy their means, and collaborate in reconstruction tasks in the most affected areas of the country, apart from setting new challenges in the face of disaster scenarios.

- The Navy has performed cleaning tasks and debris removal; transport of basic goods and has collaborated in reconstruction works, apart from having created a new communication system to coordinate actions in the case of a critical event.
- 10,000 troops of the Army make up a Humanitarian Support Force to carry out different tasks to mitigate the effect of disasters.
- The Air Force made recognition flights, provided support to the authorities and transportation of campaign hospitals, injured persons and emergency staff, and also distributed and transported humanitarian aid. The "Familia a Familia" programme was established, consisting in sponsoring family groups from Lolo, an area strongly affected by the earthquake.

Disaster Support and Rescue Regular Activities

Navy

Tsunami alert. The Hydrographic and Oceanographic Service of the Chilean Navy (SHOA) monitors the Pacific ocean on a permanent basis. Creation of the Fire Prevention Brigade (BRIPRIN) to prevent and extinguish fires. - Search and rescue. During 2008, the Navy successfully rescued more than 2,000 persons in maritime distress events and

500 on beaches.

Army

- Emergency Units (UFEs). 54 units with approx. 100 men each. 1,012 community support missions carried out in 2009. - Forest Fire Brigades of the Chilean Army (BRIFEs). 47 brigades with 25 men each. 3,096 members of the Army provided support in 74 CONAF's missions in 2009. - Platoons and Mountain Emergency

and Rescue Patrols of

the Army (PARMEs). There are 9 PARMEs, each comprised of 3

each.

patrols with 7 crewmen

Air Force

- Establishment of air bridges and transfer of people in disasters. Air Search and Rescue (SAR). A Rescue Coordination Centre was created in each Air Brigade to coordinate and conduct operations.

Health

- Military Field Hospital of the Army (185 surgeries, 243 tests, 382 dental works) - Disabled
- Rehabilitation in the Army's equestrian centres (534 patients.)
- Army's Patrol "Cirujano Videla", monthly medicaldental assistance activities in isolated

areas of the X and XI

- regions. - The Armed Force carries out medicaldental operations on Easter Island since 1995. Currently, they provide free care to about 80% of the
- population. The Air Force cooperates with 'Corporación de Fomento del Trasplante" in organ transport services.

Support Actions Infrastructure

- Road works (11 projects, equal to 73.10 km.) - Harbour work (infrastructure improvement, investment in Edén Port US\$ 1,476,435). Airport works (airfield construction in remote areas, Juan Fernández investment US\$ 2,908,652).
- Connectivity with isolated areas (Navv)

Promotion of Development

- Agricultural development training courses of the Army in Rapa Nui. - Army's participation in the National Action Plan of Equine Promotion - Army and Navy participation in the programme 'Un techo para Chile" (A home for Chile) (transport and assembly of emergency housing). - Air Force, delivery of food to people and of cattle fodder in remote areas - Transfer by the Air Force of children and young people from Rapa Nui, Juan Fernández, of the X and XI regions, to school.

In 2008, the Policy of Corporate Social Responsibility of the Ministry of Defence was created with the aim of providing guidance and a framework for all institutional actions contributing to the country's sustainable development.

Source: Libro Blanco de la Defensa Nacional, 2010, Reporte de responsabilidad social del Ejército 2008 - 2009 and websites of the Armed Forces

Analisys:

National Defence and the February 27 Earthquake

Miguel Navarro Meza

Professor of the National Academy of Political and Strategic Studies (ANEPE).

For a number of reasons, some of them easy to understand and other less evident, national defence was –and still is—deeply involved with the earth- and sea-quakes that affected Chile's Central-Southern area last February 27. As a matter of fact, political authorities' tardiness in declaring a state of emergency and the consequent delay in recovering public order, severely affected in the disaster area, initially led public opinion to focus on the armed forces and defence in general.

The same happened with the alleged delay in armed forces' response over the first moments after the calamity, of which in fact they cannot be blamed; as according to Chilean law, they must wait for orders before taking any action, except in very specific situations. On the other hand, the armed forces themselves were directly affected by the earthquake and tsunami, which caused severe damage to their infrastructure. This was especially noticeable at the Talcahuano Naval Base and the ASMAR shipyard, both strongly hit by the seaquake.

From a broad perspective and after several months, three main areas can be identified relating to national defence, the armed forces and the Feb-27 events, including: a) the modernization of armed forces employment upon disaster occurrence; b) the Copper Act System, since part of its resources shall be allocated to the re-

covery of military capabilities and infrastructure repair; and c) the direct involvement of the armed forces, especially the Army, in the reconstruction process.

Employment of the Armed Forces in Disaster Situations

Most understandably, Chile has a tradition of employing the armed forces at times of disaster, for both restoring and maintaining public order and organizing the provision of assistance and aid at the affected areas. The leading role assumed by the Chilean Navy after the earthquake that hit Valparaíso Port in 1906 is especially remembered. Consequently, military presence at disaster areas is regulated under the Constitution, in the constitutional state of exception defined as state of catastrophe, and in its supplementary legislation.

However, since the Feb-27 events revealed a number of coordination shortcomings, the current Administration is seeking to create greater integration among the armed forces and the corresponding civil organization, the National Emergency Office (ONEMI), which, in turn, is currently subject to a reorganization process. The recent implementation of a Joint Staff under the Defence Ministry Organization Act sanctioned last January, has greatly facilitated this initiative. The idea is to create

a permanent civil-military coordination instance allowing to maintain enhanced military preparedness to these ends and a more expedite integration with the corresponding civil agencies. At the time this paper is being written, the Ministry of Defence is discussing several models for inter-agency civil-military coordination and a decision is expected by the end of this year, in parallel with the reorganization of the above mentioned ONEMI.

It should be noted that Chilean authorities have been careful not to assign the armed forces any work which might be alien to their constitutional missions of defending the homeland and being instrumental to national security. However, the disaster issue is fully integrated to their mission, in a manner that fully agrees with the fulfillment of its main duties.

Defence Capital Raising System: the Copper Act

The Feb-27 earth and seaquake once again raised the issue of the Copper Act as the defence funding mechanism. As it is well known, this issue has emerged regularly since the early '90s and despite a special rhetoric around it the system has not been altered. Only in the last period of the previous Administration did the Executive submit to lawmakers a bill to change the whole defence funding structure, including capital investment. This bill has remained held up in the House of Representatives since August 2009.

The matter has arisen once again on account of the savings originated from the high international markets copper price. Indeed, the reconstruction financing bill carries a special title that allows using up to US\$1.2 billion from that fund (which otherwise could not be used), partly for the repair of damaged military infrastructure and partly to supply general reconstruction funds. Nonetheless, this process has inevitably recycled the more fundamental debate on defence capital financing system. The current Administration has already announced that it will submit an amendment Bill to Congress by the end of 2010; and during the election campaign, the political program of the incumbent President included the annulment of the current system to be replaced by a pluriannual model which, in fact, is quite similar to the one promoted by the previous Administration.

This is no minor subject and the timing of its discussion is quite complex. While the Feb-27 events placed the capital funding issue in focus, the nation's international context could hinder the debate. The maritime border dispute with Peru, currently under consideration of the International Court of Justice, the legal outcome of which is expected by 2012, and the South Ice Field

issue still pending with Argentina suggest caution in this matter, in both the timing of starting the debate and the solutions to be adopted. The insistence on changing the system is as strong as are the stances that suggest postponing this debate or limiting its effects to a modernization of the current mechanism, owing to the strategic and political advantages this would entail. This has been an indirect consequence of Feb-27 but, it could be one with the largest transcendence to national defence.

The Armed Forces in the Reconstruction Process

Traditionally, armed forces' participation in disaster situations in Chile has been associated with the restoration and maintenance of public order, transportation and assistance distribution and aid coordination. In the current context, however, after completion of first aid actions, the armed forces, and particularly the Army, have been assigned to reconstruction itself. This is relatively unprecedented; only in the '60s, during the Frei Montalva Administration, under the Military Developist Model, were service men assigned to infrastructure repair and construction work. As a consequence of said experience the Army strengthened the Military Work Corps, a special organization which dates back to 1953, the purpose of which is to develop projects in extreme situations where there are no interested or qualified private agents to execute them. In all likelihood, their most remarkable work was the construction of the Austral Highway in the '70s and '80s.

In the present situation, the Army has assumed a significant part of the reconstruction process in the areas hit by the quake. To this effect, the Military Work Corps has hired 15,000 civilian workers who report to specialized military personnel. It is worth noting that the large majority of the people hired are women who have seen in this an opportunity to improve their standards of living. All the project is financed through a special fund created by the Executive branch, materializing a form of effective government involvement in the reconstruction process, which otherwise the Army could not undertake on account of constitutional restrictions in this respect. Furthermore, this initiative is in line with the concern for institutional social responsibility demonstrated by the armed forces and, more particularly, the Army.

In sum, the events of Feb-27 have had concrete effects on the defence function and on the armed forces, in terms of strengthening some of its traditional objectives, undertaking new missions even if provisionary and, in general, improving their relations with society which on its own –and according to the most recent polls—is quite close and positive.