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## FEATURED Q&A

# Is Chile's Rewrite of the Constitution Going Off Course?



An increasing number of Chileans have become opposed to proposals coming from the country's Constitutional Convention (pictured). // File Photo: Chile Constitutional Convention.

**Q** Recent opinion polls in Chile indicate that, for the first time, more Chileans would reject the new draft of the constitution than approve it. Survey results released on April 4 show that 40 percent of respondents would vote in favor of the new constitution, while 46 percent would reject it, according to Reuters. An elected assembly is tasked with rewriting Chile's dictatorship-era constitution, which will be put to voters in a referendum this year. What accounts for the sharp decline in support for the constitutional initiative? What specific proposals drafted by the assembly—which is dominated by leftists and independents—have been the most polarizing? What are the consequences for the country if the new constitution is rejected by a majority of Chileans?

**A** Carolina Goic, Chilean senator and former presidential candidate: "Chile's Constitutional Convention is responsible for the weighty task of drafting a new document that addresses widespread citizen discontent that led to months-long street protests. It is hoped that a new constitution will allow a new political era to begin. The challenge is to build 'everyone's house,' or in other words, a constitutional framework that builds a new social contract—one that abandons the divisions of the Pinochet dictatorship. The text of the constitution will be put to Chileans in a plebiscite to be held on Sept. 4. Several recent surveys and opinion polls show that more people would now reject the constitution rather than approve it. Among the proposals that generate the most concerns are those centered around pension funds, changes to the justice system, questions around the definition of a pluri-

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## TODAY'S NEWS

### ECONOMIC

### Traffic Logjam at U.S.-Mexico Border Eases

Snarled traffic at the U.S.-Mexican border eased after Texas Governor Greg Abbott rescinded more intensive safety checks of trucks entering Texas from Mexico and announced new security agreements with Mexican border states.

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### BUSINESS

### Coelho Named Chief Executive of Brazil's Petrobras

Former Brazilian energy ministry official José Mauro Coelho was elected as the new CEO of Brazilian state oil company Petrobras.

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### ECONOMIC

### Russia Asks for Brazil's Help on Western Sanctions

In a letter to Brazil's Economy Minister, Russian Finance Minister Anton Siluanov asked for the South American country's help in countering Western sanctions. Siluanov's letter made no mention of the war in Ukraine.

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Siluanov // File Photo: Russian Government.

## ECONOMIC NEWS

## Russia Asks for Brazil to Help it Blunt Effects of Sanctions

Russia has asked for Brazil's assistance in global finance and trade institutions in a bid to blunt the effects of sanctions on Russia's economy, Reuters reported Thursday. In a letter to Brazilian Economy Minister Paulo Guedes, Russian Finance Minister Anton Siluanov said Moscow needs Brazil's "support to prevent political accusations and discrimination attempts in international financial institutions and multilateral fora," Reuters reported. The letter urges Brazilian officials to support the government of Russian President Vladimir Putin in the International Monetary Fund, World Bank and G20. "Behind the scenes work is underway in the IMF and World Bank to limit or even expel Russia from the decision-making process," Siluanov wrote, without referring to the war in Ukraine, Reuters reported. In February, Brazilian President Jair Bolsonaro met with Putin in Moscow and said, "we stand in solidarity with Russia." The visit happened just eight days before Putin launched an invasion of neighboring Ukraine. Asked about the letter from Russia, Brazilian economy ministry official Erivaldo Gomes, told Reuters, "From Brazil's point of view ... keeping open dialogue is essential. Our bridges are the international bodies, and our assessment is that these bridges have to be preserved." [Editor's note: See related [Q&A](#) in the Feb. 23 issue of the Advisor.]

## Traffic Logjam at U.S.-Mexico Border Eases Further

A traffic logjam at the U.S.-Mexico border eased further on Thursday after Texas Governor Greg Abbott eased orders requiring extra inspections of commercial trucks entering the state from Mexico, the Associated Press reported. The Republican governor lifted the

orders for bridges in El Paso and other Texas cities at the same time that he announced new security agreements with Mexican border states, the wire service reported. "There is a sense of urgency now to reach deals that did not exist before," said Abbott, the AP reported. Abbott had issued the orders for extra inspections on April 6, saying they were needed to lower crime and improve vehicle safety, the Financial Times reported. However, the orders also added hours to the time needed to cross the border and snarled traffic at main ports of entry along Texas' 1,200-mile portion of the U.S.-Mexico border. Truck drivers in Mexico also protested the orders by blocking some entry points, worsening the logjam and putting additional pressure on already-strained supply chains. At a news conference on Wednesday alongside Samuel García, the governor of Mexico's Nuevo León state, Abbott said he was reimplementing a previous practice of random inspections at ports of entry along the border. "The bridge from Nuevo León and Texas will return to normal effective immediately, right now," said Abbott, the Financial Times reported. García said that his state's police force would continuously patrol the border. As of Wednesday afternoon, many of the truckers' blockades appeared to have been lifted, and officials of the U.S. Customs and Border Protection agency said normal commercial crossings had resumed at the Pharr-Reynosa International Bridge as well as in El Paso. Texas and the Mexican states of Chihuahua and Coahuila also agreed on a new security plan that involves the sharing of information captured by technology including security cameras, the Associated Press reported.

## POLITICAL NEWS

## Chile's Constitutional Convention Votes to Eliminate Senate

The assembly that is drafting a new constitution for Chile voted late Wednesday to eliminate the country's Senate, replacing it with

## NEWS BRIEFS

## Argentine Truckers End Strike That Had Threatened Exports

Truckers in Argentina on Thursday ended a strike that had paralyzed the transportation of grains for export in the South American country, Reuters reported. Members of the Federation of Argentine Carriers, or FETRA, had been seeking higher rates for hauling freight. "It was finally resolved with an [increase of] 20 percent and the immediate lifting of the strike," a source close to the truckers talks with the government told Reuters.

## Venezuelan Civil Society Leaders, Economists Call for New Political Talks

A group of Venezuelan economists, civil society leaders and analysts on Thursday urged new political talks between the United States, Venezuela's government and its opposition in order to ease oil sanctions, Bloomberg News reported. The group, which includes Ricardo Cusanno, who formerly headed the Fedecamaras business chamber, political analysts Michael Penfold and Luis Vicente León, as well as economists José Guerra and José Manuel Puente. They called on the U.S. government and lawmakers to overcome "domestic political pressures" that they said have stymied progress on negotiations.

## Enel Planning to Increase Investments in Renewable Power in Brazil

Italian electricity and gas distributor Enel is planning to speed its expansion of renewable power in Brazil by making new investments in wind generation and solar plants, the company's chief executive officer said Thursday, Reuters reported. Brazil already accounts for 40 percent of the company's growth in the renewable market in Latin America, said CEO Francesco Starace.

a new body, the “chamber of regions,” Reuters reported. Leftist members of the assembly have pushed for eliminating the Senate, saying it slows progress on new legislation. However, opponents of the measure say that eliminating the Senate would centralize decision-making and give excessive power to the lower chamber of Congress.

## BUSINESS NEWS

# Coelho Named New CEO of State-Owned Oil Firm Petrobras

Former Brazilian energy ministry official José Mauro Coelho was elected as the new Petrobras CEO for a one-year-term on Thursday, a day after shareholders appointed him to the state-owned oil company’s board of directors, Reuters reported. His election as chief executive followed several weeks of turmoil in the company’s leadership transition after Brazilian President Jair Bolsonaro announced last month that he would replace Joaquim Silva e Luna as CEO, Reuters reported. Coelho previously served as secretary of oil, gas and biofuels in Brazil’s Mines and Energy Ministry, Reuters reported. Coelho vowed Thursday to maintain the current fuel pricing policy at Petrobras, a controversial topic that led to the dismissal of his two predecessors in the position. Petrobras pegs prices for its fuel to the international price of crude instead of subsidizing fuel costs, Reuters reported. “Market prices are a necessary condition to create a competitive business environment, attract investment and new players, expand the country’s infrastructure, and secure supply,” Coelho said in his inaugural speech, the wire service reported. Fuel prices are a political issue in Brazil ahead of the country’s October presidential election. President Jair Bolsonaro, who is trailing in polls behind former President Luiz Inácio Lula da Silva, last month criticized Petrobras for raising prices, Bloomberg News reported. Lula has repeatedly attacked Bolsonaro over high fuel prices.

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national state and the implications of having new autonomous territories. The proposed political system under discussion would also put an end to bicameralism—doing away with the Senate—and in so doing, putting at risk the checks and balances needed for a healthy democracy. The truth is that beyond the details of the proposals, the main task of the constitutional assembly is to build a great national agreement across multiple sectors of society, but there are still many groups that feel excluded from the conversation. So, the draft of the constitution needs to be designed in such a way that people’s uncertainties are lowered rather than heightened. If the draft text that is presented to the Chilean people isn’t clear, or doesn’t address the concerns of certain groups, then it will most likely be rejected.”

**A** **Michael Diaz, managing partner, and Eric Pons, associate attorney at Diaz Reus & Targ:** “The words of Jean-Jacques Rousseau adequately capture the social and political undercurrents in Chile: ‘In truth, laws are always useful to those with possessions and harmful to those who have nothing; from which it follows that the social state is advantageous to men only when all possess something, and none has too much.’ In October 2020, after historic levels of social unrest in Chile related to the private sector’s control of health, housing, education and retirement programs, a super-majority of Chilean voters agreed to overhaul the country’s heavily pro-market constitution enacted under President Augusto Pinochet. The legislature has until July 5, 2022, to finalize a draft of the new constitution, but popular support for it has waned significantly. While the movement to develop a more equitable system remains, the Chilean people seem wary of uprooting the political and financial system entirely, which allowed for decades-long economic progress. The more controversial constitutional reforms include the abolishment of the bicameral

legislature, nationalization of Chile’s natural resources, limiting the amount of mining that can take place near Indigenous land and increased mining operational costs related to addressing environmental concerns. Public support also appears strained due to partisan gridlock in the legislature and a lack of consensus on issues related to the

**“** **Should the Chilean government be unable to deliver a new constitution, the current dictatorship-era constitution will remain in place.”**

— Michael Diaz & Eric Pons

management of pensions, public services and the health care system. In fact, 93 of 96 constitutional reform proposals were voted down in one of the commissions tasked with designing Chile’s new political system. Should the Chilean government be unable to deliver a new constitution, the current dictatorship-era constitution will remain in place. This would be a major setback for President Gabriel Boric’s ambitious social-democratic agenda.”

**A** **Santiago Canton, director of the Peter D. Bell Rule of Law Program at the Inter-American Dialogue and visiting scholar at American University’s Washington College of Law:** “Debate about reforming Chile’s Pinochet-era constitution has been going on since the country’s return to democracy in 1989. The meticulously planned democratic transition would never be truly complete without a constitution drafted ‘by the people, for the people.’ However, the current constitutional reform process is not the product of that longstanding political and academic debate. Rather, it is the offspring of the street demonstrations that allowed for Pres-

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ident Sebastián Piñera to remain in power, and for Gabriel Boric to become president. In this context, part of the decline in support for the constitutional change is closely tied to Boric's approval ratings: the same survey that shows a 10-point decline in the number of people that are willing to approve a new constitution also shows a five-point decline in Boric's approval ratings. Also, some of the proposed reforms have polarized the constitutional assembly, raising concern throughout Chile, as it had grown accustomed to the political moderation of decades past. These polarizing discussions are centered around property rights, the nationalization of the mining sector, freedom of expression and the right to truthful information, Indigenous rights to autonomy and self-government, and declaring Chile a plurinational and intercultural state. In 2019, the prospect of a new constitution addressing the social issues that gave rise to the months-long violent protests helped Piñera end his term without a major social crisis. Failing to approve a new constitution may give rise to new protests and will deliver a dangerous blow to Boric's administration. His capacity for leadership will be under constant scrutiny as he endeavors to unite a polarized Chilean society."

**A** **Patricio Navia, professor of liberal studies at New York University:** "In October 2021, Chileans overwhelmingly voted in favor of starting a Constitutional Convention. People believed that the constitution was the culprit for all the things that did not work well in Chile. Blaming the Pinochet-era constitution became the favorite excuse for many shortcomings that were caused by historical variables and that could be solved by policy reform or by tweaking institutions, rather than writing the constitution anew. Yet, Chileans opted to write a new constitution instead of amending and reforming the

existing one. Now, the convention is made up of people with little political and government experience. They have decided to write a new constitution while ignoring all relevant Chilean history and comparative constitutional law. Chileans are getting increasingly worried about the content of the new text.

“**The text that the Constitutional Convention is drafting is far too radical for what most Chileans want.**”

— **Patricio Navia**

While people wanted to amend the document and make it better, the Constitutional Convention is fixated on starting everything from scratch. It gets into unnecessary detail and covers issues that constitutions in well-functioning democracies don't generally cover. The text that the Constitutional Convention is drafting is far too radical for what most Chileans want. It is unclear what will happen. The convention can still change course and produce a more reasonable constitution that builds on the nation's constitutional history and traditions. People are not that familiar yet with the content of the new constitution. Thus, anything could happen in the referendum in September. But we do know that the Constitutional Convention wasted a precious opportunity to draft a text that could correct the shortcomings of the 1980 constitution and keep what has worked well in Chile. That is what Chileans wanted and that was the mandate the Constitutional Convention had and has failed to fulfill."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

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