

Defining New Frontiers

By Kirsten Sehnbruch



Photo by Dionicia Ramos.

Ricardo Lagos and Harley Shaiken chat with a student on the Berkeley campus.

History will certainly remember Ricardo Lagos as one of Chile's greatest presidents. Few presidents, in the Americas or elsewhere, can point to a similar list of achievements following six years in office, even without having had to operate under constitutional constraints similar to those that often tied the hands of President Lagos.

The people who received the president with a standing ovation at UC Berkeley were well-disposed to admire him. As they repeatedly rose to their feet to applaud and cheer, I was reminded of another such reception that I witnessed not long ago.

Once a year, Chile's business leaders meet at an annual congress, the ENADE. At its 2000 meeting, a recently elected President Lagos was greeted with open skepticism and a degree of hostility by the business community which feared a socialist president would lead Chile's economy further into the doldrums. At the 2005 ENADE conference, however, I observed the

same audience receive President Lagos with a standing ovation. Business leaders, who in Chile are notoriously right-wing, openly expressed their admiration and respect for this left-wing president and his government, which they consider to have been very successful overall. Any criticisms of his government were reserved and centered on relatively minor issues; sometimes they even appeared downright contrived.

The respect and approval Lagos had generated from such an unlikely source was indicative of opinions nationwide: During his six years in office, Chile's most important public opinion poll accorded him approval ratings that rarely dipped below 60 percent and sometimes even exceeded 70 percent. Equally significant, his disapproval ratings generally hovered between 10 and 15 percent.

Such polls reflect the extent to which President Lagos managed to reconcile some of the historic divisions that have characterized



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Chilean politics since at least 1973, a feat achieved in large part through the sheer force of his personal moral convictions.

So what did his government do? Why was he so popular? Unfortunately, a brief article such as this one can only hope to present a few summary answers.

In the economic sphere, the recovery of growth, the expansion of free trade and the institution of a structural fiscal surplus set aside for the reduction of the national debt and future social investment are the hallmarks of the Lagos administration.

Having taken over Chile's government at a time when the economy had taken a dip, resulting in a sharp increase of poor quality employment and unemployment, Lagos managed to turn this scenario around. With the help of historically high copper prices, the strong growth rates that Chileans had become accustomed to were recovered. It is a measure of his government's foresight and long-term planning that his administration instituted the above-mentioned budget rule, largely intended to protect Chile from future economic fluctuations.

However, what President Lagos will undoubtedly be remembered for most, in terms of Chile's economic development, is his government's successful negotiation of a series

of free trade agreements, which include treaties with the United States, the European Union and South Korea, as well as with several neighboring countries in Latin America and, most recently, China. Such agreements have not only integrated Chile further into the global economy, they have also demonstrated the country's commitment to international institutional treaties and democracy.

Chile's free trade agreements with the United States and the European Union in particular symbolize the country's democratic "coming of age" process. As recently as 1999, segments of the Chilean military, which violently opposed the arrest of General Pinochet in London, murmured that they were prepared to intervene should the democratic government fail to protect their interests. Such rumblings were permanently silenced by these free trade agreements, simply because the Chilean business community, which had supported the former dictator and the military, now has too much to lose if these agreements are suspended.

Despite the economic and symbolic importance of Chile's free trade agreement with the United States, President Lagos nevertheless stood up for his principles in the midst of its negotiation process when his government voted against the Bush administration's decision to invade Iraq in the United Nations Security Council,

President Lagos and then-Defense Minister Michelle Bachelet at a military parade in 2004.

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defying warnings that such a stance could jeopardize the treaty. Few political leaders in his position would have run such a risk for a matter of principle.

During his stay at UC Berkeley, Lagos emphasized that such a strategy is a necessary one for smaller countries. "We need clear rules," he repeatedly stressed. Unlike large and powerful countries, small nations do not have the political clout to dictate the rules of global engagement as they go along but have to rely on the enforcement and application of established rules. "As a small country, I could not jeopardize this principle," Lagos explained.

The economic policies of the Lagos administration were closely coupled with equally important social policies. "Growth with Equity" (*Crecer con Igualdad*) had been Lagos' campaign slogan, and his government certainly attempted to make good on this promise.

Extensive health care reforms, social programs to further reduce poverty, 12 years of compulsory education, the institution of longer school days, programs to improve the quality of education, significant increases of the minimum wage and the institution of an unemployment insurance system are only some of the policies that marked the social agenda of the Lagos government.

Critics, however, tend to argue that these reforms do not go far enough. My own book *The Chilean Labour Market* (Palgrave, 2006), for example, contends that these reforms do not change the fundamental structures of Chile's social policy institutions, which will make it difficult to achieve greater equity. In particular, I have criticized the Concertación, Chile's ruling coalition, for a lack of focus on employment policy as the crucial link between economic and social policies.

Nevertheless, the reforms initiated by the Lagos government represent an important step in the right direction. It must be acknowledged that Chile's government has expended more effort and resources on its social political agenda than any other Latin American country during recent decades, even while its political system constrained the government's ability to undertake more fundamental reforms. In the area of social policy reform, Lagos picked his

battles wisely, thus perhaps generating greater capacity for future change than is widely assumed at present.

It is important to remember that President Lagos, like his Concertación predecessors, could never count on a majority in the Chilean senate. As a result of the undemocratic constitutional limitations with which the Pinochet dictatorship had saddled Chile's nascent democracy, among them nine unelected senators, political power was skewed towards the opposition. Furthermore, this constitution required a two-thirds majority in the senate to change important legislation, such as the institution and structure of the pension system.

One of the most important measures that Lagos successfully negotiated, therefore, was the reform of this constitution. Similarly, his government brought Chile's military statutes in line with the standards of a modern democracy. Future Chilean presidents, for example, will be able to fire the heads of their armed forces, a prerogative that General Pinochet's constitution had denied Chile's democratically elected leaders.

The importance of these reforms cannot be overemphasized. Not only will they allow future presidents to pass fundamental legislation more easily, but they also constitute a crucial step in the process of strengthening and deepening Chile's democracy as well as its institutional capacities.

However, President Lagos' greatest domestic achievement was the deepening of the process of national reconciliation initiated by his predecessors, which will bring some measure of hope for justice to the victims of the Pinochet dictatorship.

The prosecution of General Pinochet by judges Juan Guzmán (for human rights violations) and Sergio Muñoz (for corruption) was unthinkable only a few years ago. It is now a reality. The same goes for countless other officials of the Pinochet dictatorship and their henchmen. President Lagos was always careful to assert that he would not interfere in the procedures of the judiciary, which should work independently of politics, but there can be no doubt that his personal and moral stature did a lot towards ensuring that justice is slowly but surely being done in Chile.



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The same can be said for the Valech report, compiled specifically at the behest of the president, which details the human rights violations perpetrated under General Pinochet's regime. The report lists the anonymous testimonies of approximately 29,000 people who were tortured and who have subsequently received basic life-long pensions and other benefits as a small measure of compensation. Although the report was compiled with very limited resources and can be criticized for its methodology, it constitutes a historical document of immense significance, principally because it made information on the extent of human rights violations in this sad chapter of Chile's recent history available to everyone.

At the same time, however, the Lagos administration also pursued an active dialogue with Chile's military to unravel the truth about these human rights violations. This dialogue has further resulted in reforms which have redefined the role of the military in Chile today and will allow it to regain its historical status as a professional and apolitical actor. Such measures represent an important step in bringing about a process of national reconciliation, the prerequisite for healing the wounds of the past.

In his Berkeley speech, President Lagos said that his government defined new frontiers for Chile, making possible what was previously

thought of as impossible. This is true of a whole number of matters, which range from the most practical (such as the construction of paved roads through remote rural areas) to the more political (such as the constitutional reforms). As Lagos pointed out in his talk, he enjoyed greater freedoms to do things than his predecessors, presidents Patricio Aylwin and Eduardo Frei, but he has also left his successor, Michelle Bachelet, with an even greater range of freedoms, which will allow her government to function more effectively and to pursue the social agenda that the Lagos administration was unable to complete.

Handing over the Chilean presidency to a woman can perhaps be considered as one of the most important expressions of the new frontiers Lagos defined in Chile. During his period in office, he appointed women to key posts in his cabinet, including those of Foreign Affairs and Defense. Since cabinet posts in Chile are the best positions for achieving public recognition and popularity, Lagos must receive a large share of the credit for the fact that the two presidential candidates who emerged from the Concertación in 2005, Soledad Alvear and Michelle Bachelet, were women.

His successor, President Bachelet, is not only a woman but also a socialist with a militant past, which is itself an expression of the acceptance

President Lagos visits the Human Rights Memorial construction site.

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that socialism has regained in Chile. She is divorced and an agnostic (as was Ricardo Lagos himself), but she is also the single mother of three children. Such a combination of characteristics must be viewed as an expression of the sociocultural frontiers that Chile is exploring and to which the person and policies of Ricardo Lagos made an immeasurable contribution.

By demonstrating not only that a socialist can successfully run the economy but also combine economic growth with a comprehensive agenda of social policies, President Lagos introduced "The Third Way" to Latin America.

While some may lament the loss of traditional socialist agendas, the approval ratings that President Lagos generated within Chile, together with the recognition he has received beyond his country's borders, suggests that many more welcome the fact that socialism has been reformed to constitute a realistic, practical and

responsible long-term alternative to failed neoliberal reforms.

There can be no doubt that Ricardo Lagos' approach has smoothed the way for other left-wing leaders to be elected in a region that sorely needs to overcome levels of poverty and inequality which are high enough to fuel unrest and may even destabilize the hard-won inroads democracy has made on the continent.

Perhaps history will consider this to be President Lagos' most important contribution to defining new frontiers.

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President Lagos greets well-wishers on the day he left office.



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