

CHILE: Battling Covid-19 resurgence as crisis stirs deeper political questions

A surge in new Covid-19 cases centered on the Metropolitan Region (RM) of Santiago has forced the government to reverse its limited lockdown easing measures. [As previously discussed](#), the U-turn demonstrates what can happen when Covid-19 hits higher-density populations, as well as the need for clear communication from a government that has generally responded quickly and robustly to the pandemic threat. The re-imposition of restrictions coincides with increased political contestation just as the government is trying to construct a broad political pact in response to the health crisis and its economic fallout, and in advance of a constitutional reform debate that will put Chile's economic model under intense scrutiny.

From tomorrow, 15 May, a total of 38 communes in the RM – with a combined population of around 7.4mn people – will be under strict quarantine conditions for at least seven days – and almost certainly for longer. The quarantine extension, announced on 13 May, comes after 2,660 new Covid-19 cases were reported in the previous 24 hours, 85% of them in the RM. At the same time, critical care occupancy stands at 90% of capacity in Santiago (versus 78% nationally), which puts the health system at risk of severe stress over the next fortnight (even as ICU capacity should increase slightly in the same period). The total number of confirmed Covid-19 cases stands at 34,381, with 346 deaths.

The government has come under fire over its “[Safe Return Plan](#)” and “New Normality” messaging, which critics say led the public to let its guard drop at the end of April, leading to the May spike. The government was likely premature in its loosening strategy. Another challenge is public lack of faith in a government that was very unpopular coming into this crisis, which makes the need for clear communications even more important.

In parallel, President Sebastian Pinera's unpopularity and the government's (mis-)handling of the October-January public unrest means that politics was unusually brittle anyway. This has made reaching consensus more difficult. The government's basic emergency income (IFE) initiative is a case in point. The initiative would see a basic monthly income provided to 4.5mn people in the most vulnerable segment of the population, mostly those who rely on the informal economy; payments are designed to last three months and will decrease from month to month, at a total cost to the state of around USD 830mn. However, opposition parties argued that the levels of cover and timeframe were insufficient, and Congress passed a revised version that Pinera vetoed, before a reworked version finally made it through the legislature this week.

Some opposition parties – mainly from the Broad Front (FA) – argue that the limited scope of the IFE reflects, not fiscal rigor, but ideological aversion. Some within the FA extend the argument by accusing the government of prolonging the health crisis by leaving informal workers with no choice but to go out to work. These skirmishes set the scene for the constitutional debate ahead (the referendum is scheduled for October). They also suggest that the FA – and even the populist Right – will use the Covid-19 crisis to deepen and radicalize the debate over what they see as the structural failings of the Chilean model, including welfare, healthcare and pensions, and propose new rights and protections to include perhaps a universal basic income.

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