

18-0 SOCIAL UNREST IN CHILE

Executive Summary

- The unpredictable turmoil and protests that erupted in October 2019 are unprecedented in terms of magnitude in the last three decades in Chile. Those manifestations of disgruntled people that spread from Santiago to several large cities of the country ended up in destruction of both public and private properties, as well as the uncertainty regarding the actual degree of social cohesion in the Chilean society.

- An initial analysis of the situation, which is still ongoing, show us that this is the outcome of three overlapping crisis that strengthen among each other. The first one is a crisis of the “Rule of Law”, which has been triggered by the long-standing inaction of the authority vis-à-vis different groups that have challenge it and, however, have not received any sanction. The second one is a crisis of “governability and institutional framework”, which is mirrored by the fact of a lack of trust towards the main social and governmental organizations of the country, as well as the rules of the game. And the third one is a “crisis of representativeness”, expressed in the perception that our democratic system is tailor made for the elite and that it does not effectively respond to the demands and expectations of the citizens. Therefore, we are talking about the crisis to the third power “crisis of the Rule of law” x “crisis of governability and institutional framework” x “crisis of representativeness” = social unrest.

- Additionally, there is a growing evidence that it is difficult to afford daily expenses (which is revealed, for instance, in the price of real state),

the quality of services also depend on how much people are able to pay for them (a huge gap in terms of health, education and security) and, above all, a growing perception that the rules of the game do not apply to everyone in the same manner, something that is serious when we refer to such a competitive market. Unilateral fare hikes from utilities, collusion scandals in different corporations and the possibility of an endless indebtedness have all undermined the trust from within in an economic system that in absolute numbers seems to work or at least is more efficient than other choices.

- The Government of President Sebastián Piñera, took office with the promise of “better times”, but he has not been able to boost the economy as expected, something that has become clear in the different fiscal stimuli packages launched by different ministries and the drop of the economic growth forecasts. There is no doubt that the trade war between the United States and China has been a serious blow to the economy of the country, just like the increase of the geopolitical risk in the Middle East, which has increased oil prices, which is imported. But these factors do not seem to matter when they are explained to the people. Hence, the perception that the economy is not in the right track is increasing, which becomes another element of uncertainty.

- As days go by it is possible to distinguish three types of players in the demonstrations: radicalized anarchic groups, that have coordinated their actions through the social media acting with small units which have been

seen attacking Metro stations simultaneously and in a synchronized fashion with petrol bombs. Hence the Government and the Armed forces have called these “organized groups” due to the similarity of their attack patterns. Then, the opportunists that loot when there is a generalized turmoil the only purpose of which is to steal goods, that is why they have been called “lumpen or mob”. Thirdly, those that protest peacefully with banners and pot-banging. So far, there are not visible leaders in any of the three categories

- The Armed Forces that are in charge of the national security report to the Executive, which is a civil and political power. They act following the instructions of the President of the Republic and have no command autonomy. Therefore, when they intervene in a situation of emergency they do so because they have received the specific order from the President. Then, the heads of Defense and their troops carry out the order so as to restore security on field under adverse circumstances which are constantly evolving. Hence, they are not responsible of political decisions that have been made, and they only must abide by a legitimate use of the force.

- The incidents and civil unrest that are taking place remind us about the relevance of having both a security system and intelligence that, in a timely fashion and with quality provides useful knowledge for decision making at the highest level in order to anticipate and not to only react vis-à-vis threats to our security.

- Additionally, it is urgent to amend and streamline the Intelligence Law that it is being promoted by the Government and, specifically, the Ministry of Defense, as well as strengthening the quality of national intelligence services. Not having an intelligence system with the highest quality becomes a high-risk vulnerability something that is undesirable.

- In spite of the fact that the events that affected the country are regrettable, tragic and reprehensible, they can also become a great opportunity to correct errors and implement a new architecture that is more suitable to a safer, wealthier and modern State. During times of crisis real leaderships emerge. Chile requires and demands the strengthening of the social cohesion and institutional framework if progress and development with freedom are to be attained. This crisis is not only relevant for the current Administration and the political parties but also to civil society as well. It is a cross-cutting national responsibility that pertains to every Chilean if we want to enhance the existing economic model and political structures, so that they can become more efficient and inclusive, at the same time. Throughout the history, Chile has proven to be a resilient country, that is able to overcome crisis and catastrophes.

Introduction



“Para triunfar en política hace falta tolerar la incertidumbre y entender la confusión, y sobre todo, estar dispuesto a aceptar que no se puede ganar siempre, aunque creas que la razón la tienes tú. Todos los políticos deben aprender a volver al ataque después de perder la discusión”, David Runciman ¹



The turmoil and protests that went off on Thursday 17th of October 2019 are unprecedented in terms of magnitude in the last three decades in Chile. What began during the same week when hundreds of young people mobbed several subway stations in Santiago, jumping over or dipping under turnstiles in a fare-dodging protests against the 30 pesos increase of fares (4 cents of US dollar), then evolved in massive upheaval and unrest that started in Santiago and then spread to the main cities of the country.

The initial target of the rage of rioters was against the subway stations that ended up burned or vandalized and attacked in different manners. The stations that suffered heaviest damage were those located in Santiago downtown (which has been the traditional epicenter of most of the demonstrations) near the University district, at República station and in La Florida district. That is to say, the unrest did not start in the outskirts such as the case of Los Angeles (1992) or Paris (2005).

As turmoil became worst destroying public and private property, specially through fires and looting, the Government of President Piñera issued on Friday 18th of October a state of

emergency in the capital city and neighboring provinces, which is a state of exception enshrined in the Constitution. This measure entailed the deployment of armed forces that undertook the role of public order supporting the police that at that time was already

overwhelmed. Afterwards, on Saturday 19th, a night curfew was imposed, and the armed forces were deployed in other regions and cities. These measures were still in force at the end of this report (October 23rd).

Given the scope of the outburst of violence, it becomes evident that the Metro fare hike cannot be the only cause. Although this phenomenon is still ongoing, several explanations have been entertained aiming at a deeper social malaise that has been brewing for years and that only needed a catalyzer which by no means justify the destruction. The pot banging and massive peaceful demonstrations that have coincided with violent riots of a radicalized minority would be a proof thereof. An online survey done by IPSOS stated that 67% of those who responded agreed with the statement “People got tired with the cost of life, fare hikes, poor salaries, health care quality, pensions, among others”².

¹ Runciman, D. (2014). Politics: Ideas in Profile. Profile Books Ltd.: London. P. 106

² IPSOS. Movilizaciones sociales de octubre 2019. Press release, October 21, 2019.

Put to the test by this crisis, the Government of Sebastián Piñera deployed the armed forces in order to send a clear signal that he was not going to allow the public order to collapse and also an implicit acknowledgement that national security was threatened. Also, he announced that he cancelled the Metro fare hike. However, at a discursive level he was not as clear as we saw during the first days of the emergency.

The President first urged unity then said that the country was in a "state of war" against criminals. Not having a quick accepted narrative or interpretation from the Government was an error. Because so far no one can tell that the social unrest was foreseen during the time it occurred and in its scope. It was different to forecast a growing unrest would end up in demonstrations; something that has taken place in developing countries where a rapid economic modernization usually lays bare political and social tensions that do not adapt to a constant change of the civil society at the same speed.

By and large then, the President invited on October 22nd the heads of all political parties for a dialogue, he asked for forgiving for not being able to fully understand the situation that has been building up for decades and adopted several redistributive social measures for the amount of US\$ 1.2 billion.

But the problem is far from over. Although the scenario is still in motion or liquid, as it is now mentioned—, the AthenaLab team elaborated an urgent document with the aim of providing a context to what has happened in order to identify clues that can go beyond the confusion that has emerged in the contingency.



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October 2019

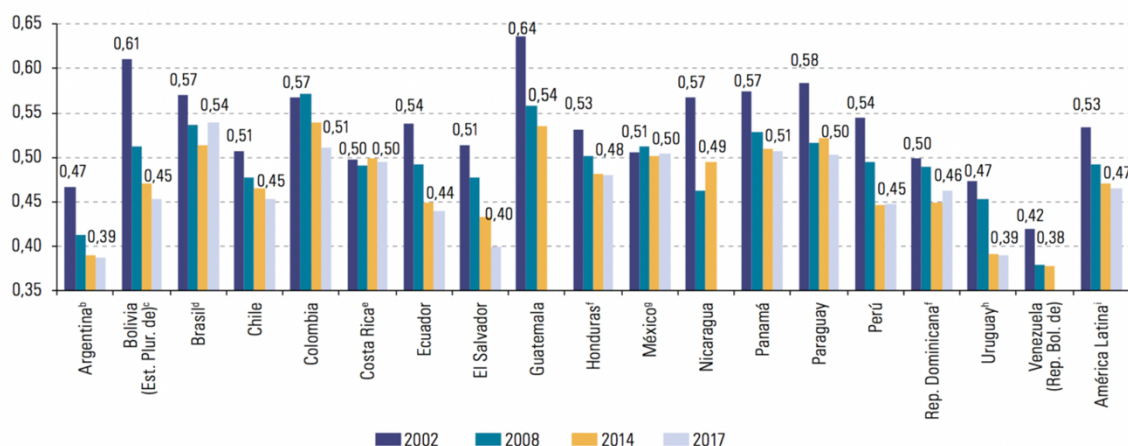
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Possible explanations: A fertile ground?

It is a fact that for decades a sustainable growth and low inflation rates have increased income and decrease poverty thereby curving inequality, in a step by step fashion (as per ECLAC figures). Likewise, the increase in the coverage of utilities and services and a higher access to consumption has also contributed to improve the general wellbeing. All the above —

Notwithstanding, there is evidence that life has become more expensive (which, for example, is expressed in the price of properties), the quality of services also depends on how much we pay for them (huge gap in terms of health, education and security) and, above all, there is a growing perception that the rules of the game are not

Latin America (18 countries): Gini Inequality Index, 2002-2017³



Source: CEPAL. Panorama Social de América Latina 2019

accomplished in part due to an economy that is opened to the world— has set Chile in the path of becoming one of the best performing countries of the region, in terms of macroeconomic stability, competitiveness and the business environment, according to economic measurements⁴.

equal for all, which is serious when we talk about such a competitive market. Unilateral fare hikes from utilities; collusion scandals from several companies or the possibility of an endless indebtedness have eroded the trust in an economic system that in terms of figures seems to work.

³ Cepal. Panorama Social de América Latina 2018. Pág. 18. In: https://repositorio.cepal.org/bitstream/handle/11362/44395/11/S1900051_es.pdf.

⁴ Global Competitiveness Index 2019-2020, World Economic Forum (WEF), the Confederación de la Producción y del Comercio (CPC) and the Sociedad de Fomento Fabril (Sofofa). Available in: https://noticias.uai.cl/assets/uploads/2019/10/icg-wef-uai-2019_full.pdf

Also, the Chilean political system has become more modern through several constitutional amendments that have modified the nature of our electoral system, introducing a balloting system that is voluntary, increasing slots for congressmen, shortening the duration of a

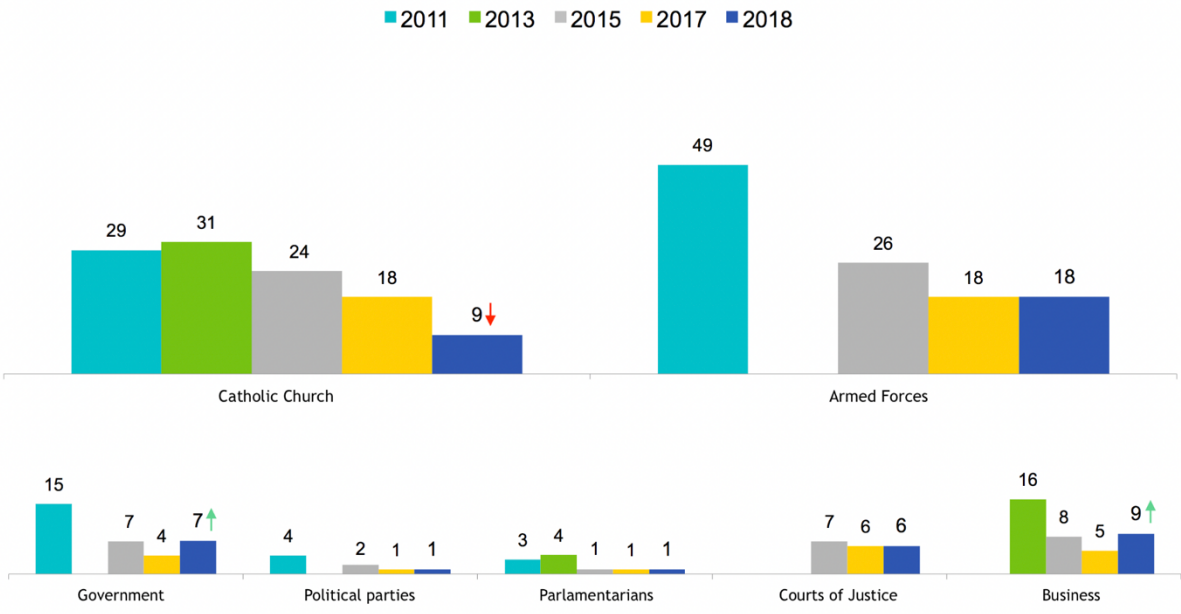
presidential period, strengthening civil powers above military institutions and, finally, opening new posts for democratic election (governors and city authorities). All the above within a context of political parties from both the left and center right.

Although the support for democracy is above the regional average in Chile⁵, it is necessary to mention that several sectorial reforms have emerged stemming from massive demonstrations rather than from a parliamentary process, and this is specifically clear in the field of education, where high school

(2006) and university students were (2011) were the key players. The relative success of their demands, specifically in regard to the possibility of studying in the university without paying tuition, somehow has set the trend for other attempts of grassroots demonstrations, such as those that reject the pension funds system that is based on an individual capital account. Somehow, there is a growing idea that politicians are lagging behind as compared to what happens in the streets.

On the other hand, the society also has evolved due to the impact in their lives that stem from living in a wealthier and freer Chile, but also that is more complex and diverse. Surveys frequently show an increasing lack of trust towards the institutions (regardless of their nature, such as political authorities, corporations, the Church or the Armed Forces as well at an interpersonal⁶ level. New phenomena stemming from the

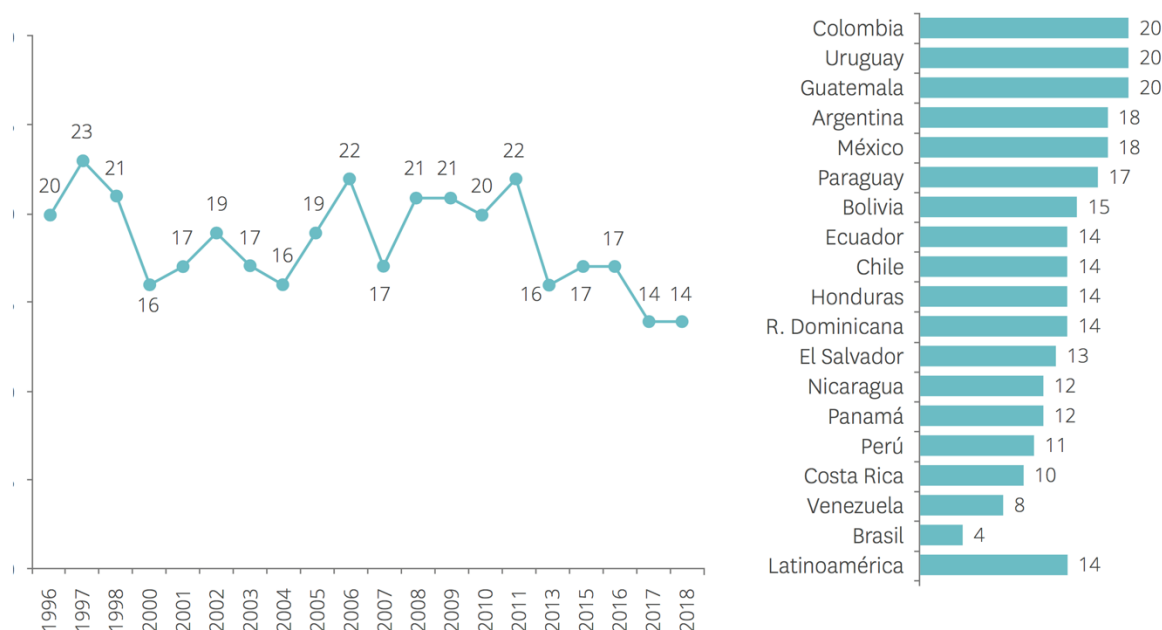
Trust in institutions in Chile 2011-2018⁷



Source: Encuesta Nacional Bicentenario 2018

⁵ Cepal. Corporación Latinobarómetro. Latinobarómetro 2018. In: http://www.latinobarometro.org/latdocs/INFORME_2018_LATINOBAROMETRO.pdf
⁶ Pontificia Universidad Católica de Chile y Gfk Adimark. Encuesta Nacional Bicentenario: Sociedad (2018). In <https://encuestabicentenario.uc.cl/wp-content/uploads/2018/10/Encuesta-bicentenario-2018-Sitio-Web-Sociedad.pdf>
⁷ Ibid.

Interpersonal trust in Latin America 1996-2018⁸



Fuente: Latinobarómetro 2018

globalization also have an impact, such as new technologies in our daily lives through the widespread use of online communication, the exponential increase of immigrants or the emergence of heavily armed gangs that are empowered by drug trafficking.

In this context, the lack of connection among the elite and grassroots movements becomes evident, something that is not too different from what happens in other developed societies. In the specific case of Chile, the structure of the same cities worsens the situation due to the segregation of neighborhoods. And precisely that was the key role that the subway helped in terms of transportation in Santiago that was the target of the riots, which was a strange paradox. Hence, this lack of connection compounds the

inequalities that are perceived by the marginal sectors that are exposed to poor labor conditions, low wages and that also feel mistreated⁹.

The motto of Piñera's Government was the promise of "Better times", but he has not been able to boost, as was expected, the economy, something that has been admitted through different special economic programs launched by different ministries as well as the drop of the growth forecasts¹⁰. Undoubtedly, the trade war between the United States and China has been a serious blow to a country that base its main economic activity on exports as well as the geopolitical risk that takes place in the Middle East, which has triggered an important hike in oil prices, that is imported. But these factors do not seem to matter when they are explained to the

⁸ Corporación Latinobarómetro. Latinobarómetro 2018. In http://www.latinobarometro.org/latdocs/INFORME_2018_LATINOBAROMETRO.pdf

⁹ United Nations Development Programme (UNDP). Desiguales, June 2017. In https://www.undp.org/content/dam/chile/docs/pobreza/undp_cl_pobreza-sintesis-DESIGUALES-final.pdf

¹⁰ International Monetary Fund (IMF). Perspectivas de la Economía Mundial, October 2019. In: <https://www.imf.org/es/Publications/WEO/Issues/2019/10/01/world-economic-outlook-october-2019>

citizens. And the perception that the economy is not in track is growing¹¹.

Was all the above a fertile ground for a social unrest? Those who study how societies become more radical mention the effect of relative deprivation (due to the unmet expectations) and the anomia (lack of respect to norms, which is clear among younger generations). May be the two phenomena are present. As days go by, we can notice three types of players in the demonstrations: **anarchic radicalized groups**, coordinated by social media with small groups that have attacked Metro stations. There are similar attack patterns that have led to the conclusion that they are "organized groups"¹², by the Government and the Armed Forces. Of course, there are also **opportunists** that loot when they realize that there is a widespread riot and those that have as a single purpose to steal, which are called "lumpen"¹³. Thirdly, **peaceful protesters** that have protest banners and that bang pots. So far, in all these three categories there are no visible leaders.

¹¹ Cadem. Plaza Pública Poll. Third week October 2019– Study N301

<https://www.cadem.cl/wp-content/uploads/2019/10/Track-PP-301-October-S3-VF.pdf>

¹² T13, "Chadwick refuerza idea de grupos organizados", in <https://www.t13.cl/noticia/nacional/chadwick-protestas-grupos-organizados-21-10-2019>

¹³ Real Academia de la Lengua. Dictionary of Lehal Spanish. In <https://dej.rae.es/lema/lumpen>



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In the case of the first two types of protagonists, their behavior can be explained based on a context of impunity, taking into account years of violent actions that end up in only few cases of prosecutions and sentences (seizure of public schools, sport events that end in riots, burnt of rural properties and bombings by anarchic groups, to mention a few) In the case of the peaceful protesters, intuition tell us that there is a general malaise due to the deterioration in their quality of life that has not found any answer from the political representatives, hence the banners that urge for curbing the prescription drugs prices up to addressing criminal activities, something that has been already recorded by public opinion polls¹⁴.

“The biggest single problem in societies aspiring to be democratic has been their failure to provide the substance of what people want from government: personal security, shared economic growth and the basic public services (especially education, health care and infrastructure) that are needed to achieve individual opportunity. Proponents of democracy focus, for understandable reasons, on limiting the powers of tyrannical or predatory states. But they don’t spend as much time thinking about how to govern effectively”, warned Fukuyama¹⁵.

If we can detect at a domestic level those elements that triggered the conditions for a social unrest, at an international level there are players that belong to the left, specifically Venezuelan leaders headed by Nicolás Maduro, that have jumped on the bandwagon of the alleged end of the Chilean “model of neoliberalism that excludes people”¹⁶, based on a democracy of institutions and an open economy where the individual freedom is expressed in different forms. These same

statements have been amplified in the social media aiming at an alleged existence of a destabilizing regional process coordinated from Caracas and that have also found an echo in Peru and Ecuador, with recent protests; this is an argument used by Maduro himself, when he blames demonstrations in this country to “imperialism”, that is to say, the government of the United States, at that time. And we should remember that the late Hugo Chávez used petrodollars in order to get regional support; something that is barely possible in a country like Venezuela that is bankrupt.

So far, there is only a communiqué by the Organization of American States,¹⁷ that denounces alleged maneuvers from Cuba and Venezuela alluding to the “Bolivarian breezes” in order to destabilize, due to the last wave of protests, but the text does not shed light about further details, and was issued on October 16th (one day before the burst of the most serious unrest in Chile) and specifically refers to the case of Ecuador. Besides, there is a reference to the funding of propaganda campaigns throughout the years. That is to say, there is not proof that allows to confirm foreign influence. But this should not prevent to have a thorough investigation. It is very important not to lose the focus towards "external enemies" since a protest of this magnitude could not be sustained should there not be domestic conditions.

On the other hand, there is something unheard of in this unrest: it is the first major protest that has been virialized through social media and we do not yet know its real impact. In the Arab Spring, 2011, social media was supposed to have a key role in the unrest that led to the overthrowing of autocratic regimes. But these

¹⁴ Centro de Estudios Públicos. National Study of Public Opinion N°83, May 2019. In:

https://www.cepchile.cl/cep/site/docs/20190612/20190612104953/encuestacep_mayo2019.pdf

¹⁵ Fukuyama, F. “At the 'End of History' Still Stands Democracy”, in The Wall Street Journal, 6/9/2014. In <https://www.wsj.com/articles/at-the-end-of-history-still-stands-democracy-1402080661>entro

¹⁶ In La Tercera newspaper <https://www.latercera.com/mundo/noticia/nicolas-maduro-compara-sebastian-pinera-augusto-pinochet-ahora-pinechet/871461/>

¹⁷ Statement of the OAS General Secretariat. October 16, 2019. In:

https://www.oas.org/en/media_center/press_release.asp?sCodigo=E-081/19

were fossilized dictatorships and with major populations of young unemployed people which were deep structural factors. However, a research undertaken by The London School of Economics and The Guardian newspaper, called "Reading the Riots"¹⁸, taking into account the riots of 2011 that affected areas of the United Kingdom and that did not have political grounds, led to the conclusion that were material for the coordination among those that organized the violent actions rather than inciting these behaviors with hate messages. Even some of them helped to mobilize neighbors in order to clear debris.

Due to the above, we can infer that there were long-standing social tensions that manifested in an explosive manner due to a specific situation. But violent action encouraged the government to use extreme resources vis-à-vis a major security problem. This would allow confirming that this is a political problem and not a public order problem (which is the visible face at this time).

¹⁸ The Guardian and the London School of Economics. "Reading the Riots" (2012). P. 32. In <http://eprints.lse.ac.uk/46297/>

The answer from the security standpoint

THE ROLE OF THE ARMED FORCES

In the current circumstances that our country is going through, it is necessary to remember the main role of the Armed Forces is the defense of the territory, Chilean sea and the protection of national interests wherever they are located. Undertaking the above allow us to be a sovereign and politically independent nation, to enjoy democracy and to move towards a sustainable and inclusive development.

The Constitution, in its article 101, states that the Armed Forces exist for the defense of the

Motherland and that they are essential for the protection of our national security. The recent events show us that national security not only can be under risk due to a possible aggression by other countries, but also by internal and external factors or what is worst by the sum of both of them.

The Armed Forces are required, under extreme circumstances, wars or natural disasters, to defend us from an external aggression, to reestablish order when the turmoil overwhelms



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police forces or to help people affected by natural phenomena.

The Armed Forces report to the Executive branch, which is a civilian and political power. They act following the instructions of the President of the Republic and they do not have autonomy of command. When they intervene under exceptional circumstances it is because they are instructed to do so by the President. The generals, admirals and their troops carry out his orders to reestablish security on the streets and this is done under adverse circumstances that are constantly evolving. They are not responsible for political decisions made by others.

When the Armed Forces intervene, it is because there is a threat to our national security and the rest of the political solutions proved to be ineffective and the Executive is forced to make use of this ultimate resource.

NEED OF INTELLIGENCE

The incidents and civil unrest that are taking place remind us about the need of having a good and timely intelligence that allows us to anticipate and not only to react. Maybe it is about time to amend and modify the Intelligence Law, something that it is being promoted by the Government and, specifically, the Ministry of Defense. Besides, national intelligence services must be rebuilt to as to have the capacity to better understand what happens in Chile and to avoid suffering going through a similar process. The fact of not having an intelligence service is like walking blindly in terms of security and having intelligence services that operate in an isolated and not coordinated fashion or with reduced capabilities in current times is both risky and undesirable. The progressive decay of national intelligence services can be found in the laws that instead of guaranteeing their operation and efficiency, have focused on increasing the civilian oversight

and restrictions that reduce the activities they perform. This is something that must be addressed soon.

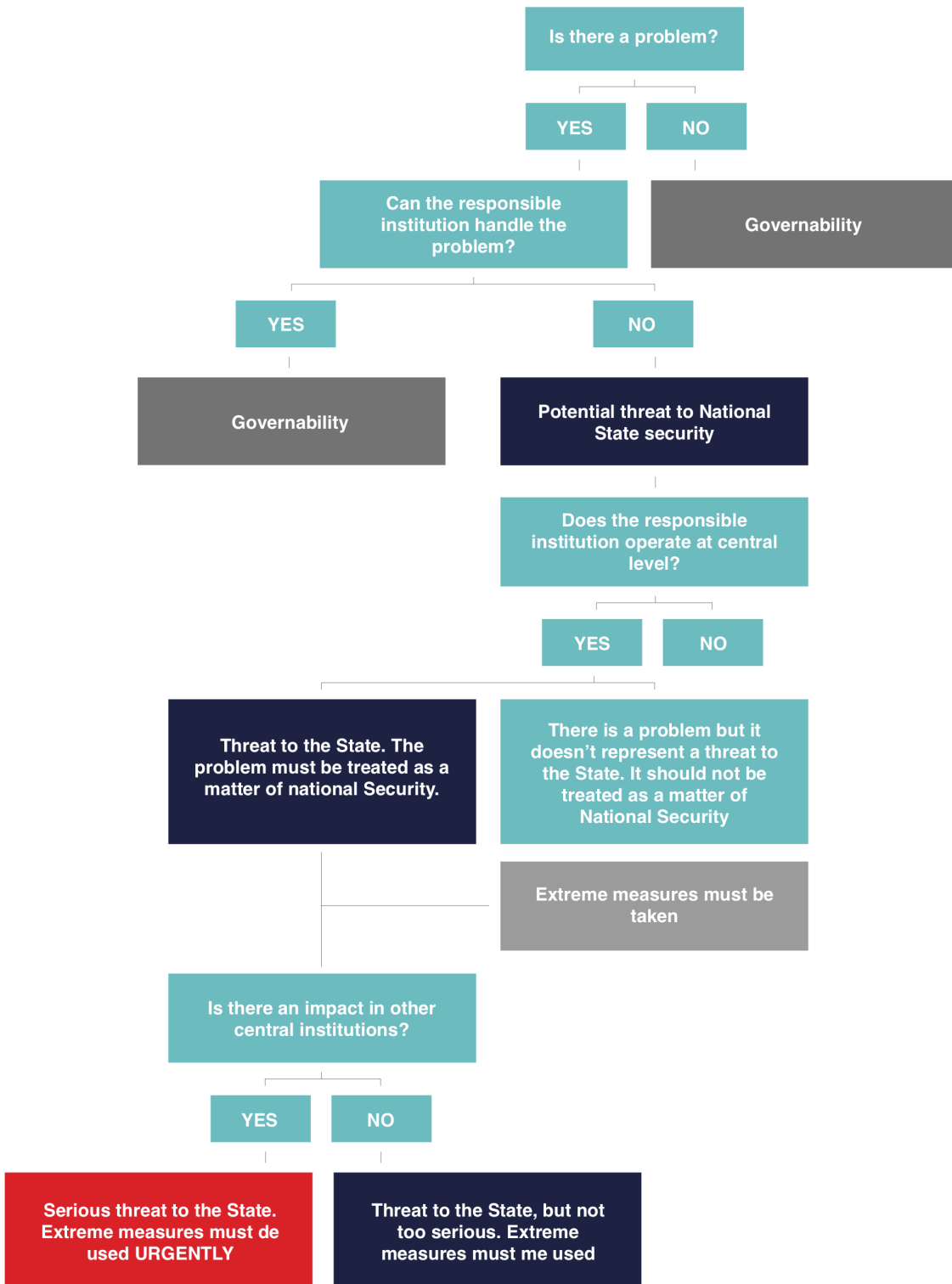
The world and the current reality are far too complex so as to navigate without a good intelligence. AthenaLab, it is document number 3 made a proposal for a comprehensive amendment of the intelligence system that become more urgent than ever¹⁹.

NATIONAL SECURITY

Although some people do not like the concept of national security in Chile for different reasons, after these days with riots and protests it is difficult to understand why the National Security Council (COSENA, in Spanish) has not been summoned, which is the constitutional instance that should be operating and advising the President under the current circumstances. Regarding the above, the current context that Chile is going through forces us to think about the need that the President of the Republic has for a national security advisor, that should be able to, with his team, understand both the domestic and foreign situation from the security standpoint, using sound information stemming from intelligence that allows to anticipate the occurrence of issues that can endanger the State of Chile. In this fashion it should be able to advise the Executive both in terms of the impact of public policies regarding national security and the way of addressing situations that are extraordinary.

¹⁹ AthenaLab. Working paper N°3: Proposal for a National Intelligence System in Chile. Available in: <https://athenalab.org/?p=974>

A flowchart for decision making vis-à-vis national security threats



Source: ITAM

THE DILEMA OF THE STREETS

The soldiers that were deployed in order to restore the rule of law and the security of the civilian population follow rules for the use of force. Doing so is mandatory but following them is not always easy in the midst of looting, protests and a general unrest. Specially, if part of the population challenges these clear measures such as night curfews and remain hostile to the troops that have been ordered into the streets by the Executive Power. Hence, discipline, criterion and experience are required.

Of all the constitutional states of exception, the state of emergency is perhaps the most difficult to manage. It is not a catastrophe, where the main purpose is to help, prevent looting and where there is a positive reception by most of the people affected by the natural disaster. In the states of assembly (external war) and siege (internal war or severe internal upheaval), the same severity of the facts helps because the rules of operation make things more precise and clear, as well as the powers that the Armed Forces receive to perform their mission. The state of emergency is complex because it implies serious unrest, but that does not qualify, according to the authority, to declare a state of siege, that also requires the approval of the Congress, with the subsequent political negotiation that not always provides an urgent response. This implies for the one that is on field to be forced to manage a public emergency with limited tools that not always match the circumstances and where weapons can only be used for self-defense purposes.

Now that it is clear how complex it is to operate in a state of emergency, we must stress that the Armed Forces today are being used as the key component in terms of solutions and the police forces as a complementary force to the military. The Armed Forces are trained for war and their specialization is not based in the containment of people that participate in civil unrest. It is true that they have gained experience participating

in the management of disasters, but it is not the same and may be only those that were deployed for peace-keeping operations, such as the case of Haiti, gained practical experience on how to deal with people in complex situations.

Therefore, the questions that a soldier must answer on field do have not an easy answer. What should I do if someone breaches the curfew, does not obey and attacks the military forces? How should I react and behave in order to comply with the legal mandate to restore order and security? How should I behave if I am in the presence of clear vandalism? What happens if people do not stop? How to prevent an unlawful act from happening? That is the current situation. The Armed Forces are not contributing to the social outbreak and they are not breaking the law, they only strive to drop the temperature so as to restore order so that afterwards an in-depth solution can be discussed and agreed.

Years ago, in La Segunda newspaper, the historian Gonzalo Vial wrote about similar previous upheavals that took place in 1949 and 1957, that are known as “La batalla de la chaucha (The Battle of the dime)” and “La batalla del 2 de abril (the April the 2nd Battle)”, respectively, where it became clear that situations as the ones that have happened in these days can end up very badly if they are not properly addressed or if they are only managed with weapons.

The answer from the political arena

President Piñera did not have many choices in order to reestablish the political initiative after the unexpected outbreak in October. As days go by, the Armed Forces and the police are restoring public order and violent actions are more sporadic, according to official records. But demonstrations continue but are mostly peaceful. Also, public transportation that was affected is back on track and debris is being cleaned.

Once the confusion and bewilderment have been cleared, the government response — beyond the field of security — on Tuesday 22nd consisted on summoning all political parties so as to rebuild dialogue aiming at reaching agreements, such as those that allowed to rebuild democracy and he announced social measures of up to US\$ 1.2 billion.

The invitation to dialogue, as might have been expected, was not accepted by all of them. Besides the center right parties, Christian Democracy (DC, in Spanish), the Party for Democracy (PPD, in Spanish- social democrats) and the Radical Party (PR, in Spanish- social democrats) accepted the invitation to the House of Government. Three other political parties from the opposition with parliamentary representation (Socialist, Communist and Frente Amplio) rejected the call and insist on conditions that are not acceptable to the Executive, such as the withdrawal of military forces from the streets or the resignation of the President.

Consequently, the President announced a vast set of economic social redistributive measures

that include improvements in the income and pensions that are lower, increasing health coverage and slashing prices of prescription drugs; tax increase for higher income sectors, redistribution of municipal funds, reducing parliamentary slots, reviewing the electric fare system so as to avoid excessive hikes, urgent legislative projects and reconstruction plans. A bill the purpose of which is to annul the Metro fare hike should be added.

Although, the situation is still ongoing, certain scenarios can be foreseen according to the development of facts so far and also taking into account historical information and comparison with experiences of other countries.

PARTIAL AGREEMENTS

Apparently, there can be a return to normalcy based on partial agreements with the support of DC, PPD y PR, which are political parties from the opposition that have had a positive reaction vis-à-vis the social announcements. This would be the best scenario, but speed is of the essence and a high political skill is required. And this is because these agreements will be more difficult to reach when elections take place next year and especially if protests persist. Political parties that could neither foresee nor manage social mobilizations are urged to provide answers. The question is if they will act thinking on the country as a whole, something they have not done so far or if some sectors will try to gain influence using the malaise which can radicalize the movement or resorting to heavy-handed policies. It is also true that a return to normalcy can take place without any type of widespread

or partial political agreement, but that would only provide a fragile stability.

INCLUSIVENESS

Austerity without economic dynamism seems to have reached a dead end, but that is not necessarily the end of the economic model, as some people seem to believe. Since the return to democracy in 1990 there have been more governments from socialists, Christian democrats and social democrats than the center right, without affecting the foundations of the system. Instead, the measures announced by Piñera refer to adjustments aimed at enhancing inclusiveness, because the relevance of the private sector and the dynamism of exports of our country cannot be changed overnight, especially if they are the engines of the economic growth.

SOCIAL RADICALIZATION

If conflicts persist, in spite of the social measures that were announced, the extension of the state of emergency or issuing it again can be possible. But that would entail the acknowledgement of regular measures that will curtail the freedom of movement, controls and military patrolling in different strategic points and a stricter control of massive events. This would mean a complete change in the lifestyle of Chileans to the security and governance levels we are accustomed to. It is not clear that the military would like to be permanently deployed in the streets; due to the political cost they are exposed to, the wear it implies and more importantly because that would mean that the civil authorities have not been able to find a real solution to the underlying issues. They are only one response to the emergency. The October unrest can provide an epic narrative for a radical left that rejects the return of Piñera to the Government in spite of the

massive support he received in the elections. The repression of the upheaval most of the time end up radicalizing social movements, because a heroic narrative is created with martyrs and commemorative dates.

However, many outbreaks of protests in different consolidated liberal democracies have not taken place again with the same intensity as elections cycles have channeled new expressions and political demands; when intelligence and security systems improve their capacities to identify conflict areas and because those that protests change. Specifically, when there is not a well-organized group in the background that is able to sustain a permanent mobilization effort.

INTERNATIONAL IMAGE

The violent actions that have occurred has raised questions about the realization of the Asia Pacific Economic Forum in Santiago (APEC) In November and the Environmental Conference of the United Nations (COP25) in December. The Government has insisted that both events shall continue as scheduled, which is a sign of trust that the conditions of security shall be restored. Nevertheless, these two summits shall take place in a context where the international image about our country will be different. The international mass media has highlighted the fact that the social unrest takes place within a context of inequality in the most developed, open to world trade and political stable country of Latin America.

In this sense, a column from Bloomberg went even further and warned that what happened in Santiago can well happen everywhere in the world. “The fact that Chileans have revolted against the cost of living, then, is alarming, and suggests a similar situation could more easily happen in the rest of the developing world”²⁰.

²⁰ Bloomberg, “Chile’s Violence Has a Worrying Message for the World” in: <https://www.bloomberg.com/opinion/articles/2019-10-22/chile-s-violent-protests-have-a-worrying-message-for-the-world>

Although it is too early to assess the damage to the image of the country, IPSOS survey, previously quoted, states that most of the people think that there will be some damage. But from this 77%, a 45% believe that it will be transitory. This is why; APEC and COP25 will be a litmus test. These circumstances are exceptionally risky for the authorities vis-à-vis those that would like to showcase the protests taking advantage of the presence of international leaders.

DROUGHT

Given the scope of the social unrest, the impact of drought has been sidelined. However, the current scenario combined with the soon onset of fire season can prove to be a very toxic cocktail. The mega fires have required the help from the Armed Forces in the past, which is something that could overwhelm them as nothing we have seen in the past. According to recent studies, the increase of conflicts is strongly associated to high temperatures.

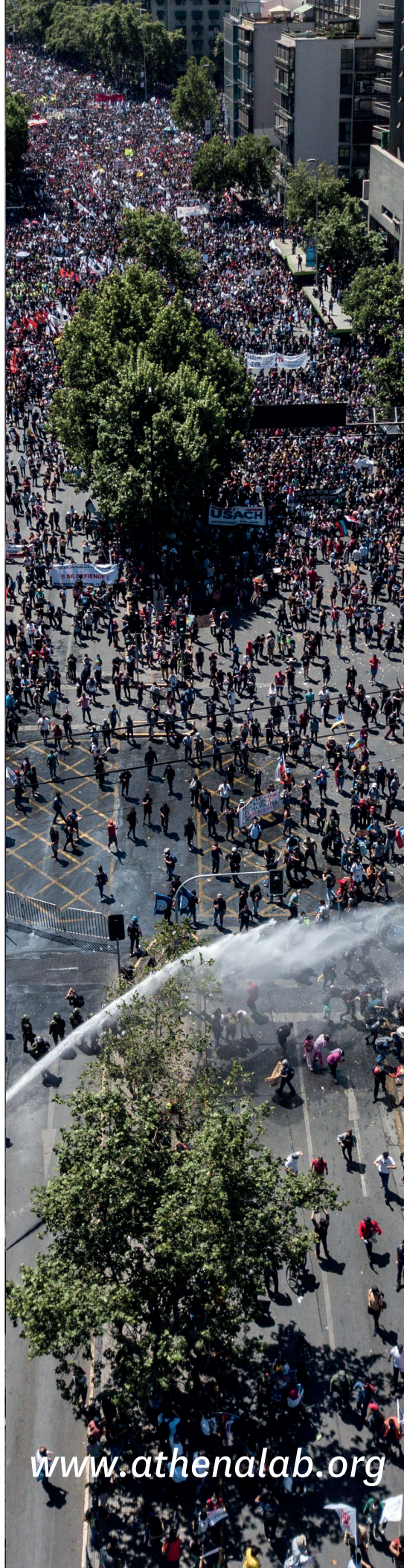
RESILIENCY

If there is something the country can attest after suffering earthquakes and other natural disasters is the fact of being resilient. The difference is unity that is created after catastrophes hit and, therefore, this is what must be rebuilt so that the nation can gather again around a common identity and aspiration that lead to progress, that all Chileans deserve. If we are able to avoid solutions that resort to populism, the situation can become an opportunity to strengthen the pillars of the institutions so that they are able to guarantee that the legal certainty and the Rule of Law prevail: democratic security for both legal entities and natural persons, and social cohesion. The challenge for the new leaders but above all for the civil society as whole, shall be the creation of institutions that are effective and

inclusive, at the same time²¹, so as to breed real equality of opportunities that make possible individual and collective progress in a context of freedom; to generate a sustainable growth and to channel and identify demands before they build up until they explode.

OCTOBER 2019

²¹ Khanna, Parag. The Future is Asian (2019). Windelfeld & Nicolson. P.303.



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