



Paseo Peatonal Huérfanos, a pedestrian bridge in Santiago.
Photo by Isaias Campbell.



Photo by Jim Block.

Michelle Bachelet speaks at Berkeley, May 2010.

BERKELEY WELCOMES BACHELET

The Chilean Path to Progressive Change

by Michelle Bachelet

Chile's President Michelle Bachelet spent six eventful days at UC Berkeley in early May, just two months after leaving office. During her time in the Bay Area, she met with geologists at the Berkeley Seismological Lab, doctors at UC San Francisco Medical Center, Chilean students attending UC Berkeley and immigrant high school students at Oakland's International School, in addition to giving a sold-out public address. Everywhere she went, President Bachelet impressed those she met with her warmth, humor and intelligence. The following article is based on her public address.

Let me begin by thanking the University of California, Berkeley, for inviting me again, now as a former president, to share a few ideas with you.

I also wish to acknowledge the constant and historic relationship between California and Chile, a relationship that dates back to the 19th century.

Chile and California have been linked from the time

of the legend of Joaquin Murrieta, mentioned in Isabel Allende's magnificent novel *Daughter of Fortune*, to the 1965 Chile–California Plan, which brought UC professors to Chile and Chilean graduate students to the University of California — a plan that was relaunched in 2008 during my administration with a view to improving productivity and competitiveness. Chile and California also share many geological similarities, a fact that was tragically illustrated by the terrible earthquake that struck the central region of Chile from Santiago to Concepción, on February 27 of this year, a region so climactically similar to California that it grows many of the same agricultural products. And this university has been a constant partner along the way.

For all these things, I thank you very, very much from the bottom of our heart.

This is the first speech I have given in an English-speaking country since I left the presidency.

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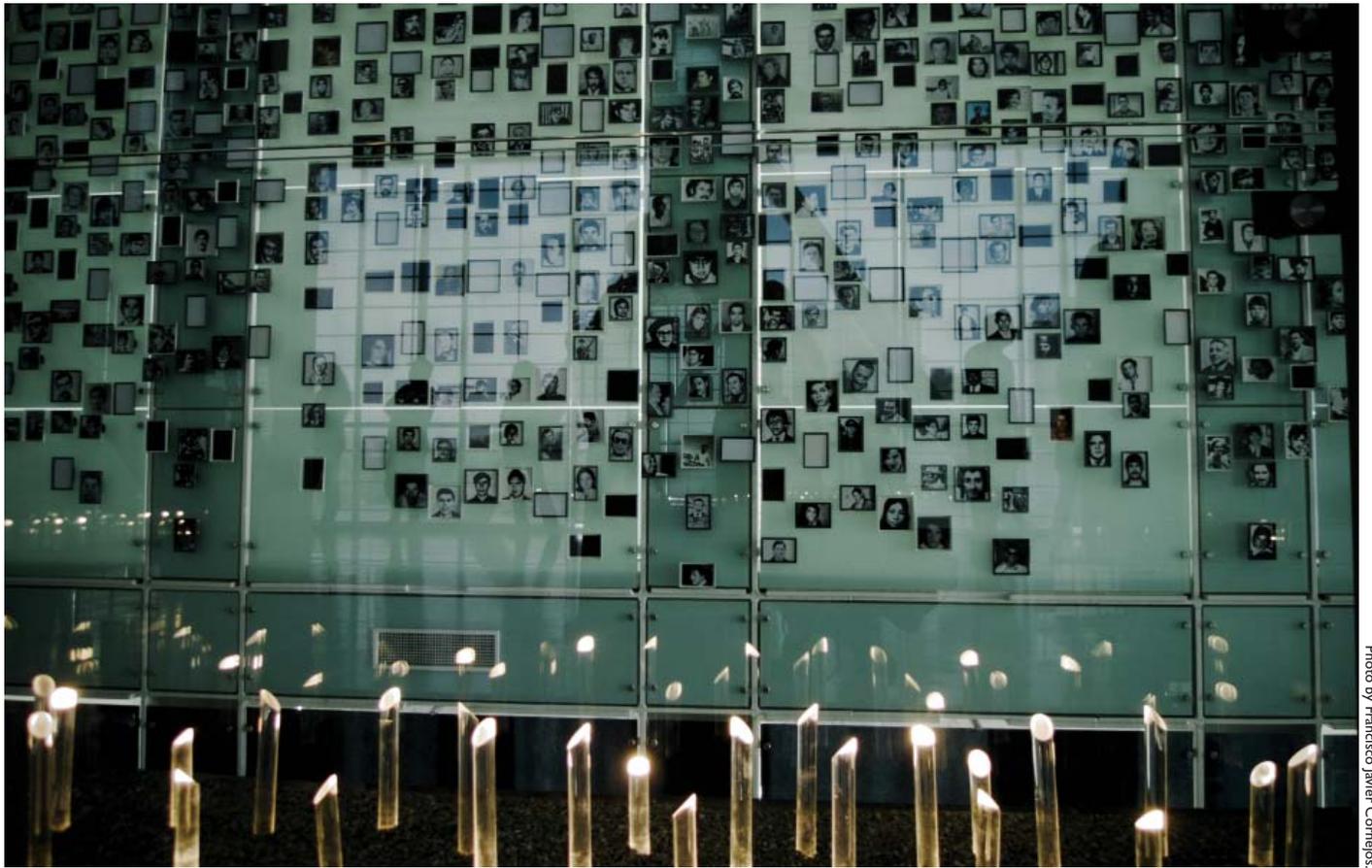


Photo by Francisco Javier Cornejo.

Chile's Museum of Memory and Human Rights, commissioned by President Michelle Bachelet.

I appear before you as the former president of a country that in recent years has been able to make great strides in its development.

Chile is today not only a consolidated democracy, it is also a country that has achieved an average growth rate of more than 5 percent, has more than doubled its national product and has almost tripled its per capita income.

In order to talk about the progressive Chilean path, we need to talk about the last 20 years. Of course, compared to the history of the planet, 20 years is nothing. But for us, 20 years has meant a great deal.

In the 20 years since regaining its democracy, Chile has reduced its poverty rate from 40 percent to 13 percent and extreme poverty from 20 percent to 3 percent.

And it is a country that over the last four years built a social protection network that covers its citizens from the cradle to old age, and it did so in the midst of an economic crisis.

Chile was able to build these programs because it implemented countercyclical policies that allowed it to become one of the strongest emerging economies in the world, placing it, in one generation, on the road towards becoming a developed economy.

But this is probably all old news.

So I want to center my remarks today on a few of the fundamental ideas that lie behind the construction of

today's Chile, the Chile we have built since recovering our democracy in 1990.

Perhaps the first and most important lesson is political.

I am referring to the need to understand democracy as an end in itself, as a space for reaching and renewing agreements, and not as a tool for special interests willing to dispose of it as soon as it does not serve its supposed purpose.

That is why in Chile we never say that we have built a "new" country. Or that we need to construct a "new" Chile. That would be presumptuous and counterproductive.

Because if there is one lesson that at least a majority of Chileans has learned, it is that Chile, and other countries like it, have no future if they continue to see themselves as a nation of enemies.

We will go nowhere if we do not understand that democracy is not a platform for messianic projects but rather a space where different projects, views and opinions converge in the interest of the great objectives we share as a society.

I know this sounds great. And it sounds easy, and of course, it's not easy. It involves enormous costs and perseverance because its success depends on incrementalism, which for societies with great social needs can often seem unbearably slow. The pressure for creative alternatives is great.

But history has taught us that the costs of these alternative paths are infinitely greater. History has also shown that if we are able to reach broad agreements over time, the fruits of democracy will ripen.

This has certainly been the Chilean experience. Chile is a successful democracy. Imperfect? Yes. Do unresolved problems remain? Of course, but no more so than in any other democracy. Yet it is democracy itself that allows us carry out a process that does, ultimately, deliver the public goods that our citizens and their children expect and deserve.

Our per capita GDP, measured in purchasing power parity terms, reached \$15,000 this year, despite the effects of the crisis. In five years, we expect it to reach \$20,000 — the level of many developed countries in the 1980s and 90s — although I want to acknowledge that this estimate could change due to the terrible consequences of the earthquake and tsunami that struck Chile in February.

One important aspect of our agreement-reaching capacity is the ability to modify and adjust those agreements as the country progresses.

So whereas in 1990 our fundamental agreements may have been precarious and limited to democracy, the maintenance of an open market economy and the need to avoid an authoritarian regression, over time we have been

able to widen and deepen those accords, contributing to the consolidation of our democracy.

For example, in 1990 General Pinochet remained as head of the army. Yet by 2000, the country had reached a new consensus on human rights in which the armed forces accepted the need to try and punish those responsible for human rights violations as well as the responsibility for handing over whatever information might be useful for the courts.

So while it is true that none of the military leaders who led the coup d'état in 1973 ever faced trial, many of those who were involved in the subsequent repression are today either on trial or in prison, and the courts continue to investigate hundreds of cases. Yet no one in Chile feels that democracy is in danger. On the contrary, it gets stronger every day.

A second lesson from the Chilean experience is the need to achieve a greater balance between democracy, the market, the state and sustainable development.

One of the keys to Chile's development was to accept in 1990 — when the world was still dominated by the neoliberal paradigm that only came to an end with the 2008 crisis — the need to have a strong state to bring about growth with equity.

We said at that time, and during my government as well, that we have to include to grow and grow to include. There

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Michelle Bachelet with Barbara Romanowicz, director of UC Berkeley's Seismological Lab, examining a record of the 2010 Chilean earthquake.



Photo by Jim Block.

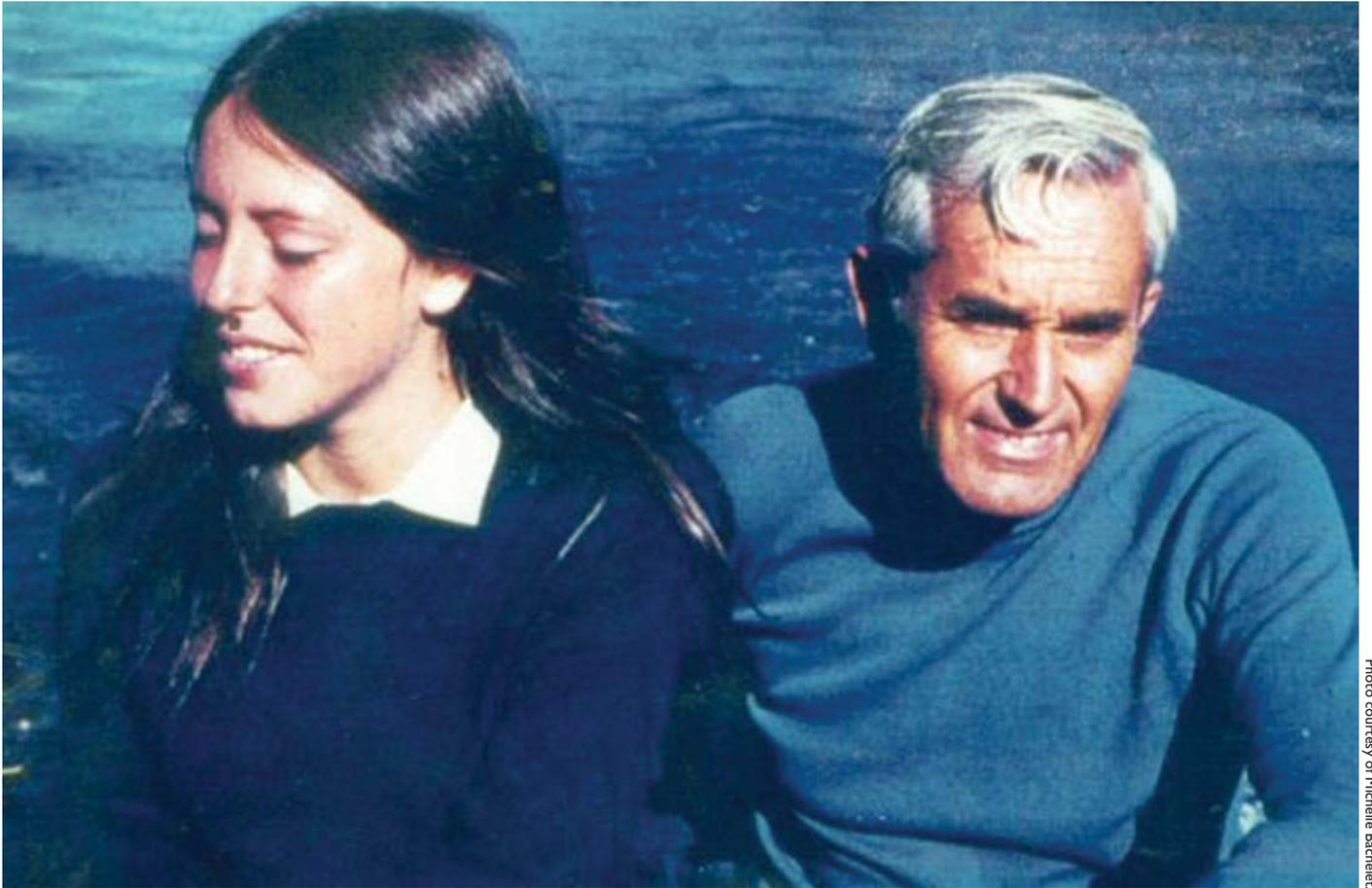


Photo courtesy of Michelle Bachelet.

Michelle Bachelet with her father, General Alberto Bachelet.

is a symbiotic relationship between the two. And you don't have to make a trade-off between economic growth and equal opportunities and social justice. It is true that Chile was a neoliberal laboratory. It was one of the first cases in which those policies were implemented. That is why we learned, very early on, of neoliberalism's great social costs, of the social deficit it created. In 1990, we embarked upon a policy of growth with equity, an idea that would evolve and mature, conceptually and politically.

Conceptually, we abandoned the idea of the old welfare state — which was in crisis in Europe and had, in fact, led to the appearance of neoliberalism — but we also left aside those policies that were exclusively contribution-based, focused merely on individual savings and private insurance and channeled direct support only for the poorest sectors.

We moved, in other words, toward a new model, based on democracy and social rights.

Its policies would offer support and universality, as befitting a modern welfare state, founded on the conviction that the state must recognize and guarantee certain civil, political and especially social rights to all its citizens — not only to those who have the money for private insurance, which of course we have kept.

Experience has taught us that in the end, rights are indivisible. A good deal of the current global discontent with democracy comes from its incapacity to generate real equality of opportunity and to supply the public goods required to improve people's lives. Democracy has to deliver. Otherwise people become unhappy with it because their lives are not getting any better.

In other words, in Chile we learned that while democratic rules are absolutely indispensable, they are not enough.

Achieving all this demands rigorous fiscal and political discipline. It imposes an obligation to save in the good times so that you can invest when times get tough.

It demands that social rights be guaranteed over time and that benefits do not have to be cut back when conditions are not the best, as is the case today.

This is not easy, and even less so in times of crisis. The challenges are formidable but not insurmountable, and there are several countries in our own region that have demonstrated that we can succeed.

And I think that Chile has done so. We implemented a countercyclical policy and saved when the price of copper was high, which allowed us to increase social spending by 7.8 percent in 2009 when we were being hit the hardest by the crisis and our people needed it

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Shared Experiences

On May 5, 2010, President Michelle Bachelet visited Oakland International High School. Headed by principal Carmelita Reyes, this public school serves recent immigrants to the United States. President Bachelet spoke with the senior class, which included students from 15 countries who spoke 11 different languages. Among them were refugees and exiles who found in her a person who had faced — and overcome — many of the same trials that they themselves had experienced. The following is a short excerpt from their conversation.

Ren: Good Morning Mrs. President. I am Ren from Nepal, but I was born in Bhutan. I spent 18 years in Nepal as a refugee because the government of Bhutan forced us to leave our country, and I have a question about your background. I know that you and your mother were also forced to leave your country, and I know that you are able to come [back] — and became president of Chile. How did you feel to come back into your country to live? What was your experience like when you returned?

Bachelet: I came back to my country at a time when the military regime was still there. So it was a very difficult time, because all of us wanted democracy back. We were doing whatever we thought we needed so that democracy would come back. So it was a very scary time, a difficult time, but on the other hand, I felt that I should go back to my country and try to do the best there. And I could do it. There were thousands of Chileans who could not get back into the country. I could, and I did.

And since then, I have been there for so many years. And you know what, in some sense, the idea of being somebody who has been in exile, who has been in prison, whose father died in prison because of the torture, it was also a factor in why people voted for me. Because even though all those things happened, I have never felt that the answer was revenge on the country. I always felt that the answer is to protect, to build democracy, to protect democracy, to understand that diversity is so important. And the important thing is that everyone — no matter the race, country of origin, religion, or ideological point of view — all of us may be different, but we are all important. And we can all be part of a nation, part of society. And for me, this is very deep. So I think people understood that.

There is a concept that is very related, and it is probably something that this school helps you with: it is called resilience. Do you know what the word resilience means? I will explain it in simple words because this comes from physics, but I am not a physics girl, not at all. Materials, when they are pressed with something, with heat, they can return to their original form with some adjustment. So when you are talking about people with resilience, they are people who have had bad times — refugees, immigrants who are taken from their country and have had to adjust to a totally different society — but have been able to stand up and continue walking. They have been able to get all the opportunities that the new place offers and have a good life. And I am sure that you are all very resilient and that will help you a lot in your life. I imagine that this school has helped a lot in that. Not only by learning English, but also by having this place where I imagine you feel at home, you feel good, you feel protected.

Michelle Bachelet with students from Oakland International High School.



Photo courtesy of Oakland International High School.



The Canela Wind Park represents Chile's commitment to sustainable development.

the crisis in Honduras. In the past 25 years, there have been close to 20 interruptions of democratically elected governments, a statistic that clearly demonstrates the centrality of this subject for our region.

While it is true that we have democratic governments, democracy is not fully consolidated. According to some scholars, democracy in Latin America is perpetually in crisis, so we need to be permanently alert. More pessimistic observers argue that the democratic spirit has already been injured and a sort of democratic recession is taking place in some countries. As a doctor, I have always believed that we need to take preventative measures and not take democracy's health for granted.

We still have a lot of work to do. The real situation of democracy in Latin America must be monitored, and we must take special care to address three central issues: the consolidation of institutions and the rule of law; the increase in people's empowerment and social and political involvement; and the development of reliable systems for delivering certain public goods and social rights to citizens. As Carlos Fuentes used to say, democracy has to be a synonym for welfare, equality and dignity.

To consolidate democracy in Latin America requires the total acceptance of the democratic rules of the game. But this alone is not enough.

There are new pressures. Free and competitive elections, civil liberties and respect for human rights are, without any doubt, the essence of democracy. Personal guarantees, freely elected authorities, freedom of thought, of religion, of the press and of association must be respected.

Although most Latin American states respect civil liberties and individual guarantees, in many

the most. The success of Chile's progressive policies have shown that in Latin America, and in the rest of the world, you can be popular without being populist.

Chile will continue to face many challenges in the future, especially now after the earthquake, but it is also very clearly moving forward, together with the rest of Latin America, on the road toward development.

The international crisis was a blow for Latin America. It put the brakes on a long cycle of economic growth that lifted 37 million Latin Americans out of poverty in six years.

To make matters worse, it came on top of a food crisis.

However, democratic Latin America handled the downturn better than previous crises and better than other regions and is now starting to recover.

The current challenge is how to transform this recovery into sustained growth and collective prosperity for the citizens of Latin America. To do this, the region must consolidate democracy, increase innovation and productivity and pursue further regional and world integration.

The need for democratic consolidation became clear after

Photo by Nelson Condaza

places people cannot exercise those rights because of social inequality or fear of organized crime.

We must, then, defeat organized crime, corruption, inefficient judicial systems and police brutality. But we must also provide a minimum of public goods, reduce inequality and aggressively tackle poverty.

This last point is especially true in Latin America because during the 1980s and 90s social issues did not receive as much attention as democratization and economic modernization. Even during my presidency, when I attended international meetings regarding the financial crisis or when I read the statements of G-20 countries, social issues were still seen as less of a priority. And I think that is something to worry about because not paying enough attention to social issues produces a lot of suffering and it also erodes the democratic legitimacy that was so difficult to build.

We cannot wait any longer to move toward a society of freedom, equal rights and equal opportunities that offers benefits to all and not just a few privileged minorities.

I believe it is in this area that the success of economic and social policy in countries such as Chile and Brazil will be important.

While a few countries in our region are adopting populist policies, many others have opted for progressive

policies aimed at reducing deficits — fiscal, social and democratic — and these policies are working.

Even in countries such as Chile where right or center-right parties have come to power, they have accepted the need to implement or maintain the redistributive policies that we progressives have supported for so long. This is an historic opportunity to establish a new consensus in the region and take another great step towards democratic consolidation. So while it may seem like a victory for progressives, the real winners are the democratic systems themselves.

The second challenge is innovation, meaning sustained growth, productivity and competitiveness. Prices for the principal Latin American exports have doubled or tripled in recent years. The challenge for Latin American countries is to take advantage of this situation and lay the foundations for stable growth and a less-volatile economy.

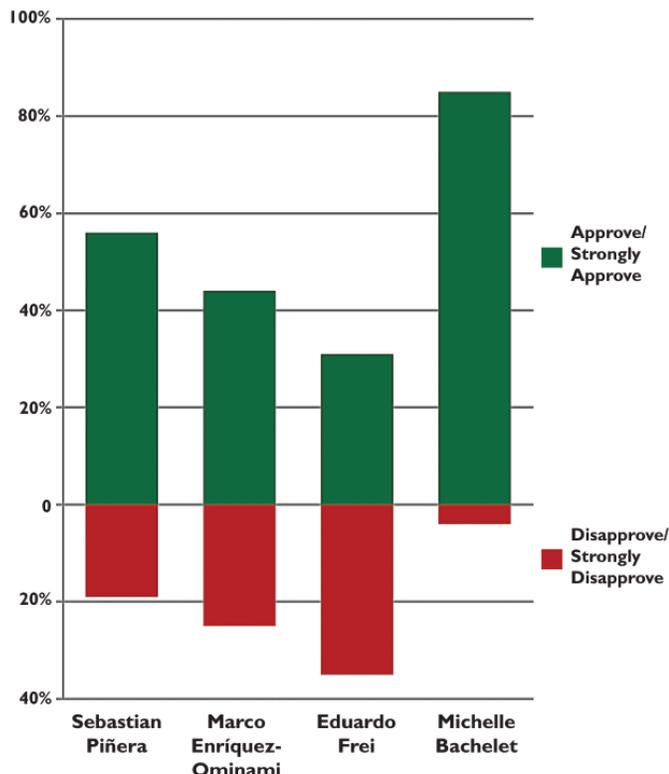
During the last few years, until the start of the present crisis, Latin America and the Caribbean achieved a dynamic export market and better access to target markets. However, as far as competitiveness goes, there is still much work to do.

The real challenge in this area lies in improving our productivity levels and diversifying production and export

Michelle Bachelet visits with Dr. Sam Hawgood (center), Dean of the UC San Francisco School of Medicine, faculty and researchers.



Photo by Rihyen Coombs.



Michelle Bachelet's approval ratings dwarf those of the three major candidates from the 2010 election to succeed her.

(Data from Estudio Nacional de Opinión Pública N°62, June-July 2010, Centro de Estudios Públicos, Chile.)

bases by incorporating more value and knowledge into the goods and services being exported.

This requires a change of attitude. It requires leadership from those in power. Fortunately, many of us have learned the lessons of past mistakes. During the last few years, we did not spend in Chile. We invested in our own productivity through programs such as the Bicentennial Fund for Advanced Human Capital, which used the surplus from the high price of copper to help young people get more training at institutions around the world, including Berkeley, of course. We did this because we need people prepared to be on the front line of science and technology. Finally, Latin America must move in the direction of more regional and international integration.

The share of intraregional exports in relation to total exports increased from 14 percent in 1990 to 20 percent in 2008. However, this is still far below the intraregional trade levels among other regional blocs, such as the European Union, the NAFTA countries and the members of ASEAN.

In other words, there is little integration of the region's manufacturing chains. Greater intra-industry trade within the region would lead to greater interdependence, less volatility in inter-regional trade and a strengthening of economic links. This would allow the larger economies to grow while also supporting the smaller ones.

The relatively low level of intraregional trade in Latin America is due in part to high costs which are, in turn, the result of a lack of adequate infrastructure, poor logistics and high administrative costs. In order to bring down the cost of intraregional trade, Chile, Bolivia and Brazil developed a bi-oceanic corridor, 3,000 kilometers long, stretching from Santos in Brazil, through Bolivia, to Iquique and Arica in Chile. By connecting the Atlantic and the Pacific, this route opens up many new possibilities. Finding additional solutions that bring the cost of intraregional trade down would greatly increase Latin America's competitiveness, attract foreign investment and promote the diversification of exports to the rest of the world.

Greater integration would also allow us to take better advantage of the opportunities offered by the Asia Pacific region. We must build commercial alliances, produce synergies and strengthen productive complementarity in line with a 21st century economy.

But I must insist that all this requires a new approach. We must leave years of political antagonism behind us and work together to face a dynamic new world. More than anything else, we must move forward on concrete issues and not get trapped in rhetoric. Nothing that I have mentioned here is impossible. On the contrary, history is full of realities that were once thought to be impossible.

Three decades ago, it seemed impossible that Third World countries like Chile could catch up to developed countries. Three decades ago, democracy in Latin America was a dream.

Today, we must prove that democracy can integrate liberty, opportunity, welfare and citizenship.

These dimensions must go hand-in-hand with democratic procedures to ensure that people experience a qualitative and quantitative improvement in their daily lives.

This is what we have started to do in Chile. And it remains the focus of our struggle in the years ahead.

We can create a country that is economically successful while at the same time providing better living conditions for its citizens. Chile has done it. That doesn't mean that there aren't enormous challenges that remain to be overcome, but we have to have hope for Latin America because it can be done. Every country must find its own way, but it is what the people of our region deserve. And that's what we try to do in our country, and I will continue to work toward that goal now, not as a president but as a former president.

Michelle Bachelet served as president of Chile from 2006-10. She spoke for CLAS on May 4, 2010.

This article is adapted from her talk.

After her talk, President Bachelet took questions from the audience and the Internet, including the following:

Q: What was your experience running as a woman in 2005, and do you think your gender was ultimately an asset or a detriment?

A: Well, I always thought it was an asset — even though it had its moments. For me, I was a good student. I won all the prizes and awards at my school. No one ever questioned my competence as a child. As a doctor, I led a group of interns, and we were very successful. No one ever asked, “Is she competent because she’s a woman?” Suddenly, you are a candidate for president, and you start hearing the most amazing things. And I couldn’t believe it because in my whole life, I had never been in this situation. Of course, I had experienced the situation that many women have had, where I presented a good idea to my colleagues, and they were all men at that time, and they looked at me and said, “Okay, let’s keep discussing.” And then later, one of my friends proposed the same, same, same, same idea, but with a little more eloquence, and everyone said, “Brilliant! You are a genius!”

Well, this sort of thing happens to women, where they have to work two or three times as hard to show that they’re good enough. But it’s a matter of evolution. Because now in Chile — I am not going to say that nobody thinks that

women are incompetent. No, I would say: nobody dares say out loud that women are incompetent. And I think that’s important.

...[D]uring the primaries here... if President Lagos was moved by something, and his eyes were watering a little and his throat was choked, everyone said, “Oh, how good to have a president who is sensitive.” If it happened to me it was, “Oh, she’s hysterical. She can’t control her emotions.” ...And if a male politician was big, they would say he was solid — and I was the fatty. I am not complaining. I am just trying to describe to you how things were at the beginning.

And journalists ask you things that you would never imagine. I remember someone asking me, “Tell me, do you have to take your children to a psychiatrist?” I said to him, “Did you at anytime ask that of President Eduardo Frei? Of President Lagos? Or General Pinochet?” I am telling you these things to point out that every time any of us starts something new we have to confront prejudices. We have to confront resistance to change. And that is normal. I knew that it would happen. Sometimes it wasn’t pleasant, I have to tell you. But I knew it came with the suit; it came with the job. And if I could be successful at this, I would be opening doors and windows for so many women — and men, because they would free themselves of prejudice. Many men told me, “Thank you. I have three little girls and do not want them to have a bad time in the future. I want them to have all the possibilities.”

Michelle Bachelet responds to the audience during her public talk.



Photo by Jim Block