

THE START OF A NEW ERA IN CHILE: SEBASTIÁN PIÑERA WINS PRESIDENTIAL ELECTIONS AGAINST EDUARDO FREI

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Sebastián Piñera Echenique from the oppositional center-right "Coalición por el Cambio" is Chile's next president after defeating his closest rival Eduardo Frei Ruiz-Tagle from the ruling center-left grouping "Concertación por la Democracia" in a run-off vote on January 17, 2010. Piñera was able to obtain 51.61 percent of the popular vote, making this the second-closest result of the last twenty years. The center-right parties were able to secure victory in the presidential election for the first time since the end of Pinochet's dictatorship and Chile's return to democratic government in 1989. Piñera will succeed the incumbent President Michelle Bachelet of the Socialist Party on March 11, 2010. Despite her popularity, the Chilean constitution prohibited Bachelet from seeking a second consecutive term in office.

Piñera's Coalición por el Cambio is an alliance of the two conservative parties Renovación Nacional (RN) und Unión Demócrata Independiente (UDI) – which actively supported President Pinochet during his rule – along with ChilePrimero, a relatively small and young party, which advocates a liberal ideology. Conversely, the Concertación is composed of Frei's Christian Democratic Party (PDC), the Radical and Social Democratic Party (PRSD), the Social Democratic Party (PPD), and the Socialist Party (PS). This party coalition played an active role in the defeat of the former military regime in Chile's referendum in 1989, and has been ruling the country ever since.

With 44 percent of the vote, Piñera had already won the first round of the elections in December, albeit below the 50 percent threshold which would have secured him an automatic victory. The Christian Democrat Eduardo Frei, who already ruled the country between 1994 and 2000, obtained a disappointing 29.62 percent, by far the Concertación's worst ever result. Two other candidates competed in the first round of the elections. Marco Enríquez-Ominami came in third with 20.12 percent, a remarkable result considering that he ran as an independent candidate. The 36-year-old parliamentarian had decided to quit the Socialist Party in June 2009, given that his superiors were unwilling to consider him for the primaries of the Concertación to determine their next presidential candidate. The fourth candidate, Jorge Arrate of the Communist Party, obtained merely 6.21 percent on Election Day.

In addition to the first round of the presidential election, voters elected on December 13, 2009 the composition of both houses of Chile's Parliament. The ruling Concertación was able to obtain an important victory in the Senate by securing 19 out of 38 seats, in large part thanks to the strong show-

ing of the Christian Democratic Party, which has become the strongest party in the upper house with 9 senators. Conversely, in the elections to the lower house, the Coalición por el Cambio defeated the center-left alliance for the first time since 1989. In total, Piñeras coalition obtained 58 out of 120 mandates, after improving its share of the popular vote from 38.70 to 43.4 percent compared to the previous elections in 2005. The Concertación, on the other hand, saw its vote drop from 51.77 to 44.4 percent, the governing coalition's worst result since the country's return to democracy in 1989.

At first, Piñera's victory may appear as somewhat counterintuitive considering Chile's currently outstanding economic condition in comparison to its South American neighbours. Over the past twenty years, the country has witnessed a remarkable economic growth and development due to its solid integration into the world economy. Chile has currently signed more than twenty free trade agreements which include 56 of the world's largest economies, granting it a privileged access to roughly 85 percent of the global market. Due to its economic diversification, the country also performed far better than most other Latin American states in face of the global financial crisis. Political analysts have also praised in particular the government's decision to put aside the profits stemming from Chile's export of copper, which enabled Ms. Bachelet to finance a series of counter-cyclical measures which helped to effectively reduce the negative domestic impact stemming from the global downturn. This has boosted the popularity rating of her government to 78 percent in October 2009 – by far the highest approval a Chilean government has ever obtained during the last twenty years.

In view of the Chilean success story one would have probably doubted that Piñera would be able to convince his countrymen that a change in government was necessary. A number of reasons help explain why he has ultimately achieved this goal. Despite the country's comparatively excellent economic standing, Chile has also been troubled by a series of difficulties, most notably the continuous social inequality and poverty in large parts of its population. Only Brazil has a more unequal income and wealth distribution in the region. Moreover, many Chileans believe that the country's economic development has stagnated since the middle of the 1990s, remaining far off from reaching its full potential. Many voters viewed the Concertación as suffering from fatigue after twenty years in government and lacking the necessary ideas in order to guarantee a sustainable development in the coming years.

Piñera meanwhile presented himself during his campaign as a dynamic force for change and improvement, pledging the creation of one million additional jobs and an annual growth rate of six percent – a message that resonated with voters across the country. However, despite Piñeras promises, one should not expect fundamental changes over the coming years, given that

Chile's political elite is characterized anyway by a general consensus that the country has no other alternative to integration into the global market economy. Piñera will therefore primarily continue down the economic path of his predecessors.

During his term in office, he will have to deal with a number of issues. Various economic experts claim that Chile needs to become less dependent on copper, which currently accounts for more than half of its exports and much of the nation's wealth. A further problem is the poor education and research sector as well as the above-mentioned persistent social inequality left over from the rule of Augusto Pinochet.

In foreign policy, Piñera will likely act less tolerant towards socialist states like Cuba, Bolivia or Venezuela than the current President Bachelet. Piñera, who was educated in the United States, may place a stronger emphasis on good relations with Washington instead. He has also indicated during his campaign that he plans to intensify Chile's relations with the European Union and make better use of its association agreement.

The coming months will provide an indication of how Chile's two large coalitions will be dealing with one another during the next governmental term. Piñera himself proclaimed on the day of this election victory that he planned to create a "government of national unity in order to tear down the walls which separate us." Given the fact that he lacks a majority in Congress, his government will inevitably have to work closely and seek consensus with the center-left opposition on important and controversial issues, such as the privatization of the national copper producer Codelco. The Concertación meanwhile will need to decide what kind of stance it will take vis-à-vis the new government: cooperative or confrontational. After conceding his defeat, Eduardo Frei proclaimed that his coalition would establish a constructive dialogue with the government. Not everyone shares this viewpoint, however. For instance, the president of the Socialist Party highlighted that the Concertación would need to aggressively defend its social work of the past twenty years against the political right.

These opposing stances are indicative for the ever-increasing tensions within the Concertación. For a long time, there has been speculation that the coalition may be about to disband in case of an election defeat. Some have advocated the creation of a new alliance including not only the current four partners but also other left-wing parties and organizations from civil society. At this point, it is especially the future of the Christian Democratic Party which remains unclear. After having dominated the Concertación for a long time, the PDC has seen its influence diminish in recent years compared to its more left-wing allies. Furthermore, given that Piñera stems from a family of Christian Democrats and will need to secure future majorities in Congress, he may

well try to entice the PDC to join his coalition instead. This move could lead to tensions within the party, which has presented itself fairly united during the past year.

IN: *Auslandsinformationen* 3/2010, ISSN 0177-7521, Konrad-Adenauer-Stiftung e.V., Berlin, p.130-134