

# CHILE: GABRIEL BORIC BLUEPRINTS HUGO CHAVEZ

Posted on December 29, 2021



Already before Boric takes office in March next year,

there are troubling signs that he may lead his country far and fast down the same road that Venezuela took under Hugo Chavez.

**Category:** [COMMENTARY](#)

**Tags:** [Chile](#), [communism](#), [Gabriel Boric](#), [Hugo Chavez](#), [Venezuela](#)

As [we recently reported](#), on December 19th socialist and protest leader Gabriel Boric was elected the 34th President of Chile. He is going to be a transformative president, but not necessarily for the better.

Already before Boric takes office in March next year, there are troubling signs that he may lead his country far and fast down the same road that Venezuela took under Hugo Chavez.

Apruebo Dignidad (Approve Dignity), Boric's left-leaning alliance, have made substantial commitments to socialist policies. The new president will be under strong pressure from the members of that socialist alliance to deliver on their radical political agenda.

Among his most demanding supporters is the Chilean Communist Party.

Gabriel Boric has boldly promised major new welfare-state programs and has a long list of demands on constitutional reforms. While he toned down his messaging between the first and second round of the presidential election, there is no mistaking his policy agenda. The [conservative Indian news site](#) Swawajya explains that Boric

*has made several populist promises including abolishing Chile's successful private pension funds, reducing the working week to 40 hours, increasing the minimum wage, making public transport free, moving towards a universal healthcare system, raising taxes for the rich and waiving off student debt.*

Boric's alliance, Apruebo Dignidad (AD), elaborates on its agenda in [a white paper on constitutional reform](#). Published by the Communist Party, the AD's paper is written as a contribution to the ongoing process for drafting a new Constitution. Among other things, the AD wants to remove "obstacles" that stand in the way of "efficient" legislation. These so-called obstacles include the bicameral system and super-majorities required to pass certain laws. They prefer a simple majority in one chamber.

President-Elect Boric's alliance also wants to end the constitutional court "in its current form." Together with the reforms to the legislative process, this package [bears a striking resemblance to Venezuela's](#) in the early days of the Chavez presidency. In an article for *Foreign Policy* in February 2006, Javier Corrales explains how Chavez started his first presidential term with a constitutional reform that "streamlined" the legislative process. This meant implementing a unicameral National Assembly where laws could pass on simple-majority votes.

Once the new legislature was in place, Chavez and his party used it to expand the Venezuelan Supreme Court from 20 to 32 members. Thereby, Chavez essentially created a rubber-stamp institution for constitutionally validating his political agenda.

A unicameral, simple-majority legislature is tailor-made for politicians who want to radically transform a country. A bicameral system with super-majority votes and an independent constitutional court are all features of a constitution that prioritize political inertia over radical reform.

The inertia is intentional, meant to protect long-term values and principles against the whims of temporary majorities. It is also meant to protect the country from being run over by one ideology; unfortunately, that is exactly what happened in Venezuela, and there is a significant risk that Chile is next. Boric and his AD alliance appear to be planning to subordinate the Constitution to their ideological will.

As if to pour gasoline on the fire, the AD makes clear that the new Constitution must help

in the efforts "to distribute the wealth that we all generate." The democratic legislative process must also "play a role in the allocation of resources," and government must see to it that people's rights are being cared for.

This is standard socialist phraseology: the idea that the value produced in the economy somehow is the property of the people is directly derived from Marxist labor-value theory. The subordination of the Constitution to socialist ideology is a Leninist idea, and a staple of communism.

The demands for government to "play a role" in economic redistribution are not just hollow rhetoric. The AD gets specific, demanding outright that socialist doctrine be written into the Chilean Constitution. The following entitlement benefits, the AD says, should be tax-funded and constitutionally guaranteed:

- Education at all levels should be free, tax-paid, open to all, and secular;
- All citizens should have an "adequate housing" guarantee;
- There should be a universal, single-payer health care system with "a solidarity component" regarding the allocation of health-care resources;
- All Chileans should get a "universal basic income" from taxpayers;
- A new, tax-funded pension system should weaken the link between workforce participation and benefits.

To see just how far-reaching Boric's reform agenda is, let us place it in the direct context of the Venezuelan experience under Hugo Chavez. In an article for *Foreign Affairs* in March 2008, Francisco Rodriguez, former chief economist at the Venezuelan National Assembly, breaks down the Chavez-led government's reform agenda in four steps. Three of them are relevant in today's Chile.

The first step of reforms that the Chavez regime took was, according to Rodriguez, to drastically increase government spending. In order to deliver on their long list of entitlement promises, Gabriel Boric and his leftist alliance will have to significantly

increase government outlays. It is reasonable to expect that once it is fully implemented, the welfare state that Boric will pursue could consume half the Chilean economy.

The second reform step on Rodriguez's list is price and wage regulations. This includes but is not limited to a higher minimum wage and, he explains, "a ban on laying off workers."

A higher minimum wage, which is on Boric's list of priorities, is in itself a form of wage (or price-of-labor) regulation. Furthermore, among AD's desired changes to the Chilean constitution we find mentions of strengthening people's right to work. While this does not necessarily go as far as a ban on employment reductions, it could certainly move Chile in that direction.

Laws that make it more difficult for employers to hire and fire employees work as price controls. They prevent both employers and employees from effectively seeking a market price for labor.

Third, Rodriguez explains, Chavez eroded property rights in part through the expropriation of private businesses "on an ad hoc basis." Boric and the AD appear to be more moderate than the Chavez regime on this point. However, it is important to note that the Venezuelan government did not resort to land expropriation until a few years into the Chavez presidency. It was not until they had failed to use price regulations as a means to reduce food costs that they began confiscating businesses.

One of the most painful examples is that which led to mass starvation in Venezuela. In an analysis of the Chavez-led right-to-food program (*Human Rights Quarterly*, 4/2015), Rhoda Howard-Hassman explains how the Chavez regime started with a government-run chain of supermarkets and ended up expropriating food producers and distributors.

The groceries sold in the government-run supermarkets were price-controlled below producer costs. As a result, food suppliers lost money selling to the government stores, with shortages as a result. The expropriations campaign was meant to solve this problem,

but instead it plunged the country into [an irreversible starvation catastrophe](#).

It is important to make clear that, as of today, there is nothing that suggests that Chile's new President has any plans that would replicate the Venezuelan path to starvation. However, there are elements in the policies of Apruebo Dignidad that suggest at least an implicit openness to measures that could eventually destroy property rights. Those measures are, again, examples of how Gabriel Boric is blue-printing the Venezuelan experience.

In order to fund his social programs, Boric [wants more government control over Chile's mining industry](#), including a new state-owned company for mining and processing lithium. By relying on mineral royalties for his welfare state, Boric follows the same route as Chavez did with Venezuela's oil revenue.

The problem in the latter case was that oil prices plateaued, then dropped, just as Chavez was in the thick of his own welfare-state expansion. According to Rodriguez, the former chief economist of the Venezuelan National Assembly, it is difficult to find any evidence that oil revenue ever funded the welfare state. This is likely due to Chavez expanding the welfare state without regard to what revenue oil exports would generate. His political strategy was, simply, to put the welfare state in place and reassure the Venezuelan people that they would not have to pay for it.

Based on revenue primarily from copper and lithium mining, Boric is planning to take the same approach. The cost of his new welfare state is unknown at this time, but it is a safe bet that it will increase regardless of what revenue the mining royalties bring in. The cost of the welfare state will be determined by how much health care, education, retirement benefits and basic income the Chilean people have the right to.

Even if mineral prices remain high for the foreseeable future, there will come a time when welfare-state spending outpaces those revenues. Just like Chavez dismissed the possibility of declining oil prices, Boric will put himself in a situation where he will have only bad

options to choose from: raise taxes across the Chilean economy; drastically cut welfare-state spending; or take another page from the Chavez playbook and expropriate private property.

It is easy to dismiss these concerns as conservative fear mongering. However, if the new Chilean Constitution will guarantee a long list of welfare-state benefits, and that Constitution does not render the same protection to property rights, it is not difficult to see where the government may go in order to fund its entitlement programs.

Given the parallels between Boric's agenda and the policies that Hugo Chavez implemented in Venezuela, it would be outright irresponsible to ignore the possibility that the Chilean left is about to embark on a journey of equal destruction. Should that happen, the price will be of equally terrible proportions.

In 1999, when Chavez first took office, the standard of living in Venezuela was at the top among Latin American countries. Measured as inflation-adjusted gross domestic product per capita in U.S. dollars, Venezuela was on par with Uruguay, only a smidge behind Argentina and more than 20% better than Chile.

Today, Chile ranks at the top of the continent's living-standard league. From 1999 to 2019, the standard of living in Chile rose by 63%, again in real terms. During that same period of time, which coincides with Chavez taking office for the first time, Venezuelans lost 57% of their standard of living.

Again, these numbers are adjusted for inflation; the loss of standard of living is not made easier by the fact that Venezuela has been through one of the most devastating inflation episodes in world history.

It is incumbent upon Gabriel Boric to convince both skeptic Chileans and foreign investors and human-rights analysts that his presidency is not going to be the beginning of a new Venezuelan disaster. He may already have heard the concerns: according to Argentinian



[Prensa Internacional](#), Boric toned down his socialist agenda going into the run-off election.

At the same time, it is not unheard of for politicians to make tactical adjustments to their messaging just to secure an election victory. Would Boric have won the December 19th run-off if he had passionately advocated the constitutional reforms proposed by his alliance?

Regardless of whether Boric actually wants to govern as a centrist or if he will pursue his party's radical agenda, he will be pressured from the left to stay true to their socialist vision. One outlet, [the World Socialist Web Site](#), has already branded Boric a "pseudo-leftist" precisely for toning down his policy agenda. In [an interview with Democracy Now](#), Chilean leftist activists expressed both hopes and expectations that Boric will be the truly transformative socialist they supported.

Socialism is never new. Every time it pops up again, it is the same old ideology in new clothing. Gabriel Boric must clarify if his transformative garments really are his own, or if underneath them he is wearing attire passed down to him from the late Hugo Chavez.