

OAS diplomat talks about trade, post-Fidel Cuba

by CNS

Jose-Miguel Insulza, a Chilean diplomat and political official, was elected secretary general of the Organization of American States in 2005 for a five-year term. A member of Chile's Socialist Party, he served in successive Chilean governments in a variety of cabinet posts during the 1990s, including foreign minister. He visited San Diego recently as a guest of the Institute of the Americas and was interviewed by members of the San Diego Union-Tribune's editorial board.

Q: During the 1980s and '90s, a wave of democratic politics and liberal economics, which is to say free-market economics, swept across Latin America. Are these gains in jeopardy today?

A: I think some of them are not in jeopardy. I don't think that democracy is that much in jeopardy.

Q: Maybe in Venezuela?

A: We can talk about Venezuela. But I think that some of the economic reforms still hold, are still staying there. But of course there's one thing you have to remember. You should say in the '80s and the '90s you had democracy. In the '80s and the '90s we had liberal reforms in economics. And in the '80s and the '90s we had less than 1 percent (economic) growth a year. And that accounts also for a lot of the problems that some of those reforms are encountering now. In fact, the '80s and the '90s will be more remembered by no economic growth, by economic stagnation. So that is a problem. I'm not blaming it on the liberal reforms. I think that many of them were applied insufficiently. But some things that were supposed to accompany did not happen. But I think that one of the big problems in Latin America in the '80s and the '90s was that the economies didn't grow and the inequalities did grow.

Q: But doesn't the experience of your home country, Chile, prove conclusively that liberal economics, free-market economics, integration into the global economy, can work for Latin America?

A: Maybe it's a good example. But I have to talk about the whole of Latin America and for the total Latin America that definition doesn't hold. Maybe instead those had a lot to do with social reform, and with good government. It was not just balancing budgets. It was also increased social spending and much better management of resources.

Q: The free-trade agreements that have been a key part of economic growth in Mexico increased trade between the United States and Mexico. Additional free-trade agreements with many Latin American countries are generally considered to be in trouble in Washington. What is your view about why that is? Why are these agreements perceived to be a bad deal for the United States?

A: Let me be really blunt on this. I've always said, not now, I said it 15 years ago for the first time, or less, about 10 years ago when I was foreign minister (of Chile), 'Trade moves when the U.S. wants to move.' There's no other force in free trade to replace the U.S. I'm talking about the U.S. system, but you are reluctant to move today. It's not a problem with Latin America. You signed agreements with Colombia, with Peru, with Panama; very similar to the ones signed with Mexico and with Chile. But for some reason the U.S. is more reluctant (about) those agreements. And I think it's a pity. I think that they should be approved. I think that not approving the agreements would be a historic mistake. And I'm underlining the words historical mistake. An agreement achieved could really change a lot of our relations between the U.S. and Latin America.

Q: Doesn't that reluctance, as you call it, in Washington stem from the fact that many Americans perceive the free-trade agreement, particularly with Mexico, to have been a better deal for Mexico than for the United States?

A: I don't know what you mean by not a good deal for the U.S. I don't see much unemployment in this country. I think wherever I go I find almost full employment. Of course there are some industries in which employment is not what it used to be, but that's part of the way in which the U.S. is developing. But I have never had anybody able to show me what the (adverse) consequences for the U.S. might have been on these free-trade agreements. I look at the job statistics and I don't find too many losses of jobs. I see a lot of people who are employed in this country and very few people who are not employed as compared to other parts of the world. This continues to be one of the most job-generating economies in the world.

Q: Many observers believe that Hugo Chavez is dismantling democracy in Venezuela. Your thoughts?

A: I didn't like what happened with the Radio Caracas Television.

Q: Chavez shutting down the television network?

A: Yes, I think that he used the legal fabric that he had because he did have the right to. He did have the chance to decide if the television channel should continue or not. That was in the law. And he used the law to close it. I realize it. I said it at that moment. But I wouldn't extend that to say that freedom of expression disappeared in Venezuela.

Q: It hasn't disappeared but Venezuelan journalists are quite clear, including many that I have spoken to, that freedom of expression and freedom of the press are under great stress in Venezuela.

A: I think that journalists don't have a good time in several parts of Latin America, Venezuela being one of them. But one must admit, though, there are other places where, for example, organized crime has killed journalists. That has not happened in Venezuela. So I don't think it's fair to say that the problems some journalists are having are only in Venezuela.

Q: Cuba certainly appears to be approaching a period of transition from Fidel Castro's 48-year dictatorship to something possibly different. Where do you think Cuba might be headed in the post-Fidel era and what would be your preference for Cuba's future?

A: I would like to see, I've always said, and I'm convinced of that, that without Fidel Castro the Cuban regime faces a problem of legitimacy. Because to a certain extent in varying terms (Fidel Castro's) charisma is legitimacy; it sustains the government. Without Fidel Castro that does not exist. And probably the Cuban regime will go through a form of more rational legitimacy, which would be a democracy. So I'm very hopeful of seeing democracy re-establish itself, not from one day to the next but progressively in Cuba. That will be possible if nobody tries to put impossible conditions on Cuba. Such as, for example, everybody who has run the country for the (past) years, should leave and let others govern. That's not possible. It didn't happen in Eastern Europe and it's not going to happen in Cuba. We have to be more open to Cuba and more understanding of Cuba. We have to have dialogue with Cuba and see how we can operate things so there will a transition to democracy. It happened in Germany. It happened in Czechoslovakia, it happened in Hungary, it happened in Poland. I don't see why it shouldn't happen in Cuba. But I see, unfortunately, a lot of pressure in Cuba, a lot of setting of conditions a priori that might lead to a more unstable transition than I would like to have.

Q: Do you see Raul Castro, Fidel's 76-year old brother, as a transitional figure or at least a potentially transitional figure?

A: I don't know Raul Castro as much as Fidel Castro, whom I have met and spoken to, but I wouldn't venture a conclusion. But I think from a generational time frame he will not lead Cuba for a long time. Which doesn't mean that he cannot carry out some changes and I hope that he does.

Q: Andres Oppenheimer, a columnist for The Miami Herald, has been writing recently that Latin America is falling behind other parts of the world in integrating with the global economy, in economic growth and the development of its human capital. This is maybe outside the usual OAS agenda but I'd be interested in your view on this.

A: I would agree that we do have some problems with development of human capital and that we are lagging behind in relation to the world economy. We are more integrated than some others but we could do better, even though I think in past years Latin America has improved very much in this direction. If you compare the middle of the 1990s with today, the size of GNP of Latin America linked to the world economy is much larger than it was 10 years ago. It's not enough but we have improved. Human capital is a problem we have. Several

countries have a problem with education. But a couple of things that people usually forget that I should mention: That some of the new big economic powers of the world - I should not mention countries but everyone knows to whom I refer - have more poor than Latin America and have more illiterate than Latin America and more malnutrition than Latin America.

Q: There are stories that you want to run for president of Chile in 2009.

A: As you say, they are stories. There are no decisions. You ask me, will you run? I don't know. I will find out next year.

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