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FEATURED Q&A

Has Social Uprising Led to Greater Equality in Chile?



Chile's massive 2019 protests, one of which is pictured above, ushered in a new president and debate over the country's constitution. // File Photo: B1mbo via Creative Commons.

Q Clashes between protesters and police on Oct. 18 marked the third anniversary of widespread demonstrations in Chile. The deadly protests in 2019 against the country's deep inequality demanded improvements in health, education and pensions, as well as more housing. Amid continued unrest and a rejected new constitution, how far has Chile come in addressing the demands of 2019? How successful has the new leftist president, Gabriel Boric, been in fostering dialogue and change? What kind of reforms does Chile need in order to keep violent social unrest from flaring up again?

A Aníbal Nicolás Saldías, analyst for Latin America and Caribbean at the Economist Intelligence Unit: "On the third anniversary of the protests that rocked Chile's once solid political consensus supporting pro-market policies, the country remains mired in political and policy uncertainty that will extend into 2023. In the years following the protests, the political signals have been mixed. On the one hand, a progressive wave in 2020-2021 saw Chileans vote overwhelmingly to support a constitutional rewriting process, and they also elected a majority of left-of-center representatives to the constituent assembly and a left-wing candidate, Gabriel Boric, as president. That wave crashed in 2022 with Boric's popularity tumbling amid high inflation, low growth as well as worsening crime and political violence that his government appeared ill-prepared to address. The constituent assembly, emboldened by Boric's victory, drafted a constitution that was too radical for the median voter. The rejection of the proposed constitution was a

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TODAY'S NEWS

ECONOMIC

Ecuadorian Energy Minister Resigns Amid Corruption Claims

Ecuadorian Energy Minister Xavier Vera resigned Friday amid corruption claims. He denies wrongdoing and said he will defend himself against the allegations.

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ECONOMIC

Former Pemex Official Tapped to Head Mexico Oil Regulator

Mexican President Andrés Manuel López Obrador appointed former Pemex official Agustín Díaz Lastra to head the country's oil regulator.

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POLITICAL

Lula Defeats Bolsonaro in Brazil Election

In a close vote that marked a stunning political comeback, former Brazilian President Luiz Inácio on Lula da Silva defeated incumbent President Jair Bolsonaro on Sunday to return to the presidency.

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Lula // File Photo: @LulaOficial via Twitter.

POLITICAL NEWS

Lula Defeats Bolsonaro in Brazil Presidential Election

In a striking political comeback, Luiz Inácio Lula da Silva narrowly defeated incumbent President Jair Bolsonaro in Sunday's runoff election in Brazil to return to the country's presidency, which he held 2003 to 2010. Lula won 50.9 percent of the vote, while Bolsonaro garnered 49.1 percent, according to Brazil's Superior Electoral Court, which declared Lula the winner. "I will govern for 215 million Brazilians, and not just for those who voted for me," Lula said Sunday night in his victory speech, *The New York Times* reported. "There are not two Brazils. We are one country, one people, one great nation," he added. Bolsonaro made no public statements on Sunday night and has not conceded. He spent months questioning the reliability of Brazil's electronic election system, and before even the first round earlier this month, he and his campaign made numerous unproven claims of possible vote manipulation, raising concerns that he might not accept defeat. Sunday's vote was the closest presidential election since the country's return to democracy in 1985, and it marked the first time that an incumbent president failed to win re-election,

the AP reported. U.S. President Joe Biden was among the world leaders offering congratulations to Lula on Sunday night. "I send my congratulations to Luiz Inácio Lula da Silva on his election to be the next president of Brazil following free, fair and credible elections," Biden said in a statement. "I look forward to working together to continue the cooperation between our two countries in the months and years ahead," he added.

ECONOMIC NEWS

Ecuadorean Energy Minister Resigns Amid Graft Claims

Ecuadorean Energy Minister Xavier Vera resigned Friday following the launch of an investigation into alleged acts of corruption, local daily newspaper *El Universo* reported. Vera is facing allegations that he pocketed bribes in exchange for arranging jobs at state-owned oil company Petroecuador, Reuters reported. Vera, who denies wrongdoing, said he was stepping down in order to defend himself against the claims. "I'm taking a step to the side with the sole purpose of being able to concentrate entirely on defending the slander leveled against me," Vera said in a statement, Reuters reported.

NEWS BRIEFS

At Least Five Killed When Boat Collides With Ship Off Northern Cuba

At least five people were killed Saturday when a boat carrying dozens of people collided with a Cuban coast guard ship off the country's northern coast, the Associated Press reported. The boat was headed toward the United States, and the crash came amid the largest migratory flight from Cuba in decades. A minor and three women were among the dead, and crews rescued about two dozen people, according to state media outlet *Cubadebate*.

Kerry Calls on Mexico to Increase Efforts to Fight Climate Change

U.S. climate envoy John Kerry on Friday called on Mexico to undertake additional steps to reach common climate goals, the Associated Press reported. Kerry made the statement after meeting with Mexican President Andrés Manuel López Obrador in the northwestern Sonora state to discuss the country's green energy transition and climate-mitigation efforts. The U.S. mission to Mexico said Friday in a statement that the visit sought to "promote our shared goals in clean energy and the fight against climate change."

Codelco Reports 50% Drop in Pre-Tax Profits for Year Through September

Chilean state-owned copper miner Codelco on Friday reported a drop in pre-tax profit by 50.4 percent to \$2.61 billion for the period between January and September, Reuters reported. The loss in profits came amid a fall in copper prices and a decreased operating capacity in some of the country's mines. Codelco said in a statement that a "significant drop of 12 percent in the price of copper sales" compared to the previous year accounted for almost half of the drop in profits.

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major blow for the Boric administration and has forced the government to recalibrate and shift to the center. A more pragmatic government will facilitate negotiations with the opposition to pass tax, pension, labor, education and health care reform without unduly harming the business environment. Tax reform is critical for the government's progressive agenda as it will finance the increase in social spending; however, it will be diluted and will raise less than the 3.6 percent of GDP that the government has projected. As a result, the government will have to be judicious with the scope of its

reforms, and that may disappoint supporters with the specter of social unrest lurking in the background."



Javier Couso Salas, professor in the Department of Public Law at the Diego Portales University:

"Up until Oct. 18, 2019, Chile was generally considered to be one of the most stable countries in Latin America. Indeed, after a 17-year-long military regime, the country was able to conduct a peaceful transition to democracy while achieving economic prosperity and a sharp reduction in

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Vera added that he was resigning so that the government would not need to be distracted by the allegations. Vera also thanked President Guillermo Lasso for his support, the wire service reported. Vera previously served as the vice minister of mining and then was appointed mines and energy minister, a post that he held for six months. Late Thursday, agents from the attorney general's office searched Vera's homes in Quito and Guayaquil as well as his office at the energy ministry. They also searched a hotel in Quito where another person involved in the investigation had stayed, Reuters reported. In the raids, agents seized items including computers and phones, which the attorney general's office said "will be entered into the chain of custody, amid the investigation for an alleged crime of bribery." Last Thursday, Vera told local media that no proof existed against him and that the claims were part of a criminal effort to discredit the government. "This is something orchestrated by the mafias which have always prowled around my sector, which drives 30 percent of GDP, and I'm a rock in their shoe," Vera told the Sonorama radio station. "This is not a coincidence, this is a systematic effort to affect the image of the government," said Vera. He added, "There is no concrete case, there is no recording of me, there is no photo of me, there is no audio of me, there is no video of me," Reuters reported.

Former Pemex Official Tapped to Head Regulator

Mexican President Andrés Manuel López Obrador appointed former Pemex official Agustín Díaz Lastra to head the National Hydrocarbons Commission (CNH), according to a statement issued Friday by the oil regulator, Reuters reported. Lastra, who was appointed on Thursday, previously served in the government of Tabasco state, including in the areas of health and commerce. His predecessor, Rogelio Hernandez, abruptly resigned last month before the completion of his seven-year term. The change came at a crucial time for the Mexican energy sector, whose preferential treatment for its state-owned company, Pemex, has sparked

THE DIALOGUE CONTINUES

Would Intervention by Foreign Troops Help Stabilize Haiti?

Q **Haiti, gripped by criminal organizations and on the brink of a humanitarian disaster, appealed to the international community earlier this month for a foreign armed intervention and aid to help stabilize the country. The U.N. Security Council last Friday unanimously approved sanctions against powerful Haitian gang leader Jimmy "Barbecue" Cherizier, and U.S. officials have said the government would revoke the visas of current and former Haitian officials who are involved with gangs. Considering Haiti's history of foreign interventions, what would be the implications of another intervention, and is it necessary? What is at the root of Haiti's current crisis, and how is the situation likely to play out? What types of sanctions can be expected, and how would they affect the country economically, as well as its bilateral relations with the United States?**

A **Keith Mines, director for Latin America at the United States Institute of Peace:** "Haiti is experiencing the greatest crisis of its modern history, in oversimplified terms caused by a breakdown in governance that led to a collapse in public security. Gangs exerted themselves in the vacuum and are using control of food and fuel to exert raw power in a kind of Hobbesian condition as we once saw in Somalia. The power of the gangs can only be broken by a more potent force, and at present there is no mechanism within Haiti to generate that force,

ongoing trade disputes with the United States and Canada. Mexico's nationalist energy policies, as the countries argue, are restricting market access and undermining international companies' investing in clean energy, the Financial Times reported. Pemex has also come under pressure from Mexico's government

thus more and more are calling for foreign intervention. The international community and many Haitians are justifiably cautious about intervention, given the problems some have wrought. But one should remember it was a single contingent that brought cholera and another contingent that brought sexual predations, even as thousands of foreign security personnel served in Haiti with distinction, bringing a transition to democracy, stronger institutions, the space to hold elections and a basic level of security. And 'intervention' in the current context can come in many forms; it is not synonymous with occupation. Advisors and trainers to a Haitian force could be the right formula, and the ticket to those advisors and trainers should be creatively considered. For all the white noise surrounding private contractors, they have very effectively brought peace and stability to parts of Darfur, Afghanistan and Haiti itself. But any work on security, aside perhaps from a temporary humanitarian corridor, must be part of a larger process for a political reset that will facilitate a national dialogue leading to a viable election. The bigger danger now is inaction, and the inclination to speak loudly while generating no stick could resign Haiti to months or even years of desperation."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Oct. 25 issue of the Advisor.

to reverse falling production while investors are scrutinizing its poor environmental and social footprint. Last month, during a hearing in Mexico's Senate, Lastra highlighted the importance of investing in new technologies to promote optimal exploration and production in the country, Reuters reported.

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poverty (though only a marginal reduction in inequality). These features made the social uprising that emerged in 2019 a surprising development for almost all analysts, and it is still the subject of debate among specialists. Three years later, the situation has changed. Instead of heading into a more radical direction, Chileans appear to want a more gradual path toward social justice. Furthermore, the relevance that rising crime rates and inflation have gained in recent times have shifted the demands that the people have expressed. In this context, it came as no surprise that the clashes between protesters and the police on the third anniversary of the social uprising were circumscribed. At this point, it is worth asking if the demands for more equality in health, education, pensions and housing have been abandoned. Or if, to the contrary, they still concern the Chilean people. The latter is most likely the case, but—as opposed to 2019—those demands now compete with others. Furthermore, even though it is still too early to know, the categoric rejection of a new constitution enshrining more social rights suggests that Chileans do not think that the former is the main instrument to achieve equality. In this context, President Boric faces the great challenge of channeling competing demands in a harmonious way.”

A **Michael Albertus, professor of political science at the University of Chicago:** “Chile is now three years into its political crisis with no clear end in sight. The nation remains polarized, and the project to renovate its social pact through a new constitution is stuck. Voters rejected the status quo but were not ready for the wide-scale social and economic transformation that the reformers envisioned. This puts President Gabriel Boric in an exceptionally difficult position, particularly since one of

the alternative routes to reform runs through Congress, a deeply distrusted institution in Chile. Meanwhile, there has been very little

“**There has been very little progress on the bread-and-butter issues that motivated Chileans to turn out on the streets en masse to begin with”**

— Michael Albertus

progress on the bread-and-butter issues that motivated Chileans to turn out on the streets en masse to begin with. Aside from a modest increase in pensions and backing off on increasing selected transportation costs, inequality remains sky high, and many Chileans are disappointed in the health, pension and education systems. Unless the country makes significant, concrete progress on those issues in the next year, instability will continue, and Boric’s star will fade.”

A **Diego Valenzuela, retired Chilean ambassador:** “President Boric’s support, at present, is around 30 percent; his government role in conducting political debates has lost weight. Political parties are debating important issues such as a new constitution, the budget, tax reform, pensions, health, education, migration and security. Challenges such as inflation, recession, losses in investment, productivity and employment will hopefully be met with ample agreement in Congress. In the long term, optimism shall prevail.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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