

The Americas

Chile's Bachelet changes tack with new Cabinet amid crisis

By Luis Andres Henao | AP May 7 at 11:33 PM

SANTIAGO, Chile — In shaking up her entire Cabinet, Chilean President Michelle Bachelet is trying to salvage an ambitious reform package amid growing scandals and contain a political crisis.

Bachelet surprised the country late Wednesday by announcing she had asked for the resignations of all her ministers and in the coming days would work on building a new team.

The president's coalition controls both chambers of Congress but her agenda has hit obstacles such as a slowing economy, the lowest approval ratings of her political career and a string of corruption scandals.

Combined, they are making it difficult to get support in Congress for key reforms including an education overhaul, the legalization of abortion in some cases, changing the dictatorship-era constitution and reducing the wide gap between the rich and poor.

“Legislatures are more loyal to popular presidents. When presidents lose popularity, they become more independent,” Patricio Navia, a Chilean political scientist at New York University, said Thursday.

Chile's gross domestic product grew just 1.9 percent last year, a five-year low. Meanwhile, trust in politicians and the business elite has been corroded after a recent bank loan scandal involving Bachelet's family as well as a campaign financing scandal involving right-wing politicians and the Penta Group, a prominent financial company. Another tax-related election-financing scandal at Chilean SQM mining company forced the resignation of its chief executive.

The controversy involving the president's family has taken a particularly big toll on Bachelet's image since she won a second term in office last year vowing to combat Chile's vast inequalities. Polls have her approval rating at 31 percent.

Prosecutors are investigating whether Bachelet's son, Sebastian Davalos, and his wife, Natalia Compagnon, got privileged access to a \$10 million loan to buy land they later sold at a profit. The loan was granted after they met with a Banco de Chile vice president, Andronico Luksic, one of Chile's wealthiest men.

The Cabinet shuffle might not be enough to turn things around, but it is a starting point for more profound change, said Renata Keller, an assistant professor of international relations at Boston University.

“They’re going to have to work with the justice system, investigate the scandals and study the laws so they can see what needs to be changed in order to strengthen them,” Keller said.

Bachelet recently asked Congress to fast-track measures to fight corruption and announced that businesses will no longer be able to contribute to political parties, which will now be financed by the government.

Associated Press writer Eva Vergara contributed to this report.

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