

Former Finance Minister Nicolás Eyzaguirre Says Kasting \$6 Billion Spending Cut Would Trigger a Recession in Chile

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"Basic macroeconomics shows that slashing fiscal spending by \$6 billion in a low-interest-rate Chile would trigger a recession," said former Finance Minister Nicolás Eyzaguirre, who served under Presidents Ricardo Lagos and Michelle Bachelet.



In an interview with [Radio Cooperativa](#), former Finance Minister Nicolás Eyzaguirre warned that the \$6 billion reduction in public spending proposed by far-right candidate José Antonio Kast would push Chile into an economic recession.

«You need basic macroeconomics to understand that if you slash fiscal spending by \$6 billion in Chile, a country with low interest rates, you will trigger a recession□and no one has said that,» said the former minister who served under Presidents Ricardo Lagos and Michelle Bachelet.

«Politically, it is unworkable from a resource-allocation standpoint□it makes no sense□and from a macroeconomic perspective it is the prelude to a recession,» Eyzaguirre added.

For the former cabinet official, Kast's plan «has neither rhyme nor reason,» and he criticized appeals that frame the state as «full of corrupt officials.» «Look at what happened to Trump with the famous DOGE (led by Elon Musk): he didn't manage to cut even a tenth of what he promised,» he said, referring to the Republican president's failed government cost-cutting push in the United States.

«These are purely emotional, populist claims about how we are 'full of political operators.' If there are political operators, they should be removed, and what Evelyn Matthei has said is far more sensible in that regard. In short, Mr. Kast really is a risk,» Eyzaguirre emphasized.

● Nicolás Eyzaguirre y otros economistas plantean que recorte de José Antonio Kast va generar recesión económica. pic.twitter.com/hWpRn1oZVR

— Ciudadano Roberto Kiltro (@RobertoMerken) [October 10, 2025](#)

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