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FEATURED Q&A

What Is Behind Early Cabinet Changes in Chile?

Chilean President José Antonio Kast announced changes to his cabinet on May 19, just two months into his term. // Photo: Chilean Government.

Q Chilean President José Antonio Kast on May 19 reshuffled his cabinet, appointing his public works minister, Martín Arrau, as security minister, replacing Trinidad Steinert. In addition, Kast tapped Transportation Minister Louis de Grange to also head the Public Works ministry and named Interior Minister Claudio Alvarado to also serve as his spokesperson, replacing Mara Sedini. The changes come as Kast's approval rating fell to 36 percent in early May, down from 57 percent in late March, just after he took office. What are the main reasons behind the cabinet changes, and what shift in approach may come of them? Why has Kast's approval rating plunged in the first months of his term? What's the significance of De Grange and Alvarado holding dual roles?

A Patricio Navia, clinical professor of liberal studies at New York University and professor of political science at Universidad Diego Portales in Chile: "It is never good news when a president needs to replace some cabinet members in the first 100 days of a term. But acknowledging a mistake and quickly taking measures to correct course can also be seen as a sign of pragmatism and effectiveness. President Kast's first cabinet shuffle will go down in history either as the first sign of a troubled government that never got off the ground or as a symbolic first moment of pragmatism and efficiency. Everything will depend on what happens in the next few months. The fact that Kast sacked the minister of security is a worrying sign. Kast campaigned on a tough anti-crime policy platform. Chileans expected measurable results right away. Yet, Kast sacked the minister, a former

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Gen. Francis Donovan, the head of the U.S. Southern Command, met Friday with Cuban military leaders near the Guantánamo naval base for a "brief exchange on operational security matters."

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Banks in Canada have strengthened their financial positions over the past year, the Bank of Canada said in a report.

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De la Espriella Tops Colombia Vote, Faces Cepeda in Second Round

Right-wing lawyer Abelardo de la Espriella emerged as the top vote-getter in the first round of Colombia's presidential election on Sunday. He faces leftist Iván Cepeda in a June 21 runoff.

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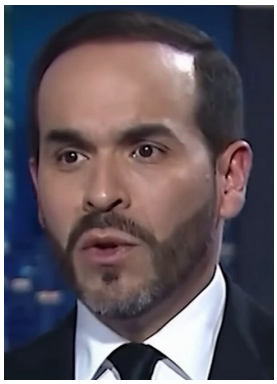

De la Espriella // File Photo: Red+ Noticias via Wikimedia Commons CC BY 4.0.

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POLITICAL NEWS

De la Espriella Tops Colombia Vote, Faces Cepeda in Runoff

Right-wing lawyer Abelardo de la Espriella emerged as the top vote-getter in the first round of Colombia's presidential election on Sunday, topping leftist Iván Cepeda, though neither candidate won a large enough share of the vote to avoid a runoff. With 100 percent of the ballots counted, De la Espriella garnered 43.74 percent of the vote, while Cepeda had 40.9 percent, according to Colombia's electoral authority. The result sets up a second round between the two men on June 21; a candidate would have needed more than 50 percent of the vote in the first round to avoid a runoff. Conservative Senator Paloma Valencia finished a distant third, with 6.92 percent of the vote. De la Espriella, who calls himself "the tiger," celebrated the result in a post on Instagram. "More than 10 million Colombians placed their trust in the tiger, joining the herd," he said. "We will change the history of Colombia forever," he added. Cepeda, who was leading in polls ahead of the first round, refused to immediately accept the results. "Only when the vote-counting commissions have fully clarified what happened will we comment on tonight's results," Cepeda said Sunday night, the Associated Press reported. Cepeda did acknowledge that the contest was likely going to a runoff, the wire service reported. Cocaine trafficking in Colombia has risen sharply in recent years, as has violence, The Wall Street Journal reported. De la Espriella, a supporter of U.S. President Donald Trump, has vowed to reinforce Colombia's army in order to fight drug traffickers and has said he would build supermax prisons in the Amazon, the newspaper reported. Cepeda, who is backed by outgoing Colombian President Gustavo Petro, has constructed his political movement around victims of state-sponsored violence. Those victims include his father, Manuel Cepeda Vargas, a lawmaker who was fatally shot in Bogotá in 1994. Two army officers were convicted of his murder.

Top U.S. Commander in Region Meets With Cuban Military Brass

The top U.S. commander in Latin America met with Cuban military leaders near the Guantánamo Bay naval base on Friday, the Associated Press reported, for a "brief exchange on operational security matters." Gen. Francis Donovan, head of U.S. Southern Command, met with Lt. Gen. Roberto Legrá Sotolongo and other Cuban officials. Cuba's Revolutionary Armed Forces called the meeting "positive," saying both sides agreed to maintain communication between military commands. The meeting was the latest high-level contact between the two countries as President Trump ramps up pressure on Cuba and the first in recent memory by a head of the Southern Command, according to Reuters. Trump has warned Cuba "is next" following the U.S. military capture of Venezuelan leader Nicolás Maduro in January. Since then, the administration has imposed an oil blockade, maintained warships in the Caribbean, and indicted former Cuban President Raúl Castro on federal charges. Secretary of State Marco Rubio and CIA Director John Ratcliffe have also met with Cuban officials, though those talks led to further U.S. sanctions. Donovan also assessed base security and discussed readiness with Guantánamo officials. On Friday, the Pentagon announced 1,300 sailors and Marines would replace the 22nd Marine Expeditionary Unit currently deployed in the region.

ECONOMIC NEWS

Canada's Banks Strong Despite High Energy Prices: Report

Banks in Canada have strengthened their financial positions over the past year and would be able to continue lending even if the war in Iran continues and leads to a lengthy period of elevated energy prices, the country's

NEWS BRIEFS

Fujimori Maintains Lead Ahead of Sunday's Runoff in Peru

Two polls released on Sunday showed right-wing Peruvian candidate Keiko Fujimori holding a narrow lead over leftist Roberto Sánchez ahead of Peru's June 7 presidential runoff, according to Reuters. An Ipsos survey put Fujimori at 38 percent and Sanchez at 35 percent, while a Datum Internacional poll showed similar margins. Notably, 27 percent of respondents said they planned to spoil their ballot or not vote. Fujimori, daughter of the late former president Alberto Fujimori, is making her fourth presidential run.

Nicaraguan Indigenous Leader Dies in Custody

Brooklyn Rivera, a renowned Indigenous leader who fought for the rights of Nicaragua's Miskito people, died on Sunday in government custody, Reuters reported. He had been imprisoned since September 2023. The Nicaraguan government attributed his death to a bacterial infection following a Covid-19 infection, but human rights advocates rejected that explanation. "If he is dead, it cannot be said that the cause was illness," said Reed Brody, a member of the U.N. Group of Human Rights Experts on Nicaragua.

U.S. Virgin Islands Hit by Two Blackouts

St. Thomas and St. John in the U.S. Virgin Islands were hit over the weekend by two blackouts, the Associated Press reported Sunday. The first blackout hit on Saturday night, and crews restored power hours later. Another blackout occurred on Sunday. The outages resulted from the loss of generation at a power plant, according to the Virgin Islands Water and Power Authority, the AP reported. Outages in the U.S. Virgin Islands have been more frequent in recent years.

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central bank said in a report released May 28, The Wall Street Journal reported. The Financial Stability Report from the Bank of Canada said the country's businesses and households are financially stable. Indicators of financial stress in businesses and households have stabilized over the past year, the bank said in the report. Though household debt is high, it remains below recent peaks when considering after-tax income, the report added. "Vulnerabilities look manageable," said Carolyn Rogers, the central bank's senior deputy governor, the newspaper reported. "Our overall view is that the Canadian financial system remains well positioned to weather shocks," she added, Reuters reported. Concerns over trade tensions with the United States as well as mortgage renewals at higher interest rates have not disrupted financial stability in Canada, the report said, The Wall Street Journal reported. Still, the report added that the conflict in the Middle East has contributed to raising geopolitical and economic risks. The annual report also said vulnerabilities that have increased in the financial system include historically high valuations for corporate bonds and equities, as well as the risks that hedge funds have posed by acquiring sovereign debt through leverage, The Wall Street Journal reported.

BUSINESS NEWS

EFG International Eyes Brazil in Planned Expansion

Zurich-based private banking boutique EFG International is planning to expand its 300-person staff and intends to increase its services in Brazil and Florida, Bloomberg News reported Friday. EFG's wealth under management increased more in the Americas than in any of the firm's other units last year and generated $4 billion, said Sanjin Mohorovic, chief executive officer of EFG Capital brokerage in Miami and head of the company's Americas operation, Bloomberg News reported.

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prosecutor, when she acknowledged that the government had no detailed program to combat crime. The appointment of Steinert was always strange. Prosecutors are notoriously slow doing their jobs, and they don't really get along with the Carabineros police. Since crime was one of Kast's key campaign promises, he should have appointed someone he knew better and could work with. The new minister, Martín Arrau, is a Kast loyalist and a more experienced politician. Although he lacks experience in security matters, he understands the urgency of delivering on anti-crime policies. It is fitting that Kast appointed a trusted associate. If the security policies fail, the Kast presidency will struggle to consolidate power and bring about transformations in other areas. The sacking of the spokesperson was widely anticipated. Sedini had made a name for herself in social media and combative television programs. What works well in the media does not necessarily work well in a position that needs to project order, discipline and above all, the image that the government is in control. The early cabinet shuffle is an early yellow card for Kast. Unless his government can correct course quickly, his falling approval will render his government incapable of bringing about the radical right-wing shift and market-friendly policies he promised on the campaign trail last year."

Marie-Christine Doran, full professor in the School of Political Studies at the University of Ottawa and main researcher at the Observatory on Violence, Criminalization and Democracy: "Amid a major confidence crisis, President José Antonio Kast set a record for the earliest cabinet reshuffling in Chilean political history. He removed two important female figures who had given his team a veneer of gender parity: Minister of Public Security Trinidad Steinert and Secretary General of Government Mara Sedini. Several communication failures, such as Steinert admitting that she did not think she would be required to provide a security plan, contributed to the growing discontent regarding the lack of results in security and the economy—the two main pillars of the Kast government. In addition to the lack of response to the disproportionate impact of rising oil prices on Chile, the government's failure to achieve tangible results in key security issues is harming the president's popularity. Kast, who is close to Salvadoran President Nayib Bukele, has promised to replicate Bukele's so-called miracle method by expelling illegal migrants accused of causing increased violence in Chile. Despite highly publicized migrant deportations in the last months, the lack of any meaningful security results—some northern regions have even experienced an increase in violence—has affected Kast's popularity. In that context, Kast's appointment of Martín Arrau as the new security minister, among the nomination of other close male allies to key positions, may be a gamble. Arrau's reputation as a vocal gun rights activist, as well as his style and nickname 'El Pistolero' ('The Cowboy'), may not signal the expected departure from the previous amateurism that led to the expulsion of Steinert and Sedini. Despite a massive vote in favor of hard-hand solutions to criminality, the political style and rhetoric of prominent members of Kast's cabinet remain profoundly alien to the traditional Chilean political culture."

Peter M. Siavelis, professor of politics and international affairs at Wake Forest University: "President Kast reshuffled his cabinet just 69 days into office, responding to plummeting polling numbers. This is the fastest such shakeup since Chile's return to democracy in 1990. It is not just him. More broadly, it reflects a growing pattern in which presidential honeymoon periods have steadily shortened across successive governments. Still, there are important substantive political components to the move. Behind the polling numbers is eroding public

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confidence in the government's credibility. When Kast publicly stated on May 13 that his promised expulsion of Chile's estimated 300,000 undocumented immigrants was 'a metaphor,' he effectively reneged on one of his flagship proposals. The other major issue on which Kast ran and won was public security. Security Minister Steinert's tenure quickly unraveled. Despite repeated public support from President Kast, she was removed after a series of controversies, including the dismissal of a senior National Police official, a heavily criticized congressional appearance, and her admission that she had not anticipated demands for a concrete security plan. The president also replaced his spokesperson minister, Mara Sedini, a person less central to the president's agenda, but one whose performance had also been problematic. The reality that the cabinet change handed two posts to the same people, effectively recycling portfolios, demonstrates the Republican's shallow pool of political talent, reinforced by the entire cabinet's lack of depth and experience. Looking ahead, Kast's ability to advance on any items on his political agenda will depend on whether the administration can stabilize its governing team and broaden its policy capacity before political pressures and declining public trust further constrain its room for maneuver."

Mariano Machado, principal analyst for the Americas at Verisk Maplecroft: "Kast's cabinet reshuffle, carried out at record speed, came after security turned from a campaign asset into a governance liability. Steinert's position had become untenable after she failed to convince Congress, the coalition and voters that there was a real security plan behind the campaign rhetoric. Sedini's exit revealed a spokesperson carrying the cost of unpopular decisions while operating too far from the real decision-making centre. With both liabilities converging, Kast moved before his June 1 Public Accounts address to keep them from overshadowing his set-piece reset. His falling approval reflects the gap between the pace voters expected and the constraints his government has faced. His landslide runoff victory gave him authority, but it meant that voters expected speed and control, not sequencing and compromise. The latest Cadem poll shows the reshuffle may have stabilized the numbers, but repairing the damage will be a different task. The reshuffle will test whether tighter command means greater effectiveness or merely exposes the thinness of the president's governing bench. Arrau's move to the security ministry shows that the priority is trust, discipline and execution in a portfolio that can make or break the government. Alvarado's expanded role is deliberately political. Combining the interior ministry with the spokesperson role puts public messaging in the hands of someone inside the real decision-making circuit. De Grange's dual role is less strategic and more practical: Transport and Public Works sit directly across infrastructure execution, logistics, public investment—and therefore the credibility of Kast's growth agenda."

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>
> **— Mariano Machado**

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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