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Prospects for Chile under the Piñera administration

LSE Ideas

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The electoral victory of Sebastian Piñera in Sunday's Presidential elections in Chile marks the first time that the Right has come to power via an electoral process since 1958, although the Pinochet dictatorship was also a 17-year period of right wing domination.

This electoral result will change many things in Chile, and in the region as a whole. Within Chile the social-liberalism of the Concertacion has now come to an end, and will be replaced by a more traditionally neoliberal version, a paradox in a world that has witnessed the catastrophic results of neoliberal economic policies. In the region as a whole, the US has now gained a geopolitical ally in its conflict with the Left governments in Cuba, Bolivia, Venezuela, and across Latin America.

Piñera and his political supporters in Congress will want to make some fairly significant changes, but will have to contend with the fact that neither chamber of Congress is under their control. Their willingness to work constructively with the opposition is as yet untested, but it is highly likely that Piñera will be both more willing and more able to use Presidential veto and decrees, than the Presidents of the Concertacion were. The temptation to do so will be high given his control of some of the media (he owns a national TV channel), and the media's overall right wing bias, as well as the international support that Piñera will be able to count on from the US and international media organisations.

The probable policies of the Piñera presidency will be influenced by their international links. Piñera and his supporters have a close relationship with right wing organisations in Latin America and in Spain, with Jose Maria Aznar's Partido Popular, and Alvaro Uribe probably providing the models that Piñera will seek to emulate in Chile. This does not bode well for the health of Chilean democracy, for Uribe's Colombia is not only one of the most unequal countries on the planet, with severe social problems, but also a country where the rule of law does not function if you are a member of the political opposition or a trade unionist, and where the State has become completely entwined with paramilitary and drug trafficking elements, creating a social nightmare which Chile would do well not to emulate.

One of the priorities of the Piñera presidency will be to 'reform' Codelco, the State copper company which supplies some 70% of the State's income, although since privatisation in 1978 it has only accounted for 40% of all copper production. Copper is the 'wage of Chile' and Harvard's Institute of International Development has estimated that Chile lost over 26 billion dollars in copper revenue between 1978 and 2003 – and some Chilean estimates are much higher. Although Piñera has mentioned increasing the royalty that foreign companies must pay for mineral extraction (currently one of the lowest in the world), it is much more likely that he will seek to make 'savings' by reducing Codelco's workforce, attacking the salaries and working conditions of the State employed copper workers and perhaps by privatising parts of the company. Although this will no doubt be popular among both his right wing supporters and foreign mining corporations, it will inevitably fuel increased social conflict, which is why his second priority will be to attack the trade union movement.

The Chilean Labour Code, which governs all aspects of Labour relations, is still essentially the one enshrined in Pinochet's 1980 Constitution (written and ratified during the years of military rule), and as such contains many repressive measures. Piñera can be expected to push for the traditional neoliberal measures of increasing the level of exploitation of the workforce, in other words, labour flexibility, as well as an increased repression of trade union strikes and demonstrations. It is highly probable that the elements within the police and security services that served the Pinochet regime will cooperate fully with these measures. On top of this, the replacement of Concertacion supporters within state institutions such as the ministries, will mean that Concertacion supporters and especially communists and former members of other left wing organisations will find it extremely hard to find work, especially in sectors like education, which are still dominated by Pinochet era appointees, or by members of right wing parties such as the proto-fascist Union Democraica Independiente (UDI). It also holds out the possibility that Chilean ambassadors and representatives in international forums and institutions might be human rights abusers with close links to the Pinochet dictatorship.

One of the groups that can expect an even more repressive response are the indigenous Mapuche of the South of Chile. Several have been killed over the last few years by the Carabineros, Chile's militarised police, but it is clear that under a right wing government with allies among the great landowners who are the main cause of the conflict, the Mapuche can expect not only further repression by state agencies, but also repression on the part of paramilitary groups set up by the landowners, a measure that has precedent in the Pinochet dictatorship when paramilitary groups terrorised the indigenous population.

The human rights groups that have consistently struggled for justice for the human rights abuses suffered under the dictatorship will most likely see their cause set back significantly. Piñera has already made an agreement with the Carabineros and Armed Forces that there will be impunity for these abuses under his government. It is highly probable that human rights abusers imprisoned under the Concertacion will be pardoned, paroled or otherwise released. Furthermore, it is likely that Piñera will appoint other human rights abusers and their apologists to positions within the bureaucracy, and the various quango's.

On an institutional level Chile will probably suffer increasing corruption. Piñera is an unscrupulous businessman, who has already demonstrated his capacity to mix business and politics. He can now be expected to use political power to enrich himself and his supporters even further, and they will expect to be able to enrich themselves from State coffers also. This is not because they are especially venal, but because the economic structure of Chile means that the State is the most significant creator and distributor of wealth. What effect this will have on levels of satisfaction is hard to say, but it is likely that it will contribute to popular discontent in much the same way that Berlusconi has affected Italian politics.

Latin America has, over the last few years become the scene of an anti-neoliberal surge, in the wake of the economic and political horrors of the 1980s and 1990s, which has seen Leftist governments come to power across the region. These governments have come into conflict with the United States as they have sought to solve the deep structural problems that have prevented them from achieving development and social justice. Chile can now be expected to go from being a behind-the-scenes player, or a neutral actor and tacit supporter of these governments, to becoming a vociferous opponent of the processes in Cuba, Venezuela and Bolivia especially. A political alignment with the noxious Uribe regime in Colombia will be established, and the putschist regime in Honduras will likely be recognised. Furthermore, US policies in the region will now receive enthusiastic Chilean support to the extent that Chile may well offer forces for Afghanistan, and it is not beyond the bounds of possibility that they will offer the US the opportunity to replace the lost military base at Manta with some kind of installations in the north of Chile.

The economic policies and political orientation of Piñera's Chile will also probably lead to Chile's isolation from organisations such as Unasur (which Bachelet was unable to join because of Congress's veto) as well as Mercosur. This will serve to make Chile even more dependent on trade (Chile's main exports are in the primary products chain: minerals, wood, wood chip, fish, fishmeal, fruit, wine and other agroproducts) with the US, Europe and other countries at the expense of regional trade. Given the free market ideological basis of this trade policy, we will probably not see any diversification of exports, nor any investment in technologies or industries that might reduce the dependence on primary products.

The overall effect of these policies will be to polarise Chile further, and most likely lead to a gradual increase in social mobilisation against Piñera and the Right. Whether the Left and the Centre-Left will be able to establish a new, post-Concertacion alternative remains to be seen, but it is likely that a right wing government will lead to an increased politicisation of the population, and therefore the re-emergence in Chile of three political blocks. Institutionally the challenge will be to accommodate these blocks within a system that was explicitly designed to exclude the Left from political representation, an aim that was successful until the latest 2009 elections when 3 Communist deputies were elected to Congress. However, some commentators in Chile point to the success of the Spanish populist Right, and to Berlusconi in Italy as examples of how the Right in Chile may be able to maintain, and deepen its power base. The ultimate result will depend upon the success of the 'progressive majority' within Chile in constructing a strong alternative.

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