
WHAT DOES THE LEFT DO RIGHT? AN INTERVIEW WITH RICARDO LAGOS

by ALVARO QUEZADA-HOFFLINGER

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RICARDO LAGOS, ELECTED PRESIDENT OF Chile in 2000, was the first Socialist to hold the presidency since Salvador Allende. During his term, his popularity was bolstered by Chile's impressive economic growth and by the adoption of democratic reforms.

He left office in 2006 with approval ratings exceeding 70 percent. On March 6, 2008, President Lagos delivered the Lozano Long Lecture as the keynote address at the LLILAS-cosponsored conference *The Performance of Leftist Governments in Latin America* at the University of Texas at Austin. Alvaro Quezada-Hofflinger, a master's candidate in Latin American Studies, interviewed President Lagos during that visit.

AQH: A new political left has emerged in the last decade in Latin America, and it has been very successful in capturing the presidency in many of the region's countries. Rather than talking about the causes of Latin America's shift to the left, I would like to discuss with you the main achievements of the leftist movements. So, my first question is: What does the left do right?

RL: First of all, I would like to say that in many cases more than a shift to the left, it is a shift against the actual system—which is different. In some cases, when the left has been a coalition for a long time, this means that it has been able to deliver, and that is why it is still in power. I mean when you have four successive presidents in Chile from the same coalition, it means that the coalition has been able to deliver and is performing as it is supposed to.

Now, I would say that during the nineties, quite a number of Latin American countries were very close to the so-called Washington

Consensus, and they forgot that public social policy can increase economic inequality or poverty. Now, in many countries—you think Bolivia, you think Ecuador—well, in those countries, what happened was that the people were tired of the political ruling class. To some extent, that happened in Argentina in 2001 when “De la Rúa” had to resign. I mean, what you have had in Latin America is many people protesting with their feet, marching in the streets and then preaching government, but it's a good point to remember that in most places the legal process has been respected.

In short, the left has been able to deliver, and normally when it remains in power, it has done that. Second, in many cases the left gets the power precisely because it was against the existent “status quo,” and there has been opposition to the status quo. Third, there is no question that you have to have growth when you are an underdeveloped or developing country and a plan for distributing that growth. And I will say that, until now, the left has been able to do that job in a rather subtle way.

AQH: And what does the left do poorly, and how can it improve?

RL: I think they do wrong when they don't realize that it's necessary to have a substantial majority to introduce these reforms, because in dealing with these majorities, there needs to be a discussion. . . . If you want to have deep, deep changes, then very broad coalitions are going to be essential . . . to capture a national project.

AQH: In general, we can distinguish between two main tendencies of the left in South America: the radicalism of Venezuela's Hugo Chávez versus the moderation of Chile's Michelle Bachelet and Brazil's Luiz Inácio Lula da

Silva. Which do you think is the more appropriate road for Latin America to take and why?

RL: I think that those two roads represent two different economic situations in each particular country. Chile, Brazil, and some others, of course you need to have growth before being able to have social policies that ensure growth is going to be with equity. If you don't have growth, then you only have a few things to share, and therefore equity is essential. Now, it's different when you are in a situation like Venezuela where in addition to growth what you have is a tremendous amount of external revenue coming from the price of oil. Therefore, President Chávez can go straight to public social policies because he has the money, he has the account balance that is necessary. What is the account balance in Chile or Brazil? You have to build that up, and of course, in some cases, like Chile and Brazil, we are having a very good time with the price of commodities. Now, if you look at the long term, what you are trying to do is to keep part of that revenue coming from the extra price of copper in order to transform that revenue into research and development for the future. In other words, how are we going to add value to our exports, for instance? How are we going to add value to our exports in copper, fruit, salmon, or whatever it is? We need more research, more development. Otherwise, we are going to be buying patents from the developed world, and this is not the way to do things.

AQH: *Many countries in Latin America have modeled their economic and social policies on those in Chile. Do you think the Chilean model is the ideal for Latin America?*

RL: Each country is different. In our case, we decided to open up our economy and compete in the world because we are a small country—15 million people, the size of the market is very small. When you are talking about Brazil—a huge country, tremendous internal market. So the way that they are going to open up the economy will have to be different from the way we open up ours. . . .

Therefore, to talk of some ideal Chilean model is not fair because each country is different. Now, it's true what I would say as a general principle: We need to have a democracy, number one. Number two, I think that we

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need some sound economic policies from the macro point of view, which means a balanced budget, an autonomous monetary policy, etc. But at the same time, I think it is essential to have public social policies that address economic inequalities in our society, particularly in Latin America, which is one of the most uneven societies. I remember once somebody asked Presidente Cardoso, “Is Brazil a rich or poor country?” And he said, “Brazil is an unjust country.”

AQH: *You mentioned that Latin America is one of the most unequal regions in the world. So, is reducing the huge differences between the poorest and richest people in Latin America possible?*

RL: Yes, yes, of course it is. First of all, I would like to make a distinction: You can fight poverty and decrease poverty in a particular country, but inequality remains very much the same. In many cases, this is simply because the upper, upper, upper income groups—not the highest 20 percent, the 10, the 1 percent, but the 0.5 percent—are so rich, so wealthy, that when you take that small group out of the picture, the distribution of income is much

more fair, you know. Nevertheless, you can reduce poverty, there is no question of that, and in so many countries it is impossible to think that way, but today Latin America has a tremendous responsibility. During the last five years, per capita income in the region has grown 20 percent—20 percent in five years, simply because of the rise in our raw materials. . . .

AQH: *One of your slogans during your 1999 campaign was “Growth with equity.” What did your government do in order to reduce income inequality in Chile?*

RL: Well, when I came to power in 2000, poverty in Chile was about 22.1 percent, something like that. And after six years, it was reduced to around 13.2 percent, so more than 1 point per year. And what is more important, the level of indigent people had been about 5.7 percent, and it was reduced to 3 point something. So I think from that point of view, it certainly was successful. Nevertheless, and much more important I think, is the increased enrollment in education, which means that in the long run the distribution of income is

going to improve by improving the education level and skills of the people

AQH: President Lagos, you left office in 2006 with a nearly 70 percent approval rating. Many Chileans consider you to be one of the best Chilean presidents of all time. What is Ricardo Lagos's legacy to Chile?

RL: Well, I think that others can say that—and maybe it is a mistake—but I think that what I tried to do was to explain to the upper income group why it's so important to have social cohesion in a society if we are going to compete. It's not just a question of the quality of this good that we are going to export. It's important, of course, the quality, the quality of our wines or such. But countries that are prepared to compete are countries that don't have social tensions. If you have social tension, then all the strengths of a particular country will be devoted to solving those, and they will not be devoted to increasing productivity, discovering new markets, or to producing with a seal of excellence that allows export to more developed countries. And therefore, when you say, "Look, we need to believe in a more equal country," it's not just a slogan, it's not just because of ethical values. . . . but also for the benefit of the whole country. And I think that this message probably was better understood at the beginning, and that's the reason, as you mentioned, that I left power with a rather high degree of acceptance.

AQH: Michelle Bachelet was elected president in January 2006 with 53.5 percent of the votes. As you know, she is the first woman to hold this position in Chile's history, and in 2007, Forbes Magazine ranked her the twenty-seventh most powerful woman in the world. Despite her

high popularity in 2006, public approval of her government has consistently declined since she was elected. What has Michelle Bachelet done wrong? What has she done right?

RL: Well, first of all, I will say that the president cannot be defined by looking at statistics for approval rating, because on many occasions, I had a very poor approval rating. But it's due to several circumstances. Sometimes you have to pursue a particular policy until the moment when people will understand that policy; until then you are going to suffer.

I think that the student protests in 2006 and those about the new transport system in Santiago were two areas where there was some criticism. Nevertheless, I think that if you have students going to the streets asking for more quality in education, my only response was: "I'm so happy that students can protest to express their opinions because they are a by-product of democracy in Chile." They were students of 15 and 16 years old, so they were born in 1990, and therefore because they are the sons of democracy, they are asking for more quality, and they deserve a response. Now, it's not very easy to respond how you will improve the quality of education—that will take a long time.

With regard to the transport system, after a year it improved a lot, and I'm sure that later people will realize how important it was to have this new model of transport. If we want to have a cleaner city with less pollution, from the point of view of industry in the street . . . and let me just say . . . that the situation in Santiago is awful. So, it seems to me that whenever you have a new system, it will take some time to adjust to that. Which it is not to say that we didn't make some mistakes as in any work done by humans. But I am rather

confident that in the end, Michelle Bachelet will be a very good president of Chile. And it seems to me that people recognize her, how do you say now, "*inteligencia emocional*."

AQH: But what do you think she has done right, in view of all the criticism?

RL: First of all, I think the fact that she has been able to introduce a major reform in our social security system is going to be a tremendous legacy of her government. Second, I think that what they are trying to do to expand the preschool is also another very important goal in her administration. Finally, also very important is the reform of labor legislation that started during her administration. So, I think that in those three areas, there has been tremendous improvement in our society.

AQH: There is a lot criticism about "concertación," the coalition that took power in 1990 and remains after almost twenty years. Some people say that this is the last government of the Concertación de Partidos por la Democracia. What do you think about that?

RL: Well, I heard that early in my own administration (*laughs*). And the other day I was told that it was announced in the press that in a cabinet meeting Michelle Bachelet said that she expected that somebody from her own coalition would be in power after her. Well, I think that twenty years is a long time, and Chile today is a different society. And probably the most difficult issue is that because your agenda has been successful, you change the country, you change society, and therefore because you have achieved that, the time has come to have a new agenda for this newborn society that has resulted. . . . Now the time



has come to say what the new frontiers are that we are planning to reach in the next ten, fifteen, or twenty years.

AQH: And what do you think these new frontiers are?

RL: I think Chile will have to decide what kind of society we are going to have, a society that is free of the risk caused by being sick, free of the uncertainty about what you are going to do when you are old, free of the risk of being unable to educate your children because you have no money, free of the lack of choice of where to live. . . . In Asia you have a private sector, as in the U.S., [but] it's my impression that Chile has to be able to work more along European lines. In some ways, we are not like the Europeans because we have some areas of privatization and we have some private education, and I don't see any reason not to keep those things. But what I do think is necessary is to greatly increase resources . . . public resources to the public sector of those areas. . . . I was in Australia, and my finance minister came to see me and said, "It's amazing." The subsidy that goes into education there from the public sector is much more equal to the cost of education being paid by the private sector. In Chile, the private sector pays five times more than the public sector for the public schools. Therefore, there is a tremendous challenge to reduce the private sector aspect, so now we are beginning to increase our subsidies, especially those that target neighborhoods where people lack advantages and adequate incomes. And I think that this is the new challenge that we have for the future.

AQH: On September 27, 2002, Chile was elected by the United Nations General Assembly to chair the Security Council. At this time, your government needed to make a very important decision about whether to support the U.S. invasion of Iraq. Your government voted against the U.S. proposal, and as a result, the UN did not support the U.S. invasion of Iraq. What was the outcome of this decision in terms of the relationship between Chile and the United States?

RL: Well, we have a very good relationship with the United States. And at that time, I said to President Bush—when you are friends, real friends, then you have to be very open and very frank, very honest with your answer—and

I said, look, first we need more time for the United Nations inspector Hans Blitz to finish his job and make sure whether there are weapons of mass destruction. President Bush told me that the time for inspection was over and it was necessary for the Security Council to make a decision now. And I said, in that case, Mr. President, I cannot give Chile's vote because I think that more time is needed.

Second, the United States told me that the president was going to form a coalition of the willing, those who wanted to proceed despite the decision of the Security Council. And he invited me to be part of that, and I told him very clearly that outside the United Nations we cannot do anything. Look, we are a small country. We are going to work on the global stage. We want to have some rules. . . . Globalization without rules creates a world where some people make the rules, as the globalizers, and some people accept the rules, as the globalizados. I don't want the world to have that division. Therefore, I think it is essential to have some kind of multilateral institution that is strong enough to tackle those problems that have a global dimension. When we are talking about climate change, there is no discussion anymore, because it is the main problem of human beings, one that we have influenced in only the last two hundred years. Therefore, it's up to us to have a global answer. You know, I am special secretary with Yan Ki Moon, and we have been working on that. I'm rather optimistic that in the year 2009, we will be able to have the second Kyoto Agreement precisely to reduce emissions that are producing this climate change. But this is the kind of problem that is global, and the response has to be global. No single country can give the answer. Therefore, when we said no within the United Nations about going to war without the agreement of the Security Council, we were trying to strengthen that institution that exists for us. It's really important.

AQH: In November of this year, the U.S. presidential election will take place. In your opinion, who is the best candidate for Latin America and why?

RL: It's interesting because you have people who understand that Latin America is different countries. Quite a number of our countries are middle-income countries, and our problem is not to discuss aid. Our problem is to discuss the

real things that matter to us, like international negotiations, financial protection, etc. Those areas will be so important to discuss with the United States to discover what are the areas of coincidence and the areas of disagreement, and then to work as nations on how to resolve those areas of disagreement. . . . Forty years ago, I was here in the states when John F. Kennedy designed the Alliance for Progress. The Alliance was a way for the U.S. to do what it thought best for Latin America, and Latin America accepted that. Now things are so different. Now the time has come to have Latin American countries and the U.S., if we want to have a better relationship, it is essential to understand each other's problems. And I think that to understand each other's problems is also to see our own problems in society. . . .

The issue of migration is not just the U.S.'s alone. In Chile, we have a lot of immigrants coming from Bolivia, from Ecuador, from Peru, and this will remain the case for many, many years to come. As long as economic conditions are a little bit different in Chile from other countries and people go to Chile, then they start sending remittances to the other countries. Do you think that the answer is to build a wall? Of course not. . . .

AQH: This is my last question. Fidel Castro, Cuba's fiery revolutionary patriarch and an international icon of rebellion, announced he is stepping down as president, and his brother Raúl Castro is replacing him. My question is, does this bring implications for change, or does it really not matter?

RL: Well, I think that this is something our Cuban friends have to decide. I think it is important to be very careful about what is going on in Cuba, and to understand that it is up to the Cubans to define what kind of society they would like to have. And my only advice—if I can give some advice—is to say, please, why don't we follow very closely what is going on and help Cubans to define for themselves what is better for their own country. I am really afraid sometimes when people would like to jump in there to "help" with some preconceived ideas of what has to be done because that's better for the Cubans. No. I think that the Cubans know what is better for them. Let's be cautious, and at the same time, let's stand together to help them make the right decisions. That's all. 🌻