Second-Year Slide Continues For Chilean President Sebastián Piñera

Benjamin Witte-Lebhar
Second-Year Slide Continues For Chilean President Sebastián Piñera

by Benjamin Witte-Lebhar
Category/Department: Chile
Published: Friday, June 10, 2011

Chilean President Sebastián Piñera hit something of a political home run last year when he delivered an ambitious—and unexpectedly centrist—May 21 State of the Nation address that left his would-be critics in the reeling Concertación coalition with surprisingly little to say (NotiSur, June 18, 2010). Chilean presidents always deliver their annual State of the Nation speeches on May 21, a national holiday commemorating the 1879 Battle of Iquique, which occurred during the War of the Pacific, which pitted Chile against Peru and Bolivia.

What a difference a year can make. If recent poll numbers are to be believed, last month’s follow-up performance was more of an infield pop up for the now struggling president—yet another misstep in a stubborn sophomore slump that shows no signs of subsiding.

Why the sudden change of fortune for the billionaire president? Has Piñera lost his gift of gab? The answer may have less to do with the content of his 2011 address than with the context in which it was delivered. With the exception of energy policy, an issue he barely touched on last year, the president’s May 21 speech stuck to most of the same policy goals and themes he introduced in 2010.

What has changed during the interim is Chile’s overall political landscape. Corruption scandals, embarrassing Cabinet resignations, steadily declining approval numbers, and, more recently, large-scale anti-government protests have shifted momentum away from Piñera’s conservative administration and emboldened the opposition. Tongue-tied after the president’s first major speech before Congress, the political left had no trouble raising a stink when it came to this year’s address, hounding the president before, after, and even during his nearly two-hour presentation.

Sticking to the program

Just as he did in 2010, Piñera began this year’s address with a call to end poverty and endow Chile with "developed" status by the end of the decade. Describing the ambitious goal as both a "mission" and a "noble cause," the president invited his nationwide audience to join him in building a "society of securities, opportunities, and values."

In his first f of the Nation speech, the brand-new president introduced seven policy priorities: economic growth, job creation (he famously called for 1 million new jobs), improved policing, better education, improved health care, poverty reduction, and modernization of the state apparatus. In addition, he promised relief and reconstruction for the hundreds of thousands of Chileans battered by last year’s massive magnitude 8.8 earthquake, which struck Feb. 27, 2010, less than two weeks before Piñera took office (NotiSur, March 12, 2010).

The president revisited those policy goals in this year’s speech, going through the list point by point in an effort to detail his administration’s accomplishments. "Now is the time for an assessment," he said. "Let the facts speak for themselves, in all their force and eloquence."
Offering a laundry list of numbers, the president said that 70% of the country’s damaged or destroyed schools and 85% of its hospitals have been repaired. Nearly 100% of the damaged roads and bridges are back in working order. And 146,000 of the 222,000 families who lost homes in the disaster have received government subsidies.

The economy is growing steadily and, in just the past year, has created nearly a half million new jobs, the president boasted. On the health-care front, waiting lists for treatment through the public AUGE health-care program have been slashed—from 380,000 people a year ago to just 53,152 now, according to Piñera. And "things are changing" when it comes to public security. "We’re getting tougher with criminals and drug dealers and friendly with victims and citizens," he said.

Looking toward the future, Piñera promised that by this time next year—the start of winter in Chile—all earthquake victims still living in temporary encampments will have permanent housing solutions. The president also announced plans to build nearly 150 "mini-stadiums" to promote athletics and to begin construction on two new lines for Santiago’s subway system. In addition, he promised relief for Chile’s urban homeless, announcing a program called Noche Digna (decent night) that focuses on improving shelters.

"[These are the goals] of a government that is changing the rhythm of the nation," Secretary-General of the Presidency Cristián Larroulet later told reporters. "As the president said at the start of his speech, this is about lifting up the country, raising the development level. To do that, we needed to do away with the wasted energy and efforts that were occurring before, especially during the final Concertación government."

**Second-year stumbling blocks**

One year ago, "energy" really did seem to be a problem for the gassed-out Concertación, which had just lost its 20-year grip on power and was clearly having difficulties adjusting to the unfamiliar opposition role. Formed during the end of the Gen. Augusto Pinochet dictatorship (1973-1990), the four-party coalition won four straight presidential elections before losing to Piñera in a January 2010 runoff (NotiSur, Jan. 22, 2010).

Complicating matters for the Concertación were the devastating earthquake and tsunami that struck just ahead of Piñera’s inauguration. The emergency energized the new president and left the Concertación with little choice but to heed Piñera’s calls for unity and support his relief and reconstruction program.

The new president’s first May 21 speech seemed particularly perplexing for the still-struggling Concertación. While opposition leaders might have guessed he would dedicate much of the address to politically untouchable earthquake matters, they seemed genuinely surprised by just how "Concertación-like" the president’s other announcements were. Rather than cut back on the long-governing coalition’s signature social programs, Piñera promised to expand them—and even add new ones.

"The speech threw the current opposition for a loop because obviously it trumped some of their historical cards, those that have to do with social protection," Dr. Marco Moreno, a political science professor with Chile’s Universidad Central, told NotiSur in June 2010.

Since then, however, the opposition appears to have recharged its batteries. Internal elections resulted in much-needed new leadership for the Concertación’s four member parties, which have
also learned to cooperate better with the coalition’s various "díascolos" (rebels)—people like Sen. Alejandro Navarro of the independent Movimiento Amplio Social (MAS). Navarro, formerly of the Partido Socialista (PS), was one of several high-profile lawmakers who left the Concertación in recent years.

In addition to the PS, the Concertación includes the Partido Demócrata Cristiano (DC), Partido por la Democracia (PPD), and Partido Radical Social Demócrata (PRSD).

Finally starting to ease into the unfamiliar opposition role, Concertación leaders began sharpening their attack in earnest about six months ago, taking the president to task on the very issue that began as such an Achilles’ heel for the new opposition: the earthquake. Echoing complaints from residents in the hard-hit Maule and Biobío Regions, where housing relief has been slow to arrive, the opposition hammered away at the Piñera administration, directing its harshest criticism at then head of the Ministerio de Vivienda and Urbanismo (MINVU) Magdalena Matte (NotiSur, Dec. 10, 2010).

The opposition opened up a second line of attack in February, when Sen. Navarro publicly accused Biobío Intendente (regional governor) Jacqueline van Rysselberghe of mishandling earthquake-relief funds. Rysselberghe, a rising star in the far-right Unión Demócrata Independiente (UDI), served for many years as mayor of Concepción—Chile’s second-largest city and the closest to the epicenter of last year’s quake—before Piñera handpicked her for the intendente job.

The initially defiant intendente eventually resigned in April (NotiSur, May 13, 2011), but not before provoking some serious internal strife within the governing Alianza coalition, which groups the UDI with Piñera’s more moderate Renovación Nacional (RN). Two weeks later, Minister Matte also resigned amid a separate—and ongoing—corruption investigation involving the MINVU.

The HidroAysén effect

Adding to Piñera’s woes is the sudden eruption of a long-simmering conflict regarding plans to build large-scale hydroelectric dams in far southern Chile’s Aysén Region, a largely undeveloped wilderness in what is more popularly known as Patagonia.

For the past four years, the HidroAysén company has been pushing for permission to build five massive hydroelectric dams along Aysén’s isolated Baker and Pascua rivers (NotiSur, Oct. 17, 2008). HidroAysén, a joint venture between Italian-owned Endesa and Chilean utility Colbún, insists Chile needs the multibillion-dollar project to continue developing. Together the dams promise an installed capacity of 2,750 megawatts, a huge single source of energy for a country’s whose total overall grid is just 15,000 MW.

From the beginning, however, the project faced fierce resistance from environmental groups—both in Chile and abroad—that successfully built a nationwide opposition movement under the banner "Patagonia sin Represas" (Patagonia without dams). Polls suggest that a growing majority of Chileans (as much as 70%) now oppose the dams, which are seen as posing a tremendous environmental threat to the pristine Baker and Pascua river valleys.

The controversy came to a head May 9, when Aysén’s regional environmental board (staffed by political appointees) voted to approve the polemical project. The decision sparked immediate demonstrations. Tens of thousands gathered that night in Santiago’s Plaza Italia to protest the
ruling. Between 40,000 and 80,000 (depending on who is counting) stuffed the plaza again on the eve of Piñera’s May 21 address.

And, on the day of the speech, several thousand demonstrated outside the Valparaíso Congress building. Inside the building, a group of Concertación deputies lifted up a "Patagonia sin Represas" banner just as the president began to launch a defense of the HidroAysén project.

"To say that [nonconventional renewable-energy sources] hold the answers to all of our problems is to talk about a utopia that is deceiving for all Chileans. For that reason, we cannot end up rejecting hydroelectric and thermoelectric projects," said Piñera. "We know that approving new power plants and transmission lines generates passionate controversies. The easy path would be to put off those decisions, to leave them for the next government. I’m clear about my responsibilities toward the environment, but I’m also clear about my responsibilities for the country."

**A growing chorus of critics**

In total, the opposition interrupted Piñera seven times during his May 21 speech. During a television interview the following day, the president complained of a "lack of respect." He went on to say that his opponents "crossed a line that isn’t good for Chile," a sentiment shared by many of his political allies.

The head of the RN, Dep. Nicolás Monckeberg, called the Cocertación’s behavior "inconceivable." Concertación leaders "seem like they don’t understand they lost the election," he added.

Interior Minister Rodrigo Hinzpeter chided the opposition for being "obstructionist." He told reporters on May 22, "Yesterday, the president made a clear call for unity. Truthfully, one would have hoped the opposition would be more patriotic and accept that call."

Unconvinced by Piñera’s plea for unity and clearly unfazed by the Alianza rebukes, opposition leaders skewered the presidential address. PS Sen. Camilo Escalona called Piñera’s plea for national unity "hypocritical." Osvaldo Andrade, the current PS president, characterized Piñera’s many announcements as "stupendous," just not very credible. And former presidential candidate Marco Enríquez-Ominami, a one-time PS deputy who split off to form the Partido Progresista (PRO), said the speech was more noteworthy for what Piñera did not talk about—hunger-striking Mapuches and same-sex civil unions, for example—than for what he did.

The address even drew criticisms from some unlikely sources. Sen. Horvath, a member of the president’s party, criticized Piñera’s position on the HidroAysén controversy, while Sen. Adolfo Zaldívar of the moderately conservative Partido Regionalista de los Independientes (PRI) described the speech as a "mistake."

"This is the first time since I’ve been in the parliament that I’ve heard such a provocative speech," said the veteran senator. "I think the president committed a serious mistake in provoking the parliament."

How this war of words will play out in the coming months remains to be seen. For the moment, however, momentum appears to be stacked against the president. Even with unemployment dropping (it now stands at a modest 7% according to the Instituto Nacional de Estadísticas, INE) and the economy surging (the government anticipates 7% growth for this year), polls show support for
the president waning. A survey released on June 2 by the polling firm Adimark puts the president’s approval rating at just 36%, below the 40% mark for the first time since he took office.

In the meantime, popular frustration remains high concerning the HidroAysén decision, which President Piñera continues to staunchly defend. Major demonstrations against the project continue week after week in Santiago. The latest occurred June 5.

"HidroAysén is a very mobilizing factor, but I’d say there are other things there as well," Sen. Andrade explained in a May 23 interview with the daily La Nación. "You have the student demonstrations, the port workers, and also the case of the Mapuches. There is a group of Mapuche [prisoners] who have been on a hunger strike for more than 60 days. They don’t say it, but those things are also part of a wider protest situation."

-- End --