

# Chilean and international capital praise Boric's cabinet picks

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President-elect and Frente Amplio leader Gabriel Boric, who takes office on March 11, has reassured the financial and corporate elite that his government will be answerable to their needs. His selection of Chile's current Central Bank chief as his finance minister is the most recent event to puncture popular illusions that the incoming pseudo-left-Stalinist "Apruebo Dignidad" administration will serve the masses.

In the last week of January, Boric announced the selection of his cabinet to an enthusiastic national and international corporate media and the approval of the markets. The Chilean peso gained against the US dollar and the IPSA stock market indicator rose to its highest point in two months.

While the liberal press waxed lyrical about the "progressive" character of the new Chilean government (the *Guardian* writing that Boric had selected for the "first time anywhere in the Americas a ministerial team which is dominated by women" reflecting "his aim to build a fairer, more inclusive country"), the financial press got down to the real nuts and bolts.

Jorge Selaive, chief economist at Scotiabank Chile, was quoted in the *Financial Times* as saying that "part of the political risk that has weighed on Chile's currency since (the 2019) protests had receded with Friday's cabinet announcement."

"Naming Mario Marcel as finance minister is a very good sign of economic stability, seen positively by markets," Miguel Angel Lopez of the University of Chile told Bloomberg.

Marcel, from the Socialist Party, is one of several of Boric's cabinet picks who belong to the center-left that ruled for more than two of the last three decades of civilian rule and which were reduced to a rump in the constitutional, congressional and presidential elections of the last three years.

"Marcel has been praised for the way he guided the central bank's response during the period of social unrest, and the COVID-19 pandemic that followed....," added the *Financial*

*Times*.

Beginning in March 2020, as the coronavirus spread, the Central Bank chief prioritized a pro-corporate agenda of low interest rates, offering billions in liquidity and asset purchases, and providing loan guarantees that equaled 15 percent of GDP—"far above what has been done in other Latin American countries," Marcel told a Senate hearing last year.

In contrast, government handouts to the poverty-stricken population were so negligible that the virus spread unabated through the congested and overcrowded working class communes, and tens of thousands of destitute migrant families faced the crisis with growing threats of xenophobic violence and deportation.

As of January 30, the cumulative figure of confirmed and probable COVID-19 infections stood at 2,520,224 cases and 50,700 deaths, with the outbreak predominantly impacting 18- to 64-year-olds, the working age demographic.

The crisis compelled the middle class and sections of the working class to dig into their private pension savings. Chile's GDP grew about 12 percent in 2021 only because of these withdrawals, estimated at US\$50 billion, as well as a brief fiscal stimulus.

Key sectors of the export-oriented economy were kept operational despite the spread of the Delta and today the Omicron variants. Only last week, the trade union bureaucracy revealed that over 700 workers had tested positive for COVID-19 at BHP's Escondida mine (the largest copper mine in the world) affecting almost one-third of the workforce. What the union didn't report is that it aided and abetted management and the government in keeping the mining industry open throughout the pandemic.

This criminal "herd immunity" approach championed by President Sebastian Piñera, in consort with the parliamentary center-left and pseudo-left-Stalinist-dominated trade unions will now be continued by Boric—with the distinction that he will integrate these corporatist organizations more fully into his administration.

"The last thing we want is to reach measures as restrictive

as those we experienced in 2020,” he told CNN Chile’s “Tolerancia Cero” on January 25, adding that schools “must be the first to open and the last to close... (W)e are going to talk with the Teachers’ Association and all its organizations, in order to facilitate the return to classes...”

Boric won the presidential election’s second round last December 19 with close to 56 percent of the vote in a contest that mustered the highest voter turnout in Chilean history. This was not because of, but despite, the center-left launching a campaign to promote him as the only “democratic” alternative to José Antonio Kast, the fascistic candidate of the Christian Social Front. While sections of their dwindling base turned out to support Boric, youth and workers came out en masse to vote for him, with significant numbers alienated from the entire process staying home.

Apruebo Dignidad entered into secret discussions with the deeply unpopular traditional center-left—the Party for Democracy (PPD), Socialist Party (PS), the Christian Democrats and the Radicals—prior to the second round, to signal to the stock markets and the imperialist powers that his government would be one of moderation. He shifted the axis of his platform to the right during the campaign, picking up talking points on “security,” “illegal immigrants” and other issues from the playbook of his fascistic opponent.

Boric has continued to shift course to the right, telling a mass rally in Santiago he would build bridges to the rightist opposition while holding several discussions with big business pledging gradualism and fiscal responsibility.

Like SYRIZA in Greece and Podemos in Spain, the Chilean pseudo-left-Stalinist front has the task of dissipating seething working class and youth opposition to capitalism and safeguarding a crisis-ridden bourgeois state.

The electoral coalition Apruebo Dignidad was formed last year to enter the presidential race with the same political calculations as the much vaunted Constitutional Convention. The latter was born out of National Unity peace talks held between the ruling right-wing government of billionaire President Piñera, the traditional center-left and sections of the Frente Amplio coalition in the midst of the massive anti-capitalist protests in late 2019.

Terrified that the mass demonstrations would escape their control, they lent the embattled Piñera administration their support to shift the anti-capitalist protests into calls to change the country’s authoritarian constitution. In line with this, Apruebo Dignidad claimed that their agenda was to end the free-market economic policies imposed through military rule by Gen. Augusto Pinochet, and maintained by the civilian political caste that took power in 1991.

“If Chile was the cradle of neoliberalism, it will also be its grave,” postured Boric promising to replace the privatized pension system with a universal basic pension and to create

a universal health and education system, “dignified” incomes, gender equality and environmental protection, among other measures.

The crux of the Chilean left’s argument is that Pinochet’s “neoliberalism” and not capitalism in general is to account for the obscene levels of social inequality, poverty, nepotism and corruption, and police state violence.

It is a reformulation of the reactionary nationalist theory of the two-stage revolution that posits that the role of Stalinism in alliance with the middle class and the “progressive bourgeoisie” is to democratize the state and the republic through the bourgeois parliamentary process. The popular front politics founded upon this theory tragically led to the bitter defeat of the working class in Chile, where the Popular Unity government of Salvador Allende paved the way to the US-backed fascist-military coup of September 11, 1973.

Fifty years ago, the Communist Party, at least in Chile, still monopolized the loyalty of the working class. The Big Lie that their Soviet counterparts represented the political continuity of the October 1917 revolution held currency and lent political and ideological support to all sorts of reformist, bourgeois and petty bourgeois nationalist outfits across Latin America, allowing them to straddle between the Stalinist regimes and American imperialism.

This strategy came to a close by the 1980s with the globalization of capitalist production as waves of renunciationism—the abandonment of revolutionary rhetoric and social reformism—swept the organizations that dominated the labor movement. The final nail came with the dissolution of the Soviet Union in 1991 and the restoration of capitalism in Russia as the so-called left political forces in oppressed and semi-colonial bourgeois countries like Chile were stripped of any intermediary agency to imperialism.

Then as tragedy, today as farce, the chameleon-like Boric hasn’t even been able to sustain his reformist rhetoric until at least after taking office under conditions where a profound economic crisis is just around the corner. This treacherous strategy can only embolden the far-right forces that during the last elections galvanized around the candidacy of the fascistic Kast. At the same time, it will pit the incoming government more and more in a direct confrontation with the Chilean working class.



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