

Chile between two poles

The results of the first round of Chile's presidential elections revealed that voters embraced the extremes. José Antonio Kast, an ultra-conservative right-wing candidate, will face off against leftist Congressman Gabriel Boric, whose high profile is largely born out of the protests that shook the country in 2019 and their subsequent resolution through a Constituent Convention, a way out where the former student leader played a key role.

But another player may have a say in the second round: the citizen who did not turn out to vote on November 21. Only 47% of eligible Chileans voted.



Photo credit: Wikimedia Commons

This figure had reached 51% of the electoral roll in the referendum that determined the Constituent Assembly, amounting to 15 million people. Abstentionism, which has been a tradition since voting became non mandatory (2012) and an unequivocal sign of disbelief in politics as a tool, will have a substantial weight in deciding the presidential elections.

Will Boric or Kast - one with a speech that promotes a greater presence of the State in Chilean lives and championing inclusion; the other with a hard-line rhetoric against immigration and violence, sympathizing with the Pinochet dictatorship - be able to attract disbelievers to the point of tipping the scales in their favor, where party alliances and groups that were left out of the race will also have an impact?

The ruling party candidate Sebastián Sichel, after his electoral defeat, said he will not vote for Boric. On the other hand, the Christian Democrat Yasna Provoste, of the New Social Pact, has already supported him.

The first poll released this week shows a technical tie between both final candidates at 39%.



A headache for Biden

Joe Biden's popularity is falling. The 79-year-old leader came into office with approval ratings of 53% and as months go by and the economy recovers while achieving some of his goals such as the enactment of a massive \$1.2 trillion infrastructure investment plan, a growing pain is eroding Americans' sympathy for their president.

The latest FiveThirtyEight poll shows that while 42.8% of the country's citizens approve of Biden's performance, 51.8% disapprove of his role at the White House. The disapproval figure is almost equal to the level of approval with which this former Democratic senator, who is a skilled negotiator, began his presidency.

When compared to presidents in recent history who have been at the helm of the world's greatest power for the same length of time, only Donald Trump was below in terms of popularity 10 months after taking office. Neither Barack Obama, Bill Clinton, Ronald Reagan or even George W. Bush after the September 11 attacks in 2001 recorded these figures.

According to a USA Today/Suffolk University poll, 46% of respondents felt that Biden is performing worse than they expected as president.

This is happening against a backdrop of improving unemployment figures and rising incomes and spending by U.S. families, but also of enormous wear and tear on the president, who has had to and must fight in public to ensure that the investment plans on which his presidency and his



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[Chile between two poles]

The successful candidate will be the one who manages to combine alliances, with a narrative that captures the attention of those disillusioned with politics; the one who is able to mobilize his base - Boric is better positioned on this point -, and above all, to give a centrist message that allows him to expand the number of voters beyond his captive support base. It could be a head-to-head finish. ●

Guzmán, the challenge

Argentina's Economy Minister Martín Guzmán managed to escape the post PASO sweep of Alberto Fernández's cabinet for one main reason: he is the man in charge of negotiating with the IMF so that Argentina can reach an agreement to avoid default. Although he is a persona non grata for the powerful Vice-President Cristina Fernández, the Minister is the man of the hour of the Fernández government, and he obtained the public approval of this former President to continue negotiating with the Fund.



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After the legislative elections, an unacknowledged defeat for the ruling party, the agreement - if reached - with the IMF will be submitted to the National Congress with the opposition in a strong position to criticize, approve or reject it. All political groups know that without an agreement with the IMF, Argentina will once again go down a difficult road it does not want to return to.

The "Extended Facilities Agreement" sought by the government would allow it to spread payments over 10 years and defer debt payments for a few years, while trying to meet the fiscal targets imposed by the international financial institution.



[A headache for Biden]

legacy are banking on, to be approved by Congress. This is also taking place in a context of sharp price increases on a daily basis.

Inflation, driven by energy prices, accounts for much of the concern of a president who brought the United States back to normalcy in terms of political debate lost during the Trump era. Helped by vaccination, the country had been recovering with some ups and downs from the coronavirus crisis, but a relevant and unbalancing factor is still present: the price of petrol is heading towards the psychological threshold of 4 dollars per gallon in almost the entire country. In some places, it has already surpassed that level, but these are regions where fuel is usually more expensive.

This figure is a problem for Biden, who is now relying on a coordinated strategy with other major oil consumers such as China, India and the UK, to put huge volumes of oil from their strategic reserves on the market as a way of pushing down prices.

But even more important than the temporary effect that this measure will have in a context of sustained demand and limited supply by OPEC, Russia and other major players in the oil world, is the message that the President intends to send to the producing countries. So far, he has not succeeded in moving them from their positions. But if crude oil, and with it petrol, continues to rise at U.S. gas stations, we will see much more aggressive actions from a president who is not only playing for popularity poll numbers, but for his Democratic Party's control of Congress in the 2022 mid-term elections.

Energy and its impact on inflation, and by extension the mood of Americans and their perception of the Biden administration, will determine much of the remainder of what is likely to be the only term of the oldest president ever to serve at the White House. ●



[Guzmán, the challenge]

President Alberto Fernández insisted in his last speeches that the country will not accept any IMF imposition, although deep down he knows that he will have to give in - and a lot - because the upper hand is held by others. A moratorium would be much more damaging to the country - and consequently to the government - than an agreement that will imply unfriendly measures.

Argentina, currently printing money relentlessly, will have to change its course and have a clear economic program. The government will seek to create a message in an attempt to convince that no concessions will be made, but the numbers never lie to people's pockets, and the impact of an adjustment will have political consequences and will make room for criticism from the opposition, without the Executive having control over the outcome of parliamentary debate as it had intended to before the PASO.

A complex and controversial time lies ahead for the Fernández family: with no room for compromise with the Fund, a Congress whose control they have lost completely, and some vocal critics occupying seats as of December 10, the inevitable agreement with the IMF is both a financial salvation and a high voltage political threat for the Casa Rosada. ●

* For daily and updated monitoring of Covid-19 data we recommend:

<https://www.rtve.es/noticias/20211125/mapa-mundial-del-coronavirus/1998143.shtml>

<https://es.statista.com/grafico/24721/porcentaje-de-la-poblacion-con-la-pauta-completa-de-vacunacion-contra-la-covid-19/>

A two-speed struggle

It would be remiss if the last edition of the year of *Latam Political Overview* did not include a section on the coronavirus pandemic, which we thought was in retreat but which is now making a strong comeback in Europe.

According to the daily tally collected by Radio Televisión Española (*), the tragic toll worldwide exceeds 5.1 million deaths and almost 260 million people infected. The United States, one of the countries that made vaccines available most quickly and in the greatest volume to protect its population from the disease, is recovering its economy considerably. But fears that new lockdown measures and restrictions in Europe will hit global economic activity are becoming apparent.

In Europe, the evolution of Covid has changed its course, and something similar has been seen in the United States, although to a much lesser extent and to different degrees depending on the state.

A "fifth wave" is being talked about, even though part of the population should be better prepared to face it since the percentage of vaccinated people is increasing. There is a hard core of people who are not vaccinated in developed countries, and many - millions - who would like to be vaccinated in emerging and developing countries but are unable to do so due to the lack of vaccine availability.

Meanwhile, a new variant was detected in South Africa within the last few hours before the close of this newsletter.

Humanity faces a two-speed struggle between the development of vaccines - and even pills - that can bring some hope against Covid, and the advance of a disease that has made its mark on our time in history.

¿Will the same happen with this new variant as with the infamous delta, which became dominant in the world due to its quick transmission? Will the mechanism for distributing vaccines improve in 2022? The contrast is still too high: with 70% of the population of the European Union vaccinated and only 10% in Africa - where there is also a lack of good statistical data in some cases - the World Health Organization's principle that "no one is safe unless everyone is safe" is still on the to-do list for the coming year. ●



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