



# Chile's 2013 Presidential Elections

*Explanations and Predictions*

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### Purpose

This document analyzes and provides a commentary on the current political environment in Chile in the lead-up to the second round of this year's presidential elections. Chile's place among the most stable political and economic systems in the Western Hemisphere renders pivotal a close look at the elections and their implications—for the benefit of policymakers, diplomats, and the private sector alike. The report explains the current environment, as well as providing projections for Chilean domestic and international policy moving forward.

### Introduction

In the first round of Chile's presidential elections on November 17, Michelle Bachelet, of the progressive New Majority (*Nueva Mayoría*) coalition, commanded a resounding lead. Garnering 46.7 percent of the popular vote—and putting her 20 points ahead of Alliance for Chile (*Alianza por Chile*) candidate Evelyn Matthei, her nearest rival—the former president is the likely victor in the runoff elections scheduled for December 15.

This election cycle is a special one in Chile. When Chileans vote for their next president on December 15, they will, as in the first round, do so voluntarily given the recent lifting of mandatory voting. Under that old system, electoral results were easier to predict. But even with the increased uncertainty in this year's electoral forecasts, many are already declaring Bachelet the next president of Chile.

Any discussion of the implications of this electoral cycle must take into account the current tumultuous political environment in Chile—one that has developed over the course of current president Sebastián Piñera's leadership. And though Chile has posted high growth in recent years, the Chilean Central Bank's lowered 2014 growth projections that came out earlier this month could be a signal for economic trouble moving forward.

But what lies ahead for a future Bachelet government ultimately has to do in great measure with how the president balances two phenomena: her personal popularity and political capital on one hand, and the diversity of her coalition on the other. This will be particularly challenging given the strident social demands that have emerged in recent years and the high levels of expectation Bachelet has done little to tame. That said, the weakened right wing of Chilean politics might bolster Bachelet's strength, at least early on—though a conservative resurgence would bode ill for the would-be president's ability to effectively lead.

## Projections

We predict that a Bachelet victory will carry the following implications for Chile's domestic and foreign policy (to be elaborated on at greater length below):

<b>Domestic Policy</b>	<b>Foreign Policy</b>
<ul style="list-style-type: none"><li>▪ Reform of Chile's education system, at the high school and university levels;</li></ul>	<ul style="list-style-type: none"><li>▪ Maintenance of Chile's commercial commitments, particularly in the realm of global trade liberalization;</li></ul>
<ul style="list-style-type: none"><li>▪ Large-scale tax reform, designed with funding education reform and services provision in mind; and,</li></ul>	<ul style="list-style-type: none"><li>▪ Refocusing of Chilean foreign policy on its traditional priority: its relations (and border disputes) with its immediate neighbors; and,</li></ul>
<ul style="list-style-type: none"><li>▪ Attempted constitutional reform, perhaps pushed for by means of a plebiscite, relying heavily on the New Majority's ability to garner congressional support.</li></ul>	<ul style="list-style-type: none"><li>▪ Continued commitment to Chile-Brazil relations, the country's closest relationship in South America.</li></ul>

## Piñera's Presidency: The Backdrop for the 2013 Elections

Piñera's presidency was largely characterized by four events: the 2010 earthquake, the trapping and rescue of miners that same year, the country's robust economic growth, and the widespread student protests that have persisted throughout his presidency.

The massive earthquake, which struck Chile just two weeks before Piñera took office, initially provided the new president with an opportunity to demonstrate his effective leadership, with many praising his decisive handling of the crisis. And, though lagging reconstruction efforts eventually took a toll on his approval ratings, the administration responded by speeding up the process and working tirelessly to repair the damage done.

The mining crisis—in which 33 Chilean miners found themselves trapped underground when the mine they were working in collapsed—garnered massive international attention. And when the rescue efforts proved successful, Piñera's approval ratings increased to an all-time high of 63 percent.

But this positive sentiment, even when coupled with the country's average annual growth rate of 5.5 percent and persistently low unemployment, have not been enough to counter the combined effects of social movements, protests, and the missed opportunities that have plagued Piñera's presidency.

The protests began as a push for education reform, but have come to encompass constitutional and energy reform, as well as a variety of social issues. Some have, as a result, called Chile a "victim of its own success," as the government's ability to provide social services has grown at a much slower rate than the country's economy. But regardless of the rationale, one thing is clear: Chile is going through a social and economic transition, and Chileans want change.

## Michelle Bachelet and the Domestic Policy Environment

The current domestic policy environment in Chile has shaped the nature of Bachelet's campaign—and will only do the same for her administration, should she emerge victorious later this month. The following discussion describes the electoral environment, Chileans' demands for change, and Bachelet's plans to meet and manage those expectations.

### Electing Bachelet: The Political Context

Though Bachelet held the presidency from 2006–2010, her return to power is the culmination of an exceptional career—one that took her from exile during the Pinochet dictatorship to the very center of the international system in her role as the first head of UN Women.

It was her extraordinary personal popularity in Chile that prompted her to leave her position at the UN to campaign as the head of a renewed Concertación party—now rechristened the New Majority coalition. In addition to its traditional Christian Democrats and Socialists, this coalition now includes the Chilean Communist Party and assorted fledgling movements from across the country—among them the student-led Democratic Revolution party.

It might seem surprising that Bachelet, who left office with approval ratings over 80 percent, would deem it necessary to expand her coalition to include communists and others—particularly given perceptions that Chileans are increasingly disillusioned with the country's political right wing. The small, traditionally dissenting groups that have been folded within Bachelet's coalition, however, made a stronger showing in November's parliamentary elections than they had in previous years, and thus may prove pivotal to the country's legislative efficiency. Though the New Majority did win the largest number of legislative seats in both houses, it failed to achieve the supermajority that would have allowed it to push laws and reforms through unopposed.

By clearing the way for small, left-of-center candidates, the New Majority has created institutional space for new, often young, political actors. These will be valuable as the country moves toward discussing its institutional future—a conversation that many of these same individuals have been key in shaping in their previous activity as students or community leaders. Bachelet has brought several of her previous critics into her coalition. It remains to be seen whether this investment will pay off.

### What Do Chileans Want?

It is important not to mistake the prevalence of protests under the Piñera administration as the original emergence of Chileans' social demands. The student movement that took shape in 2011 was, in reality, a continuation of the 2006 Penguin revolution, in which high school students took to the streets to protest for better quality secondary education.<sup>1</sup> What began with a list of specific demands has since expanded to include an array of

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<sup>1</sup> For an overview of the Penguin Revolution, see Donna M. Chovanec and Alexandra Benitez, "The Penguin Revolution in Chile: Exploring Intergenerational Learning in Social Movements," *Journal of Contemporary Issues in Education* 3, no. 1 (2008).

social demands, spanning political decentralization, environmental protection, and gay marriage.

Most notably, many groups eventually came to the conclusion that real change in Chile would only be possible with a new constitution. And considering the crisis of legitimacy of many of the country's political institutions (including, most notably, Chile's political parties and legislature), many argue that the only way to develop a suitable document would be through a constituent assembly. As of CEP polling last October, the majority of Chileans supported a new electoral system, and nearly half supported the idea of a constituent assembly aimed at constitutional reform as well.

In other words, the social movements of the last few years have less to do with direct opposition to Piñera, and more to do with the evolution of public opinion in Chile. In part, this change is generational. Support for a constituent assembly, for example, is 11 points higher among those 25–34 years old than it is among those aged 55 and higher. With marriage equality, the generational change is even more dramatic: while 60 percent of those aged 18–24 support gay marriage, only 21 percent of Chileans 55 and over do.

Although there is a clear push for political modernization, the nature of Chileans' economic demands is less clear. While the student movement has called for free education, for example, there is little to suggest that they are demanding the nationalization of private universities. Chileans are increasingly impatient to receive the public services they feel Chile's economic development should allow for. Public opinion polls consistently show that Chileans have internalized the idea that hard work and competition pay off. The current climate is a demand for that promise to be met, rather than changed to something more Bolivarian in nature. It is a demand for inclusion, not revolution.

## Meeting and Managing Chileans' Expectations

With all of this in mind, the Bachelet campaign has had (and her administration would continue to face) a delicate balancing act. The campaign manifesto is vague on many policy details, enabling Bachelet to keep her coalition partners and voters sufficiently happy for the time being—though this same ambiguity also provides an opening for critics.<sup>2</sup>

The other aspect that the right has raised concerns over is the presence of the Communist Party in her coalition. Despite the presence of the party in the new coalition, however, the Bachelet campaign's official platform provides almost no evidence of a shift to the left.

The economic proposals in Bachelet's platform are, in fact, rather moderate. Bachelet plans to raise corporate tax gradually from 20 to 25 percent and to close some loopholes that favor the wealthy. The added income would, according to her plan, go toward financing free higher education. In other areas, such as energy policy—a critical issue for Chilean industry—the campaign has been less specific, largely because of the country's

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<sup>2</sup> Michelle Bachelet's full platform can be downloaded from her campaign website: <http://michellebachelet.cl/programa/>.



lack of consensus regarding which sources of energy should be cultivated moving forward.

## Chile's Evolving Place in International Politics

Though her charisma and popularity in Chile seem larger than life, it's worth remembering that Bachelet's ability to conduct an active and directed foreign policy may well be hampered by the many challenges her administration will face at home. With that in mind, a Bachelet presidency would likely maintain Chile's already-strong presence in international institutions, regional integration movements, and free trade agreements.

According to Bachelet's election platform, her administration would work to achieve greater regional unity, to secure a favorable position for Chile in emerging trade agreements in the region and beyond, and to solidify Chile's place as a leader in human rights and equality through its membership in international organizations.

Though Bachelet has expressed some doubts about the potential effects of the Trans-Pacific Partnership (TPP) on Chile's standing in global markets, her support for the Pacific Alliance (and similar integration efforts) remains high. And though her platform fails to mention Bolivia and Peru, the neighbors that have traditionally been engaged in border conflicts with Chile, her support for the Pacific Alliance bodes well for the Chile-Peru bilateral relationship.

The Bachelet government will likely inherit the responsibility of implementing whatever International Court of Justice (ICJ) decisions emerge from The Hague regarding border disputes with Peru and Bolivia—a development that could result in some tensions with these neighboring countries.

She would likely also seek to maintain Chile's relations with Asia—both through existing agreements like the Pacific Alliance and through independent efforts.

## Conclusions: What Will a Bachelet Victory Mean for Chile?

### Projections: Domestic Policy

Ultimately, Michelle Bachelet has placed the emphasis of her future government on three central and related pillars: education, a new constitution, and tax reform. In order to proceed on education Bachelet requires a four-sevenths majority in both houses of Congress. In the lower house she will need the support of former student leaders and independents, as well as the newly elected deputy from the Liberal Party. In the Senate, for example, dissident National Renovation senator Antonio Horvath may hold the key to securing the majority Bachelet needs.

For progress on constitutional reform, the threshold is even higher, with no less than a three-fifths majority needed to implement change. For this reason, pressure is mounting on the future president to take the steps necessary to organize a constituent assembly, possibly by means of a plebiscite. Either way, she will need to garner significant support in the Chilean legislature.

The smooth and orderly transition to democracy achieved in Chile served as a model for others in its aftermath. But the political mood is no longer one of patience. Michelle Bachelet will have to show progress on at least one of her three pillars, if not all three, in the first hundred days of her would-be presidency. To do so, she must exercise extreme political dexterity, control an unruly coalition, and build a reliable majority in Congress. The key lies in Congress—at least should Bachelet hope to avoid a presidency like that of her predecessor, characterized but popular protests.

## Projections: International Policy

Regardless of Chile's domestic challenges, the country's commitment to the liberalization of markets will likely remain unchanged. Chile has long been a global leader in free trade, as evidenced by its numerous free-trade agreements and participation in trade blocs.

Similarly, Chile's reputation as a leader in the promotion of and respect for international law is unlikely to be questioned—particularly given Bachelet's own work in furthering the efficacy of multilateralism, international institutions, and international law in her post as the head of UN Women.

We can likely expect a similar degree of continuity in Chile's relations with the United States. The two countries have proved reliable and stable partners—both economically and politically—in the international system, and Bachelet can be expected to keep her dealings with the United States on that same trajectory.

Bachelet's inevitable need to focus much of her energy on domestic policy issues may, however, lead to the development of a less robust or ambitious foreign policy platform. Such a policy would, for example, likely include a reversion to the country's traditional points of focus in foreign policy: its relations with its neighbors and with Brazil.

Chile's long border disputes, particularly with Peru, may well resurge during Bachelet's presumed presidency. With The Hague scheduled to hand down its decision in January 2014 on the ICJ case involving the two countries' maritime borders, it seems inevitable that, in the short term, relations with Peru will once again take center stage in Chile's political relations abroad.

Given Chile's close commercial ties with Brazil, it seems equally certain that Bachelet's interactions with her Brazilian counterpart will be prioritized as well. Some from the foreign ministry have even suggested that Bachelet might push for Brazilian membership in the Pacific Alliance—though such a development would be difficult to sell to the group, given the economic controls throughout Brazil's economy.

## About the Authors

**Carl Meacham** is director of the CSIS Americas Program. He joined CSIS from the Senate Foreign Relations Committee (SFRC), where he served on the professional staff for Senator Richard Lugar (R-IN) for over a decade. He served as the senior adviser for Latin America and the Caribbean on the committee, the most senior Republican Senate staff position for this region. In that capacity, he traveled extensively to the region to work with foreign governments, private-sector organizations, and civil society groups. He was also responsible for managing the committee's relationship with the State Department regarding the Western Hemisphere and overseeing its \$2 billion budget.

Before he joined SFRC, Meacham worked on the staff of two Democratic senators. Prior to his Senate work, he served at the Department of Commerce as special assistant to the deputy secretary, at the Cuban Affairs Bureau of the Department of State, and at the U.S. embassy in Madrid. Meacham is a native speaker of Spanish and was partly raised in Chile, his mother's country of origin. He received his B.A. from the University at Albany, State University of New York, and holds M.A. degrees from American University and Columbia University.

**Robert Funk** is assistant professor of political science and director of the Center for the Study of Public Opinion at the Institute for Public Affairs of the University of Chile, having served as deputy director from 2009 to 2013. He obtained his Ph.D. in government from the London School of Economics and Political Science. Dr. Funk's research areas include democratization, presidential leadership, and political elites in Latin America. In addition to teaching courses in comparative and Latin American politics, he has also consulted on Latin American issues for a variety of government and private-sector institutions. He is a frequent commentator on radio and television both in Chile and internationally and an occasional columnist for Santiago's *La Tercera*, *La Segunda*, and *El Dínamo* newspapers. In November 2006, Dr. Funk was elected for a two-year term as president of the Chilean Political Science Association. He is the author of numerous scholarly articles and book chapters, the editor of *El gobierno de Ricardo Lagos: La nueva vía chilena hacia el socialismo* (University Diego Portales, 2006), and editor of *Política*, the University of Chile's political science journal.







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