

## **Latin America's Shift to the Center**

By Oscar Arias

The election of Evo Morales as president of Bolivia in December prompted a rash of headlines declaring that Latin America has tilted to the left. Latin Americans are fed up, some say, with the "Washington Consensus" of free markets and fiscal discipline, which has failed to erase all their poverty and inequality, and as a result their governments are reverting to protectionism, state ownership of industries and unlimited social spending.

But judging from the victory of my social-democratic National Liberation Party in Costa Rica's Feb. 5 elections, our country didn't get the message that all of Latin America is veering to the old-line left. And the truth is, neither did most countries in the region.

The governments of most South American and all Central American nations are strikingly moderate, a radical change from the ideological polarization I encountered when I was first elected president 20 years ago. We may believe in the state's responsibility to alleviate the crushing poverty that afflicts 40 percent of Latin America's population, but most of us also affirm that there is no better cure for that poverty than a stronger, more globally integrated economy.

I expect that Costa Rica will soon reaffirm its dedication to open markets by ratifying the Dominican Republic-Central America Free Trade Agreement with the United States, which the six other signatory nations have already approved. Chile has signed bilateral trade agreements not only with much of the Western Hemisphere but also with the European Union, China, South Korea and Singapore as well. Even Venezuela expanded its market participation by joining Mercosur, while Uruguay may withdraw from that alliance to pursue a more lucrative trade pact with the United States.

Domestic economic policies in the region also trend away from socialism. In January the International Monetary Fund praised Brazil's "firm adherence to prudent macroeconomic policies," most notably debt reduction and a floating exchange rate -- hardly a leftist tack. Brazil is also considering allowing competition with its state-owned reinsurance monopoly, a reform Chile has already implemented.

If anything is holding back the continued opening of Latin American economies, it is not leftist political culture but rather U.S. agriculture. The U.S. government spends roughly \$20 billion per year to subsidize agribusiness, artificially depressing global crop prices and depriving the poorest farmers in the world of money they need to survive. Many governments have been reluctant to open their borders for fear their farmers will drown in a flood of cheap beans and corn. While a Free Trade Area of the Americas would be a great economic boon, there is little chance a treaty will be adopted as long as Latin American farmers face competition not only from U.S. farmers but from the U.S. Treasury as well.

And there is a greater obstacle to our global economic integration, which increased government spending must help overcome: our dismal systems of education. A third of Latin American children never attend secondary school; an even smaller percentage attend in rural areas. Our societies cannot be competitive on a global playing field if we leave so many players on the bench.

In Costa Rica, my government will boost yearly investment in education from 6 percent to 8 percent of gross domestic product, and it will provide subsidies to our poorest families so their children will not feel financial pressure to drop out of high school. For a country whose recent growth has depended on investment from the likes of Intel, Hospira, Boston Scientific, Procter & Gamble and Hewlett-Packard, increased funding for education is not an ideological stance but an economic necessity.

If Latin American politics are moving in any direction, it is toward moderation and democracy. The age of ideological dictatorships in the region is, with very few unfortunate exceptions, over. Bolivia's elections were free and fair, and although the winner's politics represent a shift to the left, his ethnicity represents a shift toward democracy: Evo Morales, an Aymara Indian, is the first indigenous president in the history of this majority-indigenous nation.

In both his ethnicity and his politics, Morales is an exception rather than a rule, which is the real reason he deserves the international attention he has captured. An overall trend of political moderation in Latin America makes for far less interesting headlines, but it also makes for far better lives for our people.

The writer was president of Costa Rica from 1986 to 1990 and won the Nobel Peace Prize in 1987. Last month he was elected to a second term as president.