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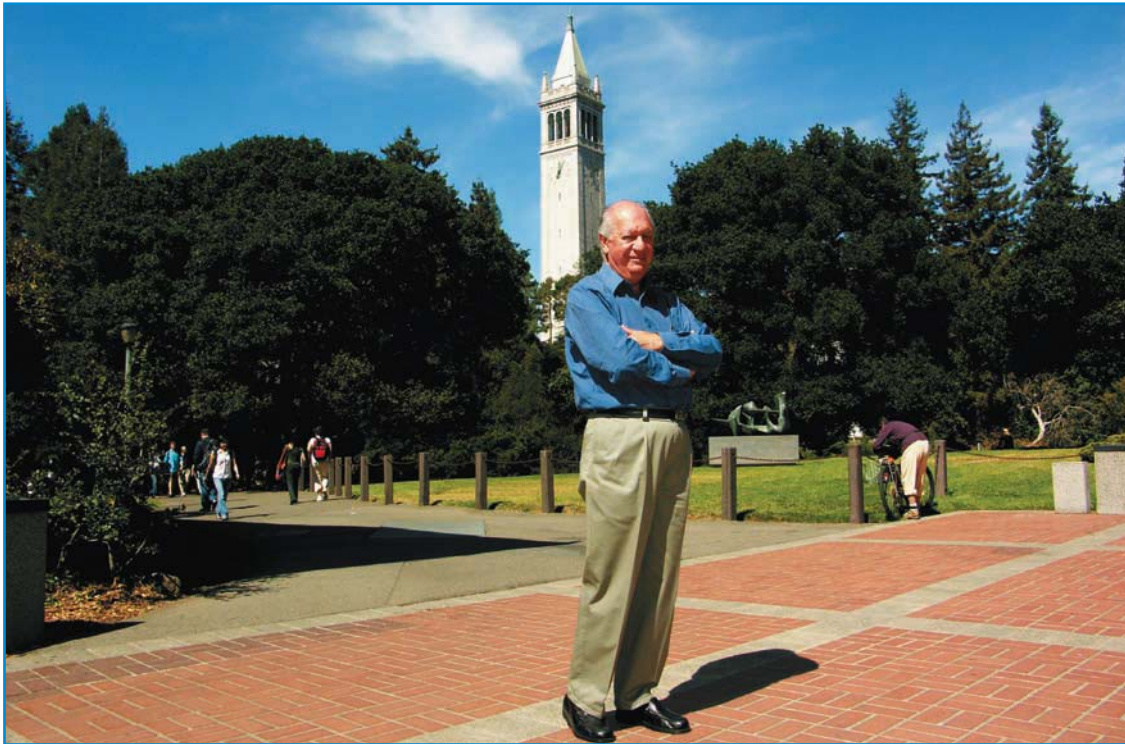


Photo by Dioncia Ramos.

## Expanding the Possible

by Kirsten Sehnbruch

**H**ow will Latin America generate equal opportunities for its citizens? How will Latin America face up to and overcome the historical rifts generated by the human rights violations that are the legacy of military dictatorships, guerrilla fighting and civil wars? And how should Latin America integrate itself into the multilateral institutions that govern a globalized world?

These were the central themes of the speech given by Ricardo Lagos, president of Chile from 2000 to 2006, to a UC Berkeley audience that

greeted him with loud cheers and a standing ovation. In an atmosphere that can only be described as electric, Professor Beatriz Manz expressed the sentiments of many in her opening remarks, when she offered her heartfelt thanks to President Lagos for his commitment to democracy and his personal courage in helping to bring down the Pinochet dictatorship in Chile. Her sentiments were echoed by Chancellor Robert J. Birgeneau who presented Lagos with the Berkeley Medal, the university's highest award.

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Photo by Scott Squire.

President Lagos began his speech by summarizing the progress Latin America has made over the last decades. First, he highlighted the fact that democratic institutions, especially electoral processes, have consistently improved across Latin America. Today virtually all governments in the region have been elected democratically. While it is true that some governments did not finish their terms in office, even in these cases the rule of law was upheld and legitimate constitutional means were applied to appoint interim or successor governments. Lagos emphasized that, despite many persistent imperfections, there is more democracy in Latin America today than there was only a couple of decades ago, a fact that constitutes real and undeniable progress.

Second, Lagos pointed out the growing influence of a cadre of well-trained and technically competent professionals who run the economies of most Latin American countries today. This has led to the de-politicization of economic policy-making in the region, which he predicted will have positive consequences for the continent's development as a whole.

Third, the overall level of economic development in the region has improved to the point that, with only two exceptions, Latin American countries no longer qualify for foreign aid. Most are now considered to be middle-income countries, facing problems of a different nature from those of the past.

While this overall scenario is undoubtedly encouraging, the region still battles many unresolved problems. President Lagos spelled out three major challenges facing Latin America: The first such challenge is how individual countries can build societies that provide their citizens with equal opportunities so that they can achieve greater equity.

While growth and investment are essential ingredients in this process, they alone are not enough. Lagos pointed out that one of the main reasons why unrest periodically resurfaces in Latin America is because large segments of the population perceive that growth is passing them by. "There's no point in having a 5 percent or 6 percent growth rate, if the school system, the health care system and the general infrastructure remain the same," he emphasized.

The UC Berkeley audience waves flags as President Lagos enters the room.



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Photo by Scott Squire.

President Lagos  
and Chancellor  
Birgeneau.

Given the inadequate trickle-down effect in the region, it is the job of governments to complement economic growth with effective public policies, if necessary discriminating in favor of the most vulnerable. The role of democracy, which treats individuals as equal citizens and not as unequal consumers, is a crucial one in determining which public goods should be available to everyone. While no one today can reasonably question the reality of market economies, the debate continues as to how and to what extent governments should provide such public goods. In the end, only democracy can provide the answer to this question.

Since its transition to democracy in 1990, Chile has dealt with these challenges by consistently diverting the additional income generated by economic growth into social policies. The Chilean poverty rate was cut in half through policies designed to generate capabilities for the poor and extensive reforms in the areas of social security, health care and education. These policies have benefited the population at large, but especially lower-income households.

The second challenge that Latin America faces is the equally important issue of how to deal with a past blemished by human rights violations. Civil wars, guerrilla activities and dictatorships have left brutal marks on the region's history. Lagos argued that "Tomorrow exists only after you settle the account with the past."

It was in an effort to deal with Chile's history that, as president, Lagos set up a human rights commission which investigated past violations with stunning thoroughness and detail. The commission produced a final report, known as the Informe Valech, which recorded the testimonies of 35,000 people, of whom 29,000 were recognized as having suffered torture, in a country with a population of 10.5 million at the time of the dictatorship.

Lagos dwelt on the courage needed to undertake such a confrontation with the past and the difficulties involved in the process. Every country has to find its own way to face these issues, but each *must* find a way. The president highlighted the importance of moral and ethical values as essential ingredients in any such process if Latin America's democracies are to

achieve not only legitimacy but also the rule of law. He emphatically stated that no one should be above the law.

The third challenge that President Lagos discussed is how to integrate the region into a globalized world. To have an impact on global affairs, Latin America needs to speak with one voice.

Speaking from the Chilean perspective, Lagos explained that for small and developing countries without significant political clout, the rules defining global interactions are especially important if their rights are to be respected by their larger and more powerful neighbors. This logic applies not only to trade in a globalized world — an area that Chile has pioneered with bilateral free trade agreements — but also to a host of other matters that need to be resolved at the global, multilateral level. He pointed out that problems such as global warming, damage to the ozone layer and human rights violations are the kinds of issues that can only be resolved at the multilateral level.

“The question of human rights, for example, is not a question of a particular country,” he emphasized. “Whenever a human right is violated, some other human being has the right and the duty to denounce this, no matter where they live. Frontiers with regard to human rights violations cannot exist anymore.”

While Lagos highlighted the importance of the United Nations Charter, which was signed in 1945 to create a multilateral institution in which solutions for lasting peace and economic development could be devised, he also questioned whether current institutional structures, in particular the veto power of the five permanent members of the UN Security Council, reflect the power structures of the past more than those of the present.

Latin Americans must learn from the experience of European countries, which have been able to integrate as well as develop mechanisms for discussing world affairs. Using the experience of Chile and Mexico, which were able to define a common position with regard to the UN Security Council’s decision on Iraq, Lagos illustrated that it is indeed possible for Latin American nations to act in concert and thus influence other countries in the world. Such concerted action is essential for a continent that relies on the application of international law.

Following his talk, President Lagos answered a



Photo by Scott Squire.

series of questions, some of which were received via the internet prior to the event. One question sent from New Zealand asked whether the president saw a conflict between an expanded Mercosur and a potential Free Trade Agreement of the Americas. In his response, President Lagos stated that he did not view these different trade associations as conflicting, but that two important considerations should be borne in mind with regard to their design. The first is that countries with different levels of economic development should make accommodations for these discrepancies in their negotiations. He used the example of Chile’s free trade agreement (FTA) with Bolivia to illustrate this point. Since Chile is the more developed of the two countries with the greater proportion of their total trade, it agreed to drop most of its own tariffs to zero immediately while allowing Bolivia to reduce its tariffs gradually.

The second point President Lagos made was that FTA negotiations must bear in mind that

President Lagos wearing the Berkeley Medal.



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tariffs make up a significant proportion of the total fiscal income for some countries. This is particularly true of smaller, less developed nations. For example, in some Caribbean countries the elimination of tariffs could wipe out up to 40 percent of fiscal revenues. Along similar lines, such negotiations must also make allowances for the exclusion of certain sectors, such as intellectual property or government procurement, from the FTAs.

President Lagos emphasized the need to learn from the successful integration of the European Union, which throughout its history has accompanied the integration of new members with significant fiscal transfers from richer countries to poorer ones, especially during its most recent inclusion of less developed Eastern European countries.

The event concluded with a question regarding the environment. President Lagos emphatically spoke about the need to generate appropriate policies on the environmental

challenges facing developed and less developed countries alike. Dealing with these challenges requires not only the establishment of appropriate environmental standards but also the institution of an international body that would be able to enforce such standards and sanction violators if necessary. Lagos also emphasized that the world's most developed countries, the G-8, must take a lead on this matter, since they are without doubt the principal culprits and contributors to the environmental degradation that we now confront. An optimistic note rang through his response, though, as he repeatedly stated that, in his view, "mankind is capable of sustainable development."

*President Ricardo Lagos spoke on "Challenges for Latin America" on September 18, 2006.*

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President Lagos teaching during his stay at Berkeley.



Photo by Dionić Ramos.