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Chile ministers await fate; few seen safe in mass cabinet shuffle

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The center-left president has been stung as her popularity has dropped to record lows just as she is trying to push through ambitious reforms. The fall was sparked by financial scandals that have taken in politicians in both the opposition and government, as well as her own family.

A visibly perturbed Bachelet said in a TV interview that she was looking to shuffle the entire cabinet within 72 hours. Although only a partial shuffle was expected, just over a year into her term, the manner of its announcement took Chileans by surprise.

Government spokesman and cabinet member Alvaro Elizalde, whose own job may be on the line, said on Thursday the only minister who is safe is Foreign Minister Heraldo Munoz.

Munoz has continued to score highly in opinion polls, and was in The Hague to make Chile's argument against a sea-access claim lodged by Bolivia at the World Court.

Bachelet has been tainted by questions over a bank loan and lucrative land deal that benefited her daughter-in-law. The deal surfaced just as Chile was rocked by a scandal over campaign financing that has mostly drawn in opposition politicians.

Although the scandals are arguably minor by Latin American standards, Chileans take a dim view of corruption and the media has talked of little else in recent weeks.

Many observers said Interior Minister Rodrigo Penailillo is a likely target following reports that he had indirectly sought payment from fertilizer company SQM, a company at the center of the

campaign finance probe.

Bachelet's Chief of Staff Ximena Rincon was also seen as vulnerable.

Finance Minister Alberto Arenas was in New York as Chile readies an international bond issue. In the last five governments, the finance minister has stayed in post for the entire four years of an administration.

Chilean political analyst Kenneth Bunker said Bachelet's entire inner circle, including Penailillo, Arenas, Rincon and Elizalde, should be let go, as well as officials tainted by the campaign financing scandal.

However, to ask for the resignation of the entire cabinet was an over-reaction, he said. "It's enough to get rid of the rotten apples. With this (move) Bachelet is suggesting that the whole barrel is rotten."

(Additional reporting by Antonio de la Jara and Felipe Iturrieta; Editing by Peter Galloway)

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