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**SPEECH DELIVERED BY ALEJANDRO FOXLEY, THE CHILEAN MINISTER OF
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*LATIN AMERICAN ECONOMIC OUTLOOK***

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I can honestly say that I feel at home here at with ECLAC. I feel equally at home with Javier Santiso, an old friend with whom I have shared many ideas, discussions and thoughts regarding Latin America, the future of development processes in the region and how these relate to and interact with similar processes that have taken place in Europe. Indeed, I believe the purpose of what we are doing today is to take another step forward in building these intellectual bridges of ideas and mutual knowledge between OECD countries and Latin American countries. This *Latin American Economic Outlook* is a step forward.

I consider this a fundamental work, as is very clearly reflected in the subjects selected in this first edition. These are subjects within our grasp that are being discussed every day in our region. I would also like to point out that the OECD's style – for want of a better word – will be very much welcome in Latin America. In this part of the world, there is a certain tendency to hold discussions that are rather abstract and ideological, as well as something a mutual friend of Javier's and mine, Albert Hirschman, has referred to as "wanting to finish everything right now". What we learn from the construction process, especially in European economies, and from the knowledge accumulated by the OECD through its many reports resulting from the interaction between many people from academia and government agencies, as well as practitioners and business managers, is that the development process is a cumulative, gradual, pragmatic process. Though each individual step is important, they are insufficient on their own.

The participants in this process are talented people who can reflect upon this journey, identify the lessons to be learned, and point out what we are doing correctly and what mistakes we are making in different countries on this pathway to development. But they do not panic, nor do they despair: they continue pressing on. And maybe, once we have got through the most difficult stage and reached a plateau, or summit, where we all think we have finished the task, that is when we will see that there is another higher summit further ahead, that the tasks are even more complex, that we have many new problems to face, that people express their dissatisfaction with what has been achieved. When we reach that point, maybe then we will realise that we must look back objectively, with an open mind, at the dilemmas we have faced, the disagreements we have overcome and the decisions we have taken in order to continue moving forward. This is a difficult process, requiring much discipline, maturity, realism and knowledge.

For our country, at least, as we commence the negotiation process for accession to the OECD, this forum is more than welcome. Since the OECD was formed, it has, over the years, done something that I believe to be very similar to what I am describing. In so doing, it has been of enormous service to its member states. We recently met with the president of Portugal, who is here on an official visit, and he explained to us how, for a reform that his administration is currently promoting, they simply took the basic framework of an OECD study and said to the members of the government, "this is what we want to do". This is the greatest homage that can be paid to an institution like the one which has published this report today.

I believe the OECD is now entering another very challenging phase. As I understand it, its current goal is to open up to countries that are not part of an exclusive group of richer or more developed countries, that is, to make room for moderately developed countries. And I believe this will require work from both sides: existing members, and those, like my own country, that have been invited. Both sides will need to listen attentively and be particularly sensitive for this to be a positive, constructive process and for the people, who will be watching us, to understand that the aim of this association is not to set goals, nor to force situations, but rather to accompany the processes of development, growth and social inclusion in countries that will face dilemmas similar to those faced by Spain and Portugal around 25 to 30 years ago. This is particularly important because we also belong to a region in which there are several moderately developed countries. But today, we are also a member of ECLAC. That is where the theory of dependence arose in the 1950s and 1960s. Obviously this is now in the past, and does not reflect today's world, but in the region we strongly believe that these processes exist to encourage development and not to impose mandatory goals from above that must be achieved within a certain timeframe. There is a kind of backlash, which I believe is largely unjustified, against international institutions, agencies in Washington, the Washington Consensus, and so on. I believe that the presence of the OECD in Latin America could be a breath of fresh air to show that a different type of relationship is possible: one based on learning. And if we are to be honest, I would call it mutual learning. To give but one example, let us look at the case of pensions. When reading about the debate in Europe on the effects of the ageing population, how the pension system will need changing and what possible solutions exist, I find that we are on common ground, where we can identify with each other. Our own experience is valid, because we have made some considerable mistakes in designing the system, but we have also made some good decisions. In the United States, President Bush tried to reform the pension system. But he was unable to do so because, well, there are some things we should learn from each other, and so I believe the key is to ask ourselves how we can build a positive relationship, a positive-sum game that is mutually beneficial and appreciated by the public. This should not be an exclusive club that one country joins yet whose door is closed to others, and that speaks in a jargon nobody understands. Instead, as I said, we should seek common ground.

I would like to conclude by reflecting upon an interesting experience currently taking place in Chile. Like José Pablo Arellano and others present here today, I come from a think tank that began working at a time when everyone said that there was no solution for Chile's political framework, because power was highly concentrated, with no space for discussing ideas. But for 17 long years we persisted,

writing papers that nobody read. Since 1990 we have had a tremendous impact. Nobody, then, can dissuade me of the transforming power of serious reflection on a specific situation, no matter how difficult change may seem. I am also a confirmed optimist: anything can be changed with persistence, wisdom, care and the ability to enter into dialogue with those who think differently. The key to Chile's achievements in recent years has been its capacity to work towards reaching agreements. If you read the press today, you will notice there is political tension, and you will build yourself a picture of the country that is quite different from what you would see if you were to speak with real people, rather than with those in the political superstructure.

Interestingly, perhaps owing to the extremely tough experience this country underwent over the course of 17 years during which nobody could see eye to eye, certain wisdom has developed here. As political tensions increased, the government promoted cross-sectional committees formed by what Jorge Domínguez, our well-known friend, a professor at Harvard, referred to as *Technopols*, a subject to which he has dedicated a book. Once the political superstructure began to lose its capacity for dialogue, the country suddenly found dialogue on a different level: *Technopols*. These are people with expert knowledge, experience in policy implementation processes and a desire for their good ideas, which everyone had ignored, to finally be heard and considered. These people emerged during the educational reform, the provisional reform, and more recently, as part of the debate on how to move forward within a framework of greater equality in the country. All those that should be involved are involved, that is, all those with the necessary knowledge, and nobody is asked about their political affiliation.

This reminds me of the type of work that so many people in the OECD have been doing for so many years, from government members and academics to highly-qualified professional staff and strict examiners. All this has contributed to the flow and wealth of ideas, which is so extraordinarily useful to us.

I would like to thank you for inviting me here, and I hope that this publication will lead to dialogue that is fruitful, intense, creative, interesting and entertaining. I hope it makes us all reflect upon our ideas, keep abreast of developments and learn from those who have done things better than us.

THANK YOU VERY MUCH