

Sebastian Piñera

First Rightwing President since Pinochet or 5th President of the Concertacion Republic

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January 21, 2010

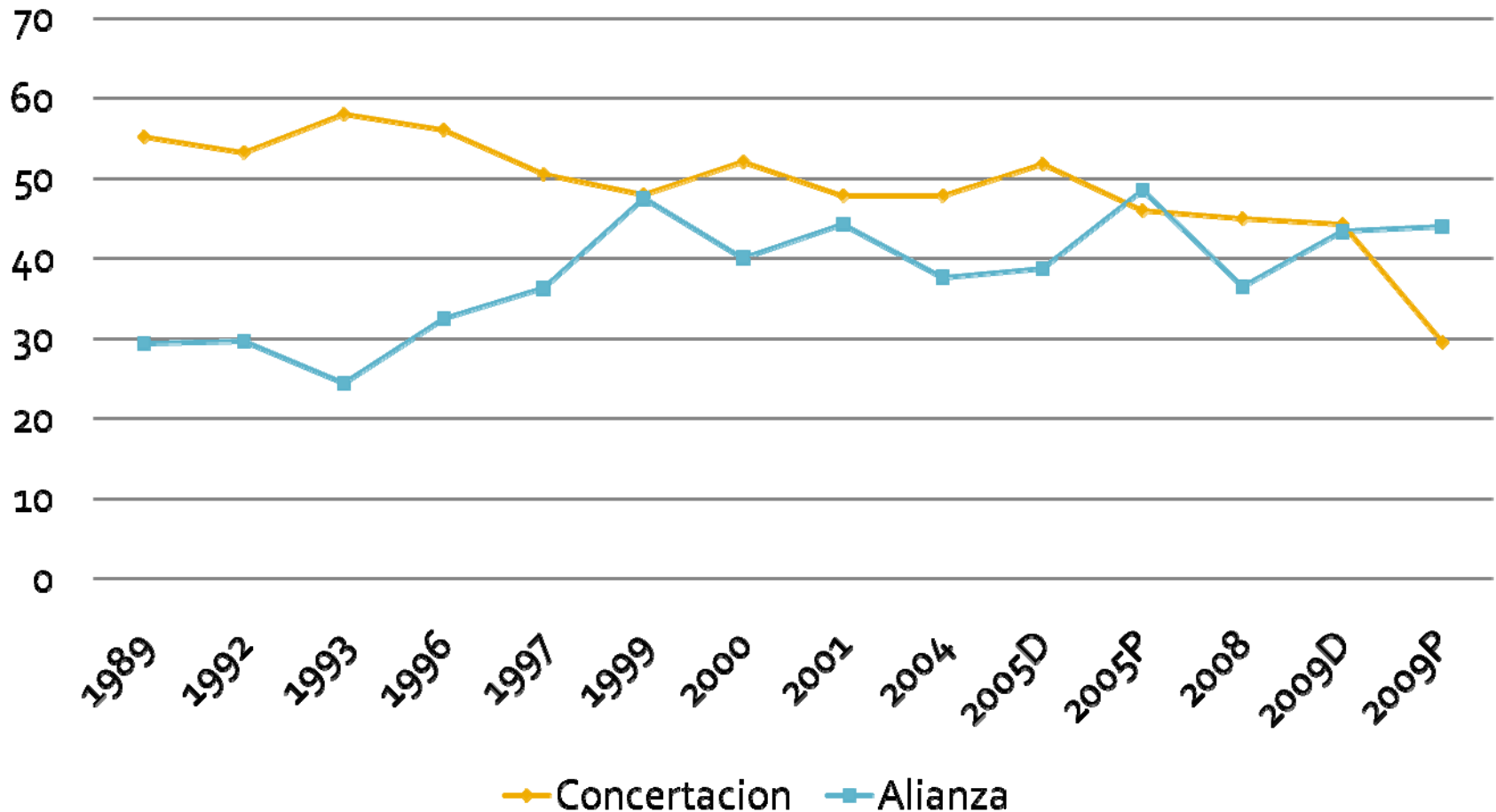
A president without a mandate?

- On January 16, 51.6% of Chileans voted Sebastián Piñera president.
- He will take office with the lowest % vote since the restoration of democracy.
- Fewer people voted for Piñera than for any of the previous 4 democratically elected presidents in Chile.
- Yet, Piñera is still the first rightwing presidential candidate to have ever win a majority of the vote in Chile.

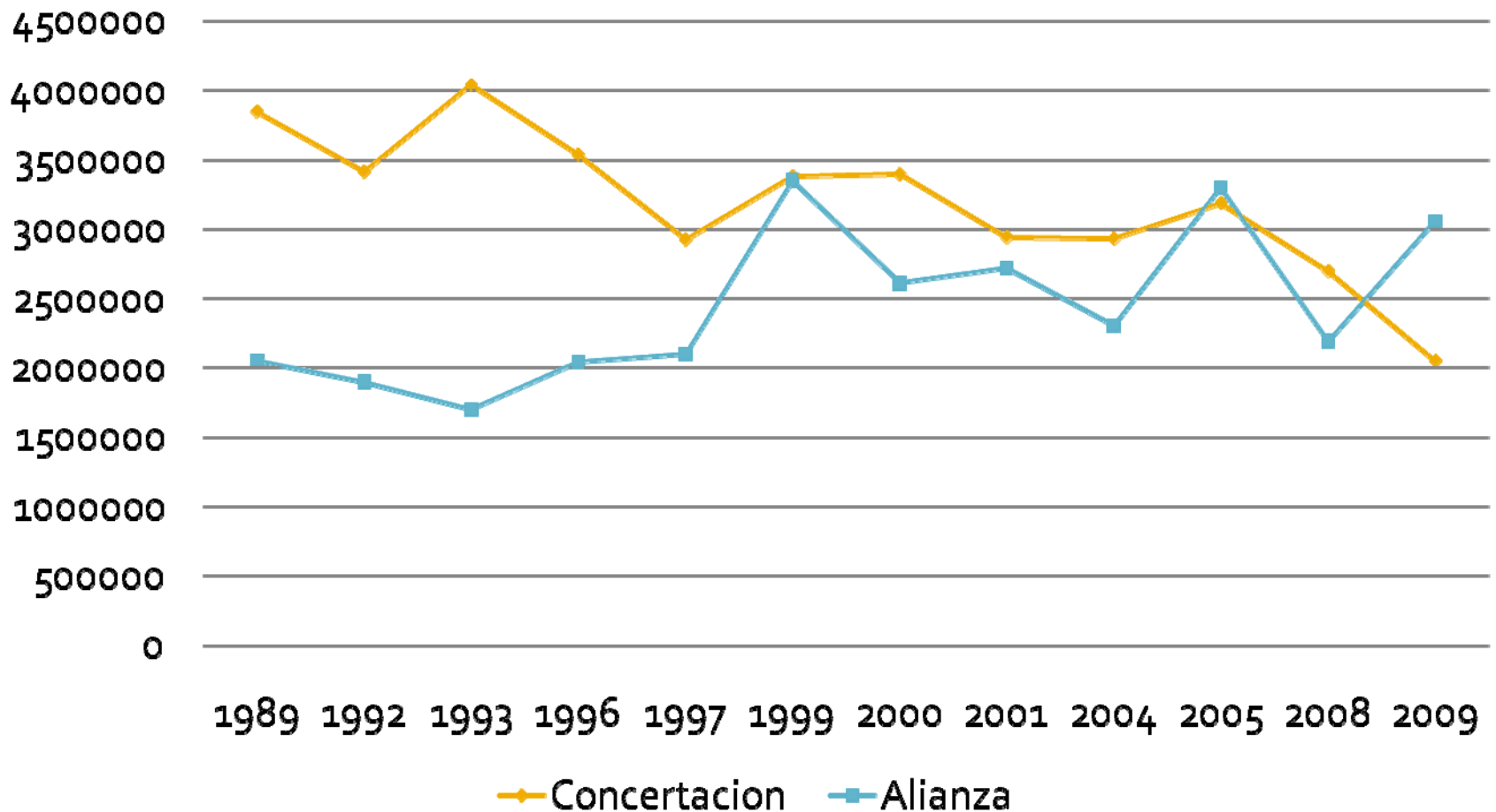
Outline

1. Declining Concertacion and declining Electorate.
2. Successful Concertacion and very popular Bachelet.
3. Bad mechanism to select candidate and popular discontent, protest vote.
4. Good Alianza candidate.
5. What comes next.

1. Electoral decline of the Concertación, 1989-2009



The Alianza won fewer votes than the Concertacion lost



Few people register, fewer vote

Year	Voting age pop	Registered voters	Voters	Valid votes	Nulls, blanks, Abstentions and non registered	Voters/ registered %	Valid votes/ voting age pop %
1988	8.062	7.436	7.251	7.187	889	96,6	89,1
1989	8.243	7.558	7.159	6.980	1.344	92,3	84,6
1992	8.775	7.841	7.044	6.411	2.345	81,9	73,2
1993	8.951	8.085	7.377	6.969	1.848	84,3	75,8
1996	9.464	8.073	7.079	6.301	3.085	76,6	65,3
1997	9.627	8.078	7.046	5.796	3.746	71,1	59,6
1999	9.945	8.084	7.272	7.055	2.890	90,0	70,1
2000	10.100	8.089	7.019	6.452	3.648	86,8	63,9
2001	10.500	8.075	6.992	6.107	4.393	86,6	58,2
2004	10.700	8.013	6.874	6.123	4.577	85.8	57.2
2005	10.800	8.221	7.207	6.942	3.758	87.7	64.3
2008	11.600	8.109	6.951	6.087	5.513	85.7	52.5
2009	12.000	8.285	7.221	6.938	5.062	87.2	57.8

Did the Concertación or the Alianza win?

- Or are they both losing voters?
- Compulsory voting (not enforced) and optional registration have a combined negative effect.
- Younger people don't register (except the well to do)
- The electorate grows old and increasingly excludes the poor.

2. Successful Concertación

Table 1. Poverty and Extreme Poverty in Chile, 1990-2006

Source: Encuesta CASEN, 2006.

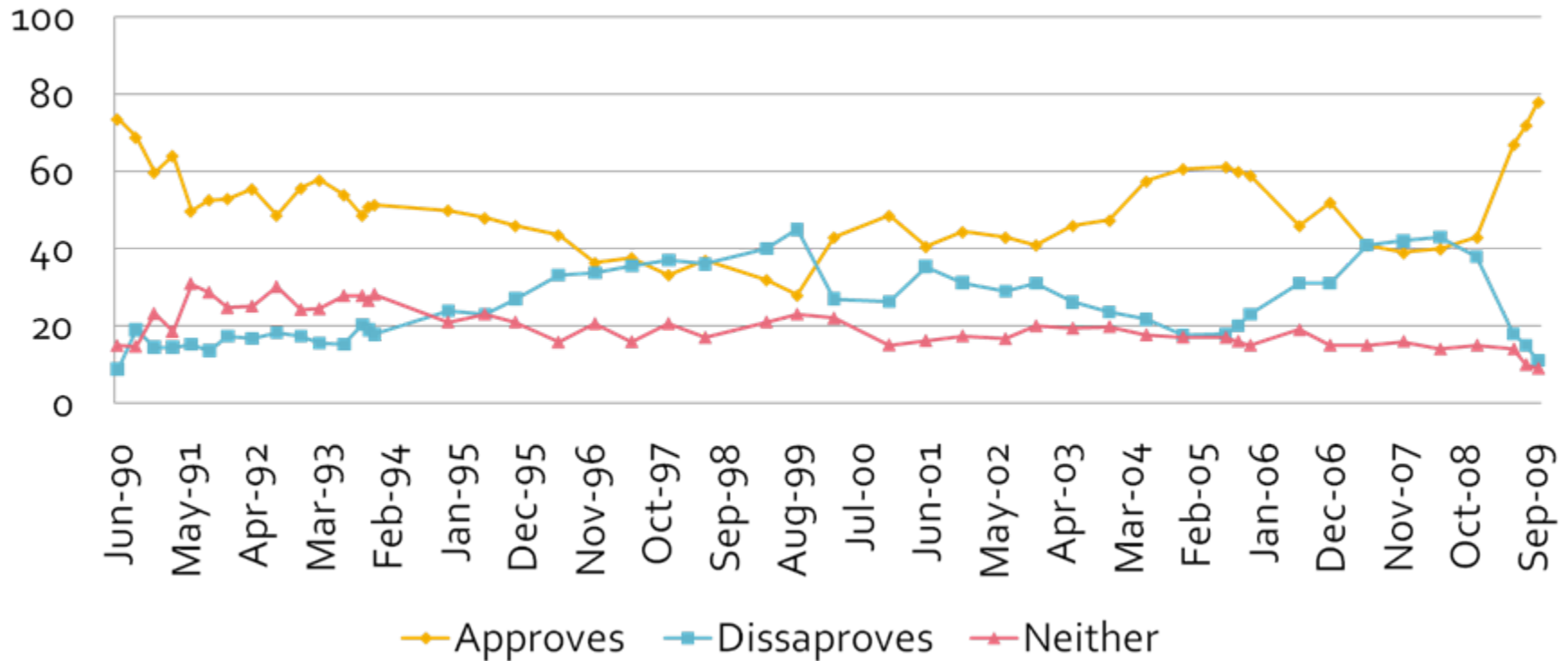
	1990	1992	1994	1996	1998	2000	2003	2006
Poverty	38.6	32.9	27.6	23.2	21.7	20.2	18.7	13.7
Extreme Poverty	13.0	9.0	7.6	5.8	5.6	5.6	4.7	3.2
Gini	0.57	.58	.58	.57	.58	0.57	0.55	0.54

Four Successful presidents

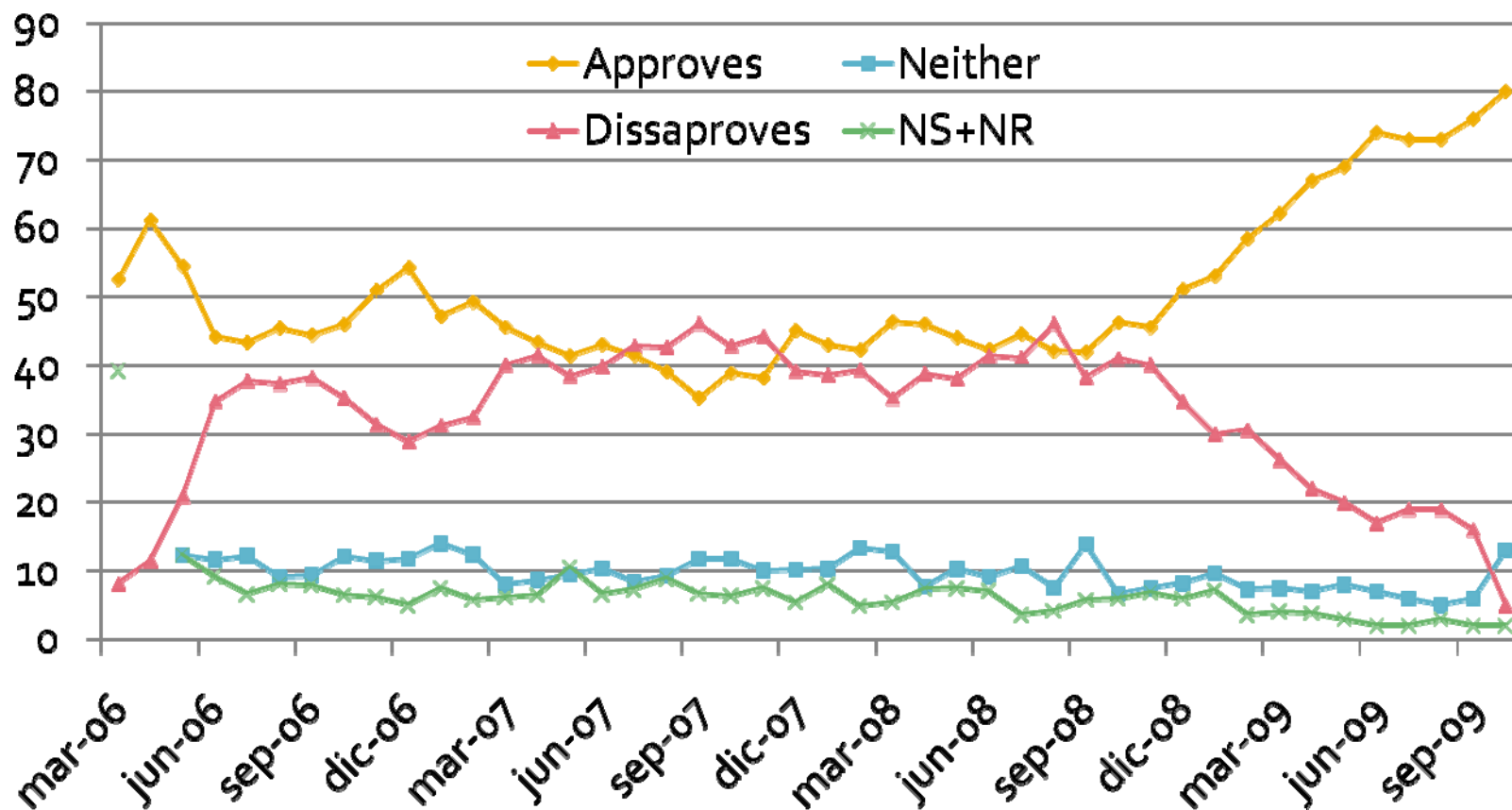
Presidents	Presidential terms	Average Inflation	Average unemployment	Average growth
Aylwin Azócar	1990-1994	19,0	4,8	7,8
Frei Ruiz-Tagle	1994-2000	6,7	6,2	5,5
Lagos Escobar	2000-2006	2,8	7,7	4,2
Bachelet Jeria	2006-2008	5,4	6,2	4,5

People have approved the Concertación presidents

Figure 3. Presidential Approval in Chile, 1990-2009



2. Approval for Bachelet



Fuente: Adimark

3. The Concertación blew it!

- Since its origin, Concertación was associated with expanding and deepening democracy.
- Top-down mechanisms associated with the transition were slowly replaced by more transparent and bottom-up practices.
- Limited primaries were held in 1993.
- In 1999, Lagos won in an open primary.
- In 2005, Bachelet was nominated when Alvear dropped out of the primaries.
- In 2009, the Concertación was going to have primaries but...

The candidate nomination story

- No formal mechanism to nominate presidential candidate
- Possibility of Lagos (and potentially Insulza) led parties to be ambiguous as to nomination process.
- As Lagos waited, Concertación established mechanism for primaries (support from 6 legislators).
- Lagos dropped out in Nov 2008 when his conditions (no primaries) were not met. Insulza and Alvear dropped out.
- Frei was in. Enriquez-Ominami threw his hat in too.
- Parties changed rules to confirm Frei as candidate.
- Fake primaries were held in April.
- Enriquez-Ominami announced independent run.

Participatory democracy

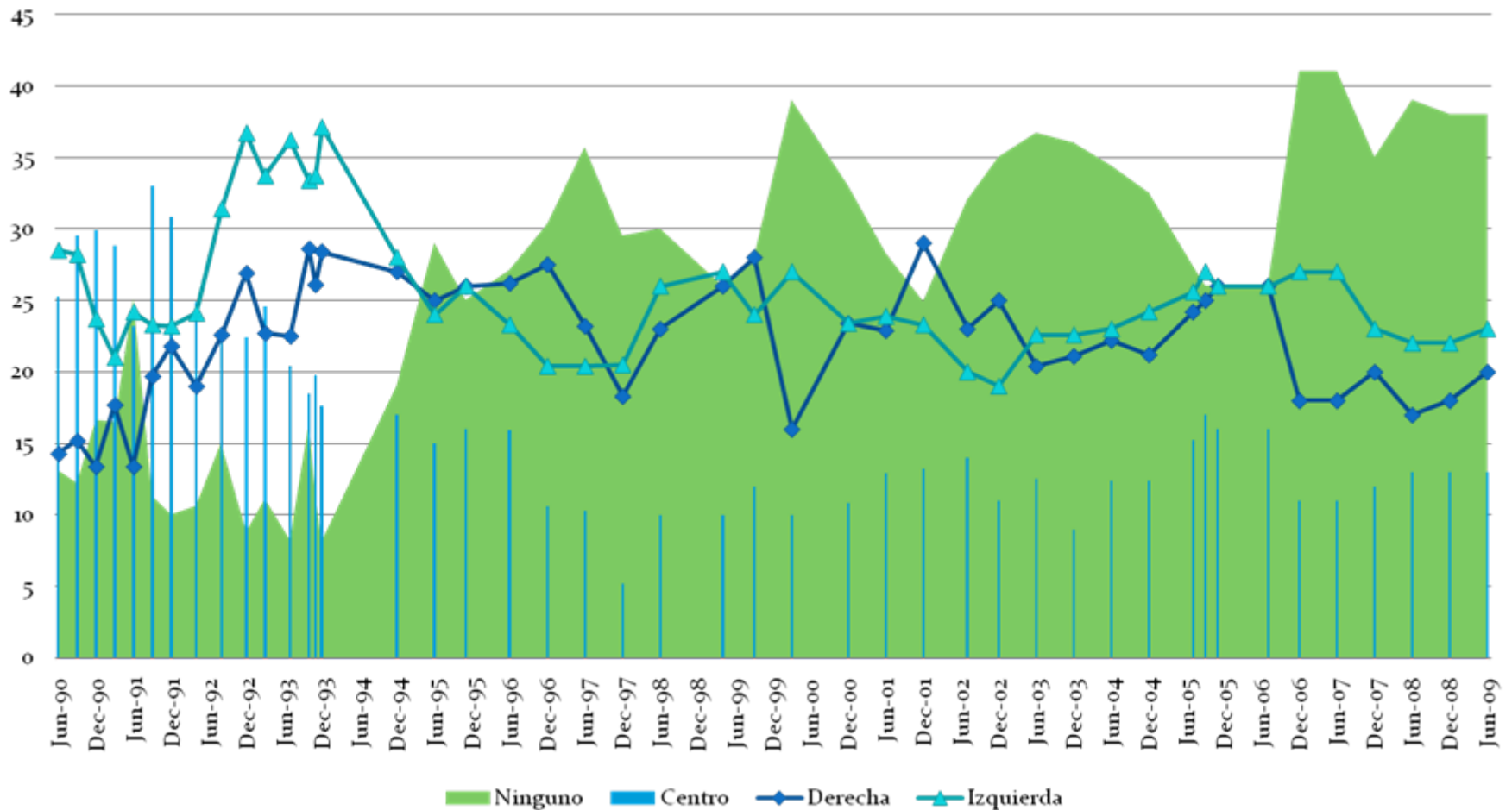
- Transition: top-down politics, no transparency.
- Democratic consolidation: more bottom-up, transparency, participation.
- Bachelet's election symbolized that change.
- Citizen's democracy, horizontal democracy.
- There is no going back.

No second servings

- Bachelet also represented the notion of new faces, renewal.
- Concertacion historically offered a combination of change and continuity.
- Change in a context of continuity.
- Frei, Lagos and Bachelet represented change within continuity.
- Frei in 2009 was continuity without change.
- Worse, it was a step backwards.
- ME-O stole the concept of change from Concertacion (but he offered no continuity).

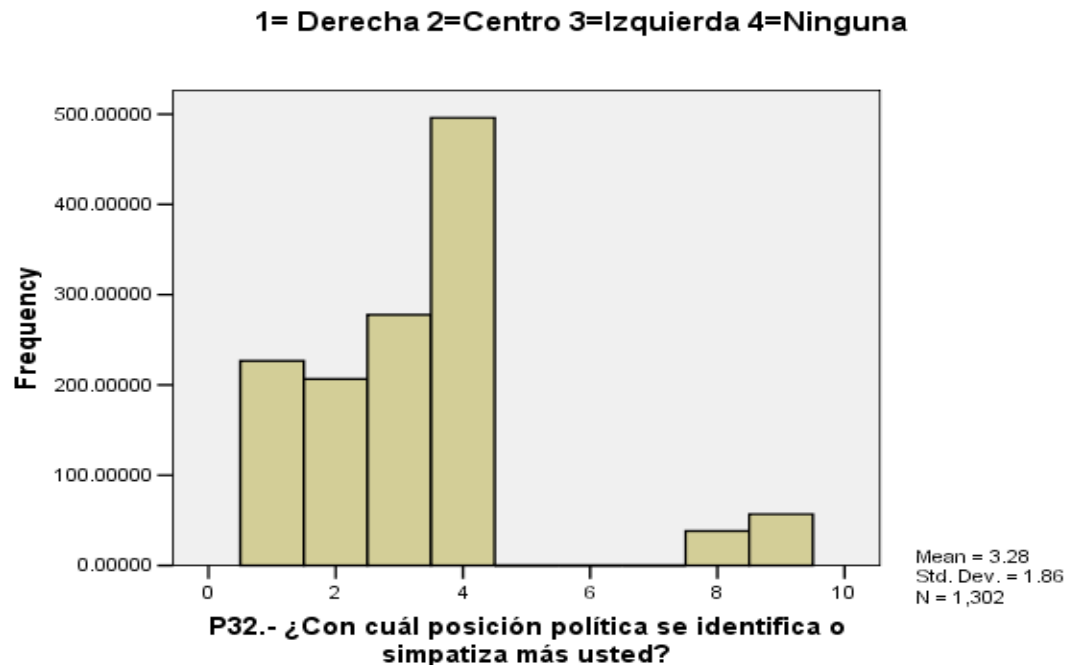
Chile, a center-left cultural majority

Political sector ID, 1990-2009



¿New alignment? No center

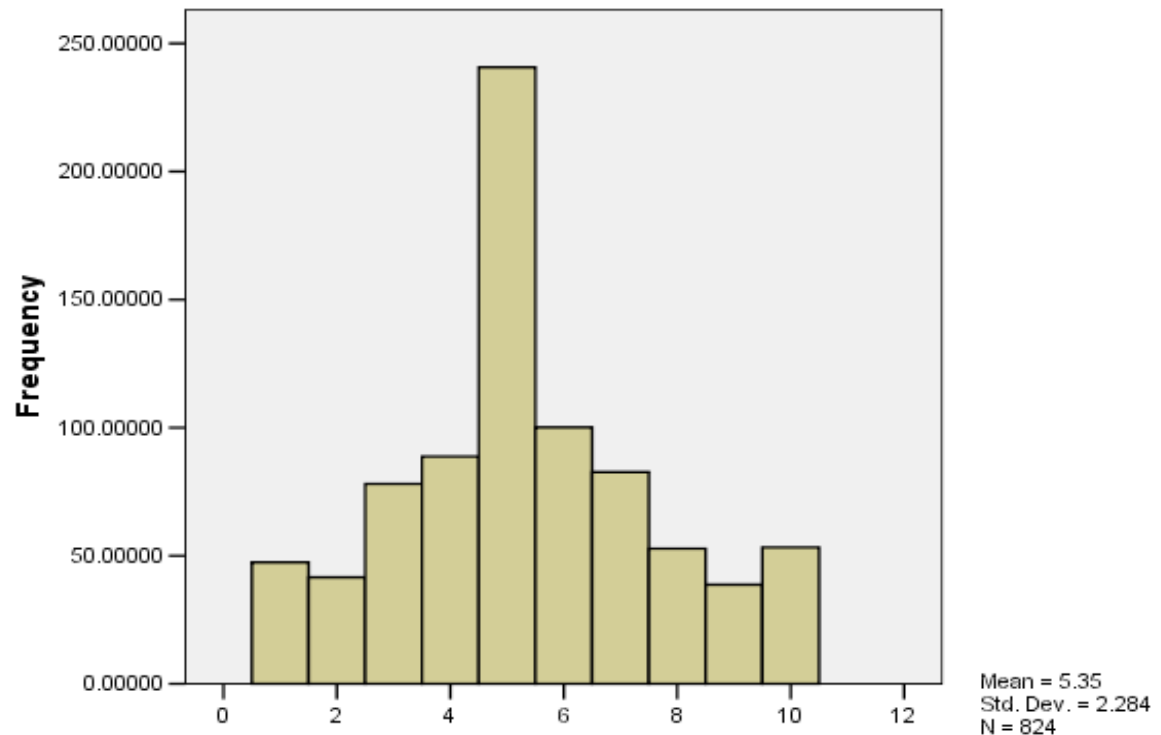
- Chileans do not identify with center. They prefer none (38%).
- Center is a bad word.



Cases weighted by Ponderador Nuevo Muestral (Macro region, sexo y edad)

2009. ¿New alignment? Moderates

- Chileans are moderate.
- Left and right, moderate.
- 36% identifies with none in a 1-10 scale. But most people place themselves in moderate views.
- Name it as you wish, centrist/moderates.



P33.- Utilizando una escala de 1 a 10, donde 1 representa más de izquierda y 10 más de derecha, ¿en qué posición se ubicaría Ud.

Cases weighted by Ponderador Nuevo Muestral (Macro region, sexo y edad)

A moderate but dissatisfied electorate

- Discontent with political parties.
- Discontent with party system and coalitions.
- But Chileans are moderate.
- They want change, but not too much.
- Change in style more than policies.
- Push forward, not change roadmap.
- Cross over to the promised land, not go back to the desert or find a new promised land.
- A balance between change and continuity.

4. But Alianza has gone from Pinochet to Center

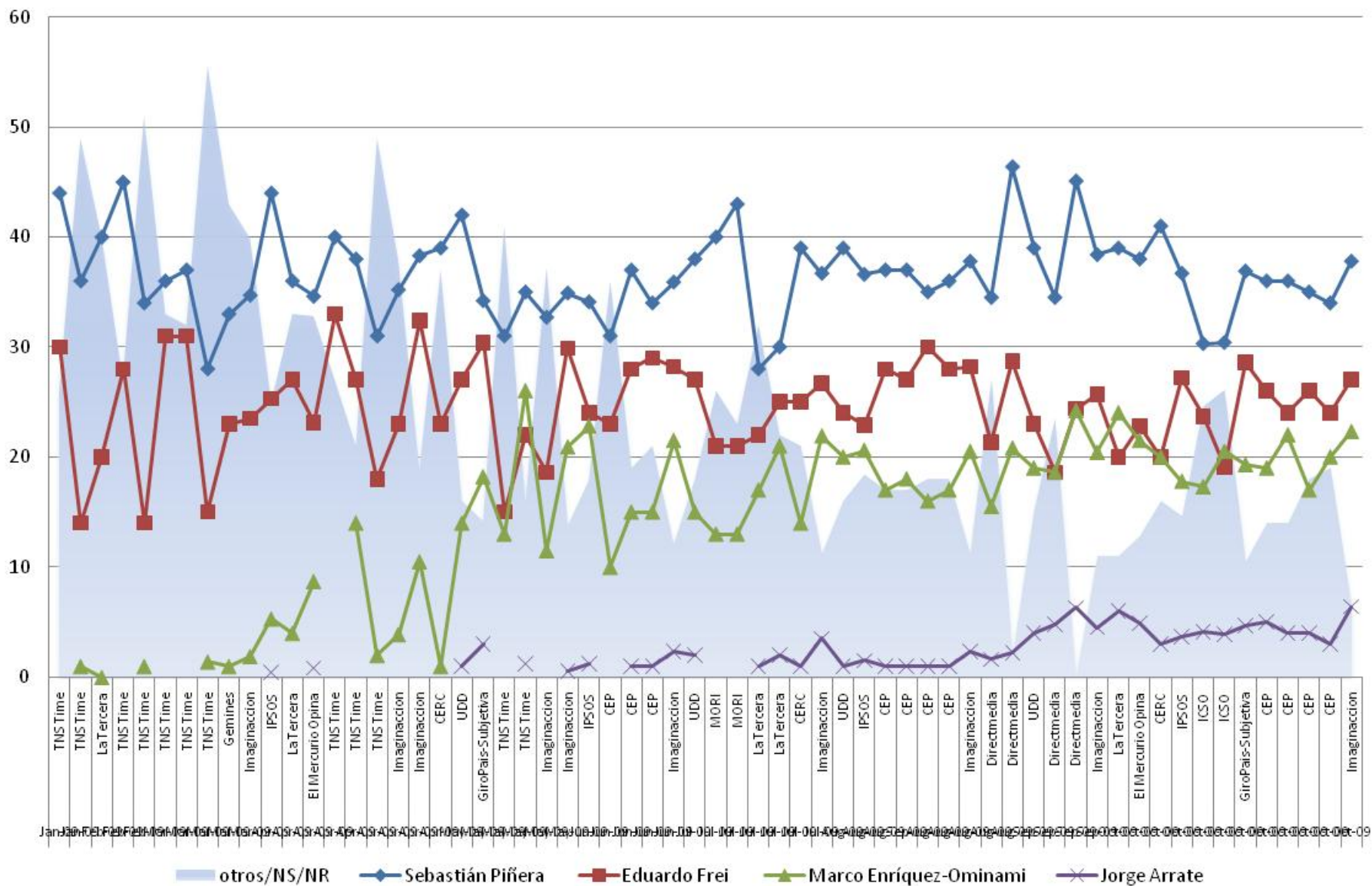
- 1989: Büchi, former Pinochet Finance minister 29.4%
- 1993: Arturo Alessandri, traditional rightwing conservative senator, 24.4%. José Piñera, former Pinochet minister, 6.2%
- 1999: Joaquín Lavín, mayor, rightwing neo-populism, distancing himself from Pinochet in London, 47.5%, runoff: 48.7%
- 2005: Lavín, 23.2%. Sebastián Piñera, opposed Pinochet in 1988, new right, democratic, businessman: 25.4%. runoff: 46.5%.
- 2009: Alianza, coalition for change

Sebastián Piñera, almost Concertación-like

- Juan Miguel Sebastián (December 1, 1949)
- Ph.D. Economics (Harvard), CEPAL, PDC origin, opposed Pinochet in 1980 and 1988.
- Strengths: successful businessman, understands public policy issues, experience, communication abilities.
- Weaknesses: successful businessman in a time of high unemployment, conflicts of interest, business and politics, excessive personalism, centrist in a rightwing coalition.

Intención de voto presidencial, Chile, enero-noviembre de 2009

Serie de todas las encuestas publicadas, Observatorio Electoral, ICSSO-UDP



Piñera-Frei runoff (all polls)

Intención de voto presidencial, Chile, enero-noviembre de 2009
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Vote intention by gender and income groups

Piñera was the candidate of the middle class. The Concertación was a victim of its own success. Those who made it to middle class status abandoned the Concertación

CEP, Octubre 2009

Candidato	ABC1 (5,2%)	C2 (9,5%)	C3 (38,9%)	D (44,2%)	E (2,2)	Total (100%)
Men						
Piñera	51,1	50,6	37,3	36,3	55,6	36,3
Frei	15,2	18,1	26,7	26,5	33,3	25,3
ME-O	9,1	12,0	19,6	18,2	5,6	17,3
Women						
Piñera	50,0	36,1	32,2	25,3	23,5	34,7
Frei	11,9	23,0	28,0	30,9	52,9	28,6
Me-O	21,4	21,3	19,4	17,4	5,9	18,4
Total	4,9	9,5	36,1	47,1	2,4	100

Vote intention by gender and age

Young people abandoned the Concertación. They were not afraid of an authoritarian reversal. ME-O showed this trend.

Candidate	18-24	25-34	35-54	55 and older	total
Men					
Pinera	46,5	42,9	37,2	35,3	39,5
Frei	11,8	21,4	26,4	37,7	25,4
ME-O	25,2	18,8	18,1	7,8	17,1
Women					
Pinera	39,0	37,1	33,8	32,0	34,8
Frei	24,4	31,1	27,4	32,0	28,8
Me-O	26,8	18,5	17,2	14,5	18,3
Total	16,7	20,3	38,8	24,2	100

Presidential approval and vote intention

People did not associate approval of Bachelet with Concertacion vote intention. Because Bachelet adopted a strategy to stand above every day politics, people did not see her as a political actor.

Candidate	Approves	Dissaproves	Neither	DK	Total
Piñera	29,1	67,0	49,0	41,0	37,0
Frei	33,6	6,0	11,8	19,0	27,0
ME-O	21,0	10,1	10,5	2,1	17,8
Total	72,3	14,5	10,2	3,0	100

October CEP Poll (last before election)

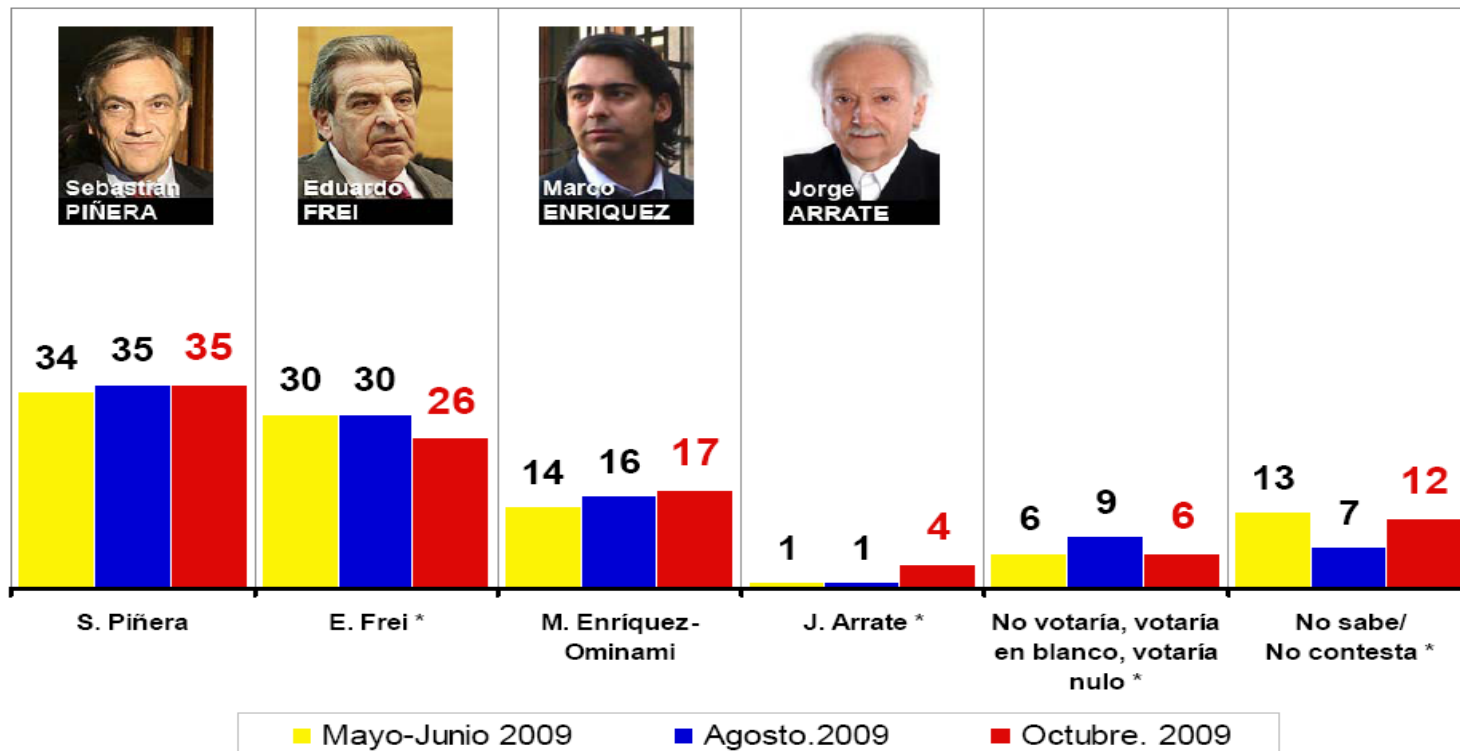
CEP, Encuesta Nacional de Opinión Pública, Octubre 2009

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Si las elecciones presidenciales fueran el próximo domingo, y los candidatos fueran los siguientes... ¿por quién votaría Ud.?

(PREGUNTA CERRADA EN CUESTIONARIO) (Submuestra: Inscritos en Registros Electorales) (Evolución)

%



* Diferencia significativa desde un punto de vista estadístico entre las mediciones de Agosto 2009 y Octubre 2009.

Fuente: CEP, Encuestas Nacionales.

Edición gráfica: David Parra Arias

Piñera and ME-O led in support among the youth. Frei led among older and less educated voters

CEP, Encuesta Nacional de Opinión Pública, Octubre 2009

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Si las elecciones presidenciales fueran el próximo domingo, y los candidatos fueran los siguientes... ¿por quién votaría Ud.?

(PREGUNTA CERRADA EN CUESTIONARIO) (Total muestra) (Por Edad y Años de Escolaridad)

%

	EDAD				AÑOS DE ESCOLARIDAD				
	18-24	25-34	35-54	55 y más	0-3	4-8	9-12	13 y más	NC
	(17%)	(20%)	(39%)	(24%)	(7%)	(23%)	(40%)	(29%)	(1%)
S. Piñera	36	37	34	32	28	28	33	42	38
E. Frei	14	18	26	31	45	35	22	12	25
M. Enríquez-Ominami	32	26	19	11	7	13	23	25	38
J. Arrate	4	4	3	3	1	2	3	6	0

Frei lost in cities and won in the countryside. Opposite to ME-O. That hurt him in second round.

CEP, Encuesta Nacional de Opinión Pública, Octubre 2009 www.cepchile.cl

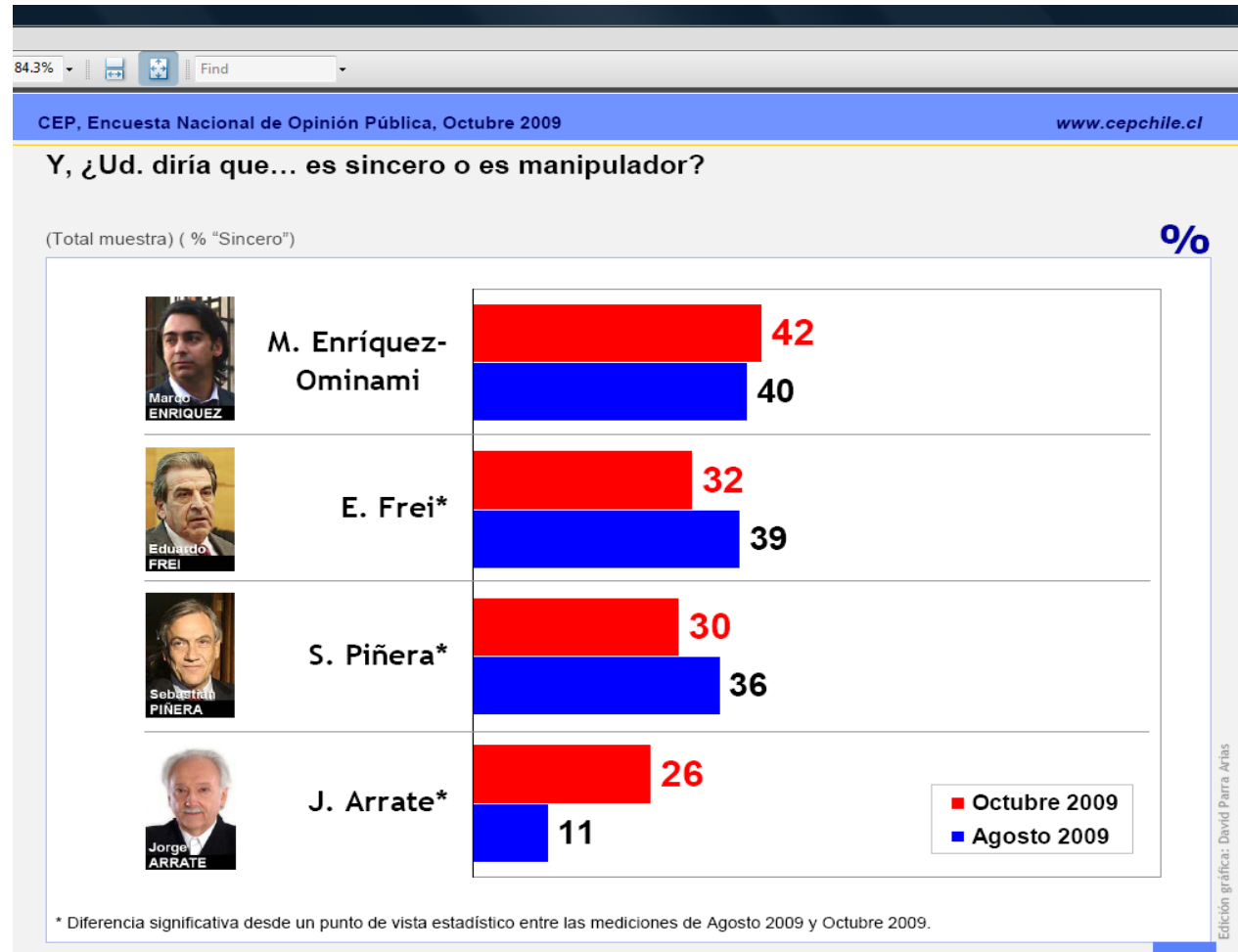
Si las elecciones presidenciales fueran el próximo domingo, y los candidatos fueran los siguientes... ¿por quién votaría Ud.?

(PREGUNTA CERRADA EN CUESTIONARIO) (Total muestra) (Por Zona Urbana o Rural) (Comparación) %

	ZONA Mayo-Junio 2009		ZONA Agosto 2009		ZONA Octubre 2009	
	URBANA	RURAL	URBANA	RURAL	URBANA	RURAL
	(87%)	(13%)	(87%)	(13%)	(87%)	(13%)
S. Piñera	35	33	36	39	35	33
E. Frei	27	40	26	37	21	42
M. Enríquez-Ominami	16	11	18	9	22	12
J. Arrate	1	0	1	0	4	1

avid Parra Arias

ME-O is more sincere, honest and people feel close to him. He is better than Frei in all personal attributes and ties Pinera in most attributes.



Piñera is better on all performance attributes. Capable, but distant and insincere.





CEP, Encuesta Nacional de Opinión Pública, Octubre 2009

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¿Quién de los siguientes candidatos le da más confianza para enfrentar los siguientes problemas?

(Total muestra)

%

	 Sebastián PIÑERA	 Eduardo FREI	 Mauricio ENRÍQUEZ- OMINAMI	 Jorge ARRATE	
	S. Piñera	E. Frei	M. Enríquez- Ominami	J. Arrate	Ninguno
Crisis económica mundial	41	25	11	2	15
Salud	34	25	18	5	12
Delincuencia	44	20	15	2	12
Inflación	41	24	13	2	13
Educación	34	25	18	5	11
Transporte público	38	23	16	3	13
Desempleo	42	23	15	3	12

Edición gráfica: David Parra Arias

People seem to value more ability than sincerity and closeness.

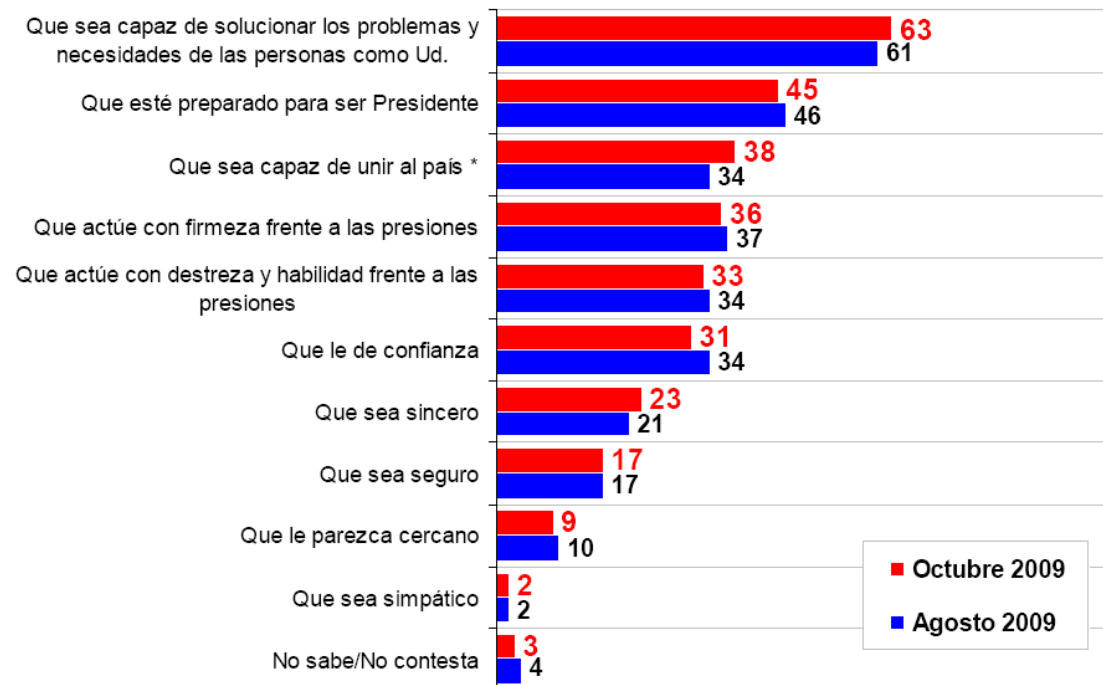
CEP, Encuesta Nacional de Opinión Pública, Octubre 2009

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¿Cuáles de las siguientes características son las tres más importantes para Ud. para decidir por quién votar en la próxima elección presidencial?

(Total muestra) (Total Menciones: 300%) (Comparación con Agosto 2009)

%



* Diferencia significativa desde un punto de vista estadístico entre las mediciones de Agosto 2009 y Octubre 2009.

Edición gráfica: David Parra Arias

Frei has higher negatives than Pinera or ME-O

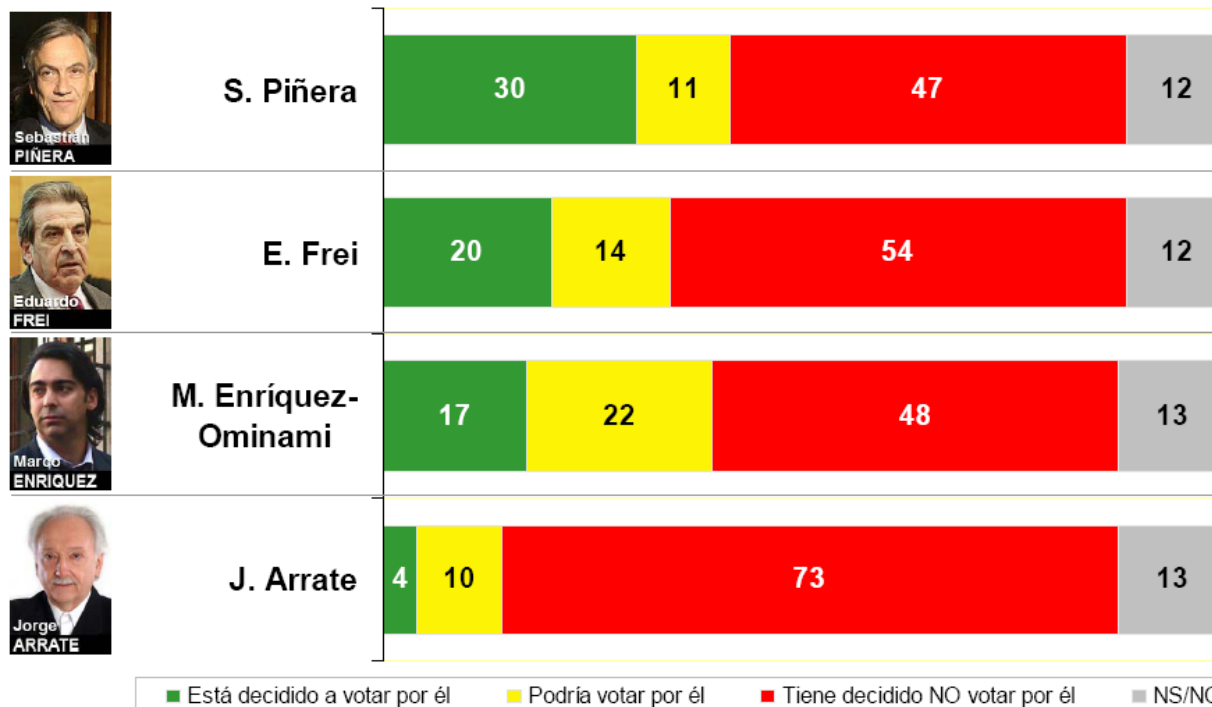
CEP, Encuesta Nacional de Opinión Pública, Octubre 2009

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Respecto de la posibilidad de votar por ... en la elección presidencial de 2009, ¿Ud. diría que está decidido a votar por él, que podría votar por él, o tiene decidido no votar por él?

(Total muestra)

%



ción gráfica: David Parra Arias

Piñera was a superb candidate

- Piñera offered the right combination of change (new faces) and continuity. Same policies, different emphases, more urgency, less corruption.
- He distanced himself from Pinochet legacy.
- He celebrated the Concertación successes, but stressed need for change.
- He was almost a Concertacion candidate, especially in the run-off, where he regained the notion of change.

5. What comes next?

- After 20 years successful years, people want change, but not too much.
- Piñera needs to reassure people that change will be neither drastic nor traumatic.
- Moderation is the key word.
- Change in a context of continuity.
- Continuity in policies, change in faces, emphases (crime, corruption, efficiency, urgency).

The 4 threats to the Piñera government

- The Pinochet shadow. Former notorious leaders of the dictatorship in high office.
- Elitism. Conservative parties do not have leaders who represent the diversity of Chile.
- Business conflicts. Piñera must govern in Chile's interest, not his own.
- Conservative moral crusade. Chileans are more tolerant and liberal than far right UDI party.

Piñera's opportunities

- He can do the same the Concertación did in 1990. Take the good, leave the bad.
- He can embrace a market-friendly and socially conscious platform.
- If the Concertación campaigned with the left and governed with the right, Piñera can govern with the same policies the Concertación implemented.
- He can tackle some issues the Concertación could not afford to deal with: state modernization (including Codelco), public education, pro market rather than pro-business reforms.
- He can't push privatizations, champion moral issues or adopt policies that favor big businesses.

What about the Concertación?

- Everything will depend on what Piñera does.
- If Piñera is successful, Concertación will drift to the left. Hardliners will take over. Populism will be the norm. Moderate Concertación leaders will eventually join the Piñera government.
- If Piñera is not successful, the moderate Concertación has a good chance to return to power.

Will Piñera be successful?

- Most likely, yes.
- Don't worry about Pinochet's shadow, worry about Berlusconi.
- Piñera is moderate, fairly liberal. He understands the need for social inclusion.
- Yet, he has had problems with conflicts of interests and with creating a firewall between business and politics in the past.
- Wait for those problems to emerge in the future.

5th president of the Concertación republic

- The Chilean institutional system fosters moderation, long term horizons and negotiations between stable coalitions.
- Change is difficult to accomplish and requires consensus among all key actors.
- These conditions, which facilitated the transition, will facilitate this new transition as well.