

A Failed Constitution Reform: What is Next for Chile?

62% of Chileans chose to reject the proposal for a new constitution drafted by the constitutional convention during the last year. It is worth noting the defeat in its electoral bastions, the Metropolitan and Valparaíso regions. In the first the result was 55% rejection versus 45% approval, and in the second it was 58% versus 42%, respectively. It was key that the vote was mandatory. This meant that almost 5 million more people voted than in the last presidential election. In anticipation of these results, President Gabriel Boric began a series of meetings before the plebiscite, in search of a broad political agreement to initiate a new constituent process.

The resounding defeat has been interpreted as a plebiscite to Boric's government, especially considering that he and his leftist coalition staked their political capital for the approval of the new constitution. Now Boric will try to reach agreements, not only with the opposition, but also within his own coalition. The political impacts were immediate and the president made important changes in his cabinet replacing two emblematic figures, the former minister of interior and public security, Izkia Siches, and Giorgio Jackson, former secretary of the presidency. They were substituted by Carolina Tohá and Ana Lya Uriarte respectively, figures of the center-left, more moderate politically, and with greater experience than the Siches and Jackson.

The main cause of this result is that, although Chileans want changes to improve the current economic model, they do not agree with refounding the country. In this direction, the approval campaign was based on a greater role of the state in the economy, replacing the private sector in key areas such as health services, education, exploitation of raw materials, and the pension system. For its part, the rejection campaign emphasized the preservation of individual freedoms and highlighted the dangers of greater state interference in the economy. One example was the proposal for Chile to become a plurinational state, recognizing more than eleven nations with different systems of justice, autonomy and self-government, which was interpreted by voters as greater political interference by the state, and which could create threats to the rule of law and private property.

The key to the large defeat of the approval was the joint work of the political organizations of the center-left and the right. The leaders of the right-wing parties showed a willingness to continue with the constituent process, and this was important for the voters since there is a commitment to continue working on a new constitution. Going forward, the new process will have to be based on dialogues and consensus, and depending on the willingness to negotiate of the parties involved, there will be more or less uncertainty. The Congress will play an important role, and the new constituent process will be more framed in traditional politics, moving more towards the center and avoiding extreme positions.

The challenge for Chilean political forces will be to work towards broad agreements that allow the development of a new constitutional text with greater popular support. This should happen as quickly as possible, since after three years of the constituent process the Chileans continue to wait for answers to the demands that originated the constitutional convention in the first place. Should this not happen, new episodes of protests could arise.

President Boric prefers the election of a new constituent assembly, but this does not guarantee that a better text will be produced than what was already rejected. In addition, at least a six-month preparation period would be required. If a new constitutional convention

were elected in March 2023, and it will take three months to draft a text (which is optimistic), the new referendum would take place at the end of 2023. This would be too long given Chileans' expectations of change. Another option would be for Congress to appoint a committee of legislators and members of civil society to draft the new constitution. This would reduce the time needed to vote, and this could happen in March 2023. For that alternative to work, the government will have to build consensus with opposition leaders, which will not be easy. Whichever option is chosen, while the new constitution is being drafted, there will be economic uncertainty that will negatively affect the markets and the Chilean economy in a context of an adverse international environment.

The center-left will gain greater influence, while President Boric's party, Apruebo Dignidad (AD), will lose it. The clear winners of the referendum are the centrist and right-wing parties, especially the Christian Democratic Party (PDC) and the center-right Chile Vamos (CV). These parties now feel they will have the political capital needed to counter the government's reform proposals, including the recently introduced tax reform, especially the mining royalty it intended to introduce. The presentation of other reforms, such as pensions, is likely to be delayed while the government reorganizes and begins negotiations with a strengthened opposition.