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Politics and business in Chile

A stubbornly persistent old boys' network

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FERNANDO ECHEVERRÍA'S ministerial career will be remembered, if at all, for its brevity rather than its accomplishments. On July 18th he was sworn in as Chile's energy minister. He resigned three days and eight hours later, after news reports revealed that ENAP, Chile's state energy company, owed money to Echeverría Izquierdo, Mr Echeverría's private construction firm. As energy minister, Mr Echeverría was also chairman of ENAP. Since he could not act in the interests of both companies simultaneously, he left the government. The fleeting minister and his erstwhile boss, President Sebastián Piñera, should perhaps be congratulated for their swift and transparent handling of his departure. But the fact that no

one in government noticed the banana skin before Mr Echeverría stepped on it is indicative of the pitfalls faced by Mr Piñera's business-friendly government.

When the president took office last year, becoming Chile's first conservative leader since its democracy was restored in 1990, he packed his cabinet with wealthy former businessmen. Nearly half his ministers renounced corporate directorships to take up their posts. Mr Piñera himself is a billionaire who sold his stakes in LAN, Chile's leading airline, and Chilevisión, a television broadcaster, early in his term. The president tried to hold on to his stake in a holding company that controls Colo Colo, Chile's most successful football club. Football, Mr Piñera argued, is an affair of the heart, and his shareholding was largely sentimental. But late last year, he was accused of meddling with the Chilean football association, and reluctantly sold his stake under strong public pressure. "I'm sure that if I sell my shares in Colo Colo they're going to insist that I sell my bicycle next," he grumbled.

Some government links to business are unavoidable. "At some point, many of us worked in the private sector," says Ena von Baer, a former spokeswoman for the government. "None of us arrived here from Mars. We were all working somewhere beforehand." But the government's critics say that many of Mr Piñera's officials have failed to make a clean break with their corporate pasts before joining the public sector, and that the president has not been sufficiently attentive to the appearance of conflicts of interest.

Most recently, on the same day that Mr Echeverría was given the energy portfolio, Hernán de Solminihac was named mining minister. One of his tasks will be to make Chile's lithium industry more open to private enterprise. The executive vice-president of SQM, the country's leading lithium producer, happens to be Mr de Solminihac's brother. The new minister will presumably take pains not to show any favouritism to SQM. But Mr Piñera surely could have found a candidate without such potentially perilous ties to the mining industry.

Blood runs deep in Chile, a small and unequal country where a handful of wealthy families have historically dominated politics and business. Mr Piñera has vowed to build a more inclusive society, which values hard work and talent over connections and surnames. That will require him to keep a closer eye on his ministers, and on their friends and relations in the private sector, than he has done so far.