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Scandals Prompt Sudden Candidate Switch For Chile’s Governing Coalition

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A congressional "no-confidence" vote, a timely high court ruling, and some embarrassing media revelations have hit Chile’s Alianza like a perfect storm, further dampening the governing coalition’s hopes of fending off opposition challenger, popular ex-President Michelle Bachelet (2006-2010), in November elections.

Desperate for some momentum following Bachelet’s dramatic late-March leap into the presidential race (NotiSur, April 19, 2013), the two-party Alianza has instead been forced to backtrack—most notably by dumping its most popular presidential candidate Laurence Golborne, a former business executive who held several ministerial posts under President Sebastián Piñera.

Golborne soared to political prominence in 2010 when, as head of the Ministerio de Minería, he helped orchestrate an ultimately successful effort to free nearly three dozen men from a partially collapsed mine in Chile’s Atacama desert. The rescue of "los 33," as the miners were dubbed, was an international media sensation. It also provided a political boost, albeit a fleeting one, for Golborne’s boss, President Piñera.

Unlike Piñera, whose approval rating fell precipitously starting in 2011, Golborne managed to preserve his post-rescue popularity. Touted as the right’s best chance of retaining power past 2014, when Piñera’s term runs out, the affable minister was eventually chosen to represent the hard-right Unión Demócrata Independiente (UDI) against Renovación Nacional (RN) candidate Andrés Allamand in next month’s intra-Alianza presidential primary.

Two weeks ago, however, Golborne’s political stock took a sudden and devastating plunge. On April 25, Chile’s Corte Suprema de Justicia (CSJ) resolved a long-pending class-action suit against Golborne’s former employer, retail giant Cencosud. The case dates back to 2006, when Cencosud decided to increase service charges for users of one of its supermarket-chain credit cards. At the time, Golborne served as the company’s general manager. Consumers called the fee hike unnecessary and abusive. The CSJ agreed, ordering Cencosud to change its business practices and compensate its Jumbo Más credit-card users to the tune of US$70 million.

Golborne responded to the ruling first by defending the company’s controversial policy decision. "It doesn’t seem abusive to me," he said. Later he tried to sidestep the issue by saying he had implemented the fee hikes on orders from above. Lambasted by the left, Golborne also took a beating from his coalition rival Allamand, a former senator and RN cofounder who served as President Piñera’s defense minister. "Serious abuses were committed that affected thousands of people," the RN candidate told reporters. "Laurence was the general manager … therefore it’s up to him to offer explanations."

Two days later, things went from discouraging to downright disastrous for Golborne, who found himself engulfed in yet another financial scandal, this time about offshore investments he allegedly failed to declare at the time of his original appointment, three years ago, to Piñera’s Cabinet.

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The beleaguered candidate fired back, calling the media-driven accusations an "attack on his honorability." The damage, however, was done. On April 30, Golborne—who had gone from golden boy to goat in a span of just five days—officially withdrew his candidacy.

**Cooking the books?**

The UDI replaced Golborne almost immediately, choosing yet another member of Piñera’s Cabinet, Pablo Longueira, who served as economy minister before stepping down last week to focus on the presidential race. Unlike Golborne, a political novice before joining the Piñera administration, the UDI’s new candidate is a party stalwart with a political trajectory dating all the way back to the dictatorship of Gen. Augusto Pinochet (1973-1990). Longueira served as a junior-level advisor in the Pinochet government’s Ministerio de Vivienda y Urbanismo. "He was one of my dad’s favorites," Lucia Pinochet, the deceased dictator’s daughter, said of Longueira in a February interview with El Segundo. "So much so that my dad financed his first election campaign."

A faithful disciple of the slain UDI ideologue Jaime Guzmán, an attorney, law professor, and eventually senator assassinated in 1991 by militant leftists, Longueira is unabashedly right-wing. Speaking at the UDI’s Santiago headquarters in late April, he promised to lead a "great crusade" bent on increasing Chile’s prosperity. "There's no better public policy than economic growth and full employment. This is what governments of the right accomplish," Longueira said. Assuring supporters there will be no room for communists in his coalition, he went on to say that a victory by the left would put the country’s economic development at risk. "When we look at the continent as a whole, we see that the left has done nothing more than spread misery, demagoguery, and populism," Longueira said.

Analysts predict that Longueira’s candidacy will serve to energize the UDI’s conservative base. But it also presents an opportunity for his RN rival Allamand, who already has several months of campaigning under his belt. The former defense minister trailed in the polls against the charismatic, politically ambiguous Golborne. Against his new, hard-line challenger, the more moderate Allamand may now have the upper hand.

Longueira has another potential problem on his hands: a brewing scandal involving the Instituto Nacional de Estadísticas (INE), a research body responsible for providing the government’s official facts and figures. In late April, the online investigative-journalism site CIPER revealed that the INE—a branch of the Ministerio de Economía—may have tweaked the numbers on its most recent national census. The institute’s inflation figures are also under scrutiny.

INE director Francisco Labbé dismissed the claims as politically motivated "lies." Nevertheless, he quickly resigned. Critics are now turning their attention to Longueira, who, as head of the Ministerio de Economía, was ultimately responsible for the work being produced by the INE and other ministry dependencies. How much, observers are beginning to ask, did Longueira know about INE’s number-crunching problems?

**Bye-bye Beyer**

In an attempt to fend off his would-be critics, Longueira has gone on the offensive. "If [Congress] wants to accuse me of negligence, let them accuse me," he said in a May 1 interview with La Tercera. The former minister may want to be careful what he wishes for. Opposition lawmakers recently put one of Longueira’s Cabinet colleagues, former education minister Harald Beyer, through just
such a process. Claiming that Beyer failed to adequately address illegal profiteering in certain private universities, the minister’s congressional critics eventually forced a no-confidence vote. On April 17, the Senate, voting mostly along party lines, ruled 20-18 to impeach Beyer, forcing him out of government.

Some analysts called the impeachment a victory for Chile’s powerful student-led education-reform movement, which has been active since 2011 (NotiSur, July 22, 2011). Under pressure from demonstrating students, President Piñera had already replaced two education ministers. Movement leaders did not care much for Beyer, a consummate technocrat, either. The feeling, apparently, was mutual. "For me the CONFECH [Confederación de Estudiantes de Chile] is just another pressure group. As such, they, like any other pressure group, can go ahead and make their arguments, but there’s no reason they should get any special treatment," Beyer told La Tercera late last month.

Others say the move to sack Beyer was purely political, orchestrated by the center-left Concertación coalition—Chile’s leading opposition force—as a way to score points against the Piñera administration and thus weaken the Alianza’s chance of re-election. The Economist offered yet another explanation, saying the vote "smacks of revenge." Five years ago, the center-right did the same thing to Bachelet’s then minister of education Yasna Provoste (NotiSur, May 23, 2008).

Either way, Beyer’s forced dismissal—just weeks after Bachelet’s return to Chile—was a blow the struggling Alianza can ill afford right now. Once the coalition settles on a single candidate, it will be better able to focus its energy on attacking Bachelet, who is expected to breeze through the Concertación’s own primary election, also scheduled for late June. Chile’s general election is set for Nov. 17. The Alianza still has time to make up ground. Whether it can actually catch Bachelet at the end is another question altogether.

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