

## On the Moral and Political Nature of Financial Devices: The Case of Felices y Forrados (Happy and Loaded)

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### ABSTRACT

Felices y Forrados —Happy and Loaded— was a Chilean financial advisory company that recommended its users where to invest their mandatory pension funds. This article proposes that Felices y Forrados, like any financial adviser or device, is a set of technical, moral, and political elements assembled with the purpose of acquiring legitimacy and attracting clients. Methodologically, the article follows the discourses of Felices y Forrados, regulators, and traders in the Chilean capital market. The article discusses the case in three movements, arguing that it is crucial to consider political aspects and moral discourses to understand any financial device. This particular advisory company could be understood as a “parasite” that disputes legitimacy by giving advice and simultaneously adding its own discourses and recipes to gain political legitimacy and produce a moral standard in its three movements. To this end, Felices y Forrados was able to engage in public disputes with fund management companies and authorities while joining forces with grassroots movements. However, the other parties are also political and morally oriented entities, and this struggle ended with the banning of Felices y Forrados from its business activities.

**KEYWORDS:** Moral performativity, political devices, market devices, pension funds, information intermediaries.

### Sobre la naturaleza moral y política de los dispositivos financieros: el caso de Felices y Forrados

### RESUMEN

Felices y Forrados fue una empresa chilena de asesores financieros que operaba recomendando a sus usuarios dónde invertir sus fondos de pensiones obligatorios. Este artículo propone que Felices y Forrados, como cualquier asesor o dispositivo financiero, es un conjunto de elementos técnicos, morales y políticos ensamblados con el propósito de adquirir legitimidad y atraer clientes. Metodológicamente, el

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artículo analiza los discursos de Felices y Forrados, reguladores y comerciantes del mercado de capitales chileno. Presentando el caso en tres movimientos, el artículo argumenta que, para entender cualquier dispositivo financiero, es crucial considerar los aspectos políticos y los discursos morales involucrados en el mismo. Esta empresa asesora en particular se puede comprender como un “parásito”, que disputa la legitimidad dando consejos y, al mismo tiempo, añade sus propias recetas para producir cambios políticos y un estándar moral en sus tres movimientos. Para esto, Felices y Forrados se involucró en disputas abiertas con administradoras de fondos de pensiones y con autoridades, mientras se aliaba con movimientos sociales contrarios al sistema económico. Sin embargo, estos conflictos terminaron resolviéndose en contra de la empresa, cuyas actividades comerciales fueron prohibidas por ley.

**PALABRAS CLAVES:** Performatividad moral, dispositivos políticos, dispositivos de mercado, fondos de pensiones, intermediarios de información.

## 1. Introduction: Technical Devices, Politics, and Economy

Neoliberalism is a relevant topic for current social sciences, albeit still an elusive one. Some of the most relevant conceptualizations of the concept highlight its political nature and the way in which this apparently technical project involves class interests, political positions, and moral frameworks (Harvey 2007, Madariaga 2020). Another relevant aspect of neoliberalism is that it encompasses most current human activities, including social security and the way in which social rights become objects for financial markets. Furthermore, neoliberalism thought less in terms of policy orthodoxy than a consistent approach to any policy problem. More than a magical belief in the market, neoliberals are interventionists who seek to enact public policies with flexibility and improvisation (Plehwe *et al.* 2020).

The pension system was one of the crucial targets of the neoliberal public policies deployed in Chile. Following a private pension approach, the formula transformed pension funds and social security during the 1980s (Rosende and Reinstein 1986), creating pension fund management companies. The system was then reformed in 2002 and a multi-fund system was created, which was precisely what prompted users to demand financial advice from their fund managers and third parties. This article offers an analysis of Felices y Forrados (Happy and Loaded, or FyF), founded in 2010 to provide a mass of affiliates with

dynamic advice on the choice of multi-funds in the Chilean pension system and quickly became the leader of the multi-fund advice market.

Even as this article is being written, FyF remains part of a political dispute in which several actors (government bodies, regulators, private companies, interest groups) confront each other within the framework of neoliberalism. As the leading intermediary in the business of pension fund advisory services, FyF claims that the Chilean government imposed a sort of “freeze” on pension savers’ financial assets (Felices y Forrados December 2020) by limiting transfers between different funds. That was the last maneuver in a long history of political and moral interventions by FyF. In doing so, they pushed political and moral narratives about pensions and the economy as part of their marketing communication with their extensive group of clients.

Echoing the political and moral aspects of the FyF case, history and sociological theory have suggested that economists seek to distance themselves from the discussion about morality and ethics (Thumala 2013). There are two common myths in economics: First, the supposed political and moral neutrality achieved in economic theory and practice, based on academic consensus and the application of empirical methods; second, that policymakers act mechanically to achieve the common good (Lepers 2018). This arises from the work of Stigler (1959), who claimed that advances in economic science lack political bias due to the incentives and norms resulting from the dissemination of information (Jelveh *et al.* 2018). Furthermore, economic sociology scholars argue that all economic action and knowledge is related to culture and power (Boltanski and Thévenot 2006, Fourcade 2007). In this regard, researchers understand morality as the ideas, beliefs, or behaviors valued positively by a particular group or society (Luhmann 1998, Swidler 1986). Lastly, the sociology of knowledge highlights the importance of all sorts of knowledge, including political and moral conditions (Shapin 1995).

However, the social sciences have not analyzed the role of financial advisers sufficiently, despite the fact that important international entities such as OECD have warned about their role in modeling savers’ behavior and the potential risks posed to economies (OECD 2020). Consequently, this article uses the FyF case to problematize this intermediary, raising the

question about what type of financial agent FyF is and how its operations intersect with morality and politics. As a result, this article seeks to contribute to the existing literature in the field of new economic sociology on intermediaries (Bessy and Chauvin 2013, Preda 2007). In a nutshell, we propose that the case of FyF and the decisions made by its users offer new avenues to understand these types of intermediaries as assemblages of technical, moral, and political elements (Meyer 2008). However, the case also sheds light on how, under neoliberalism, devices can overstep political and moral boundaries once they acquire a logic of their own.

Under this approach, this article begins by presenting some theoretical elements for the analysis of FyF. In the first section of these theoretical elements, it illustrates the importance of power and ideology in the framework of the AFP system. The study then presents the general aspects of the FyF controversy, which it frames as a technical project and a financial challenge to the entire system, before going on to present a methodological section. The authors then give findings on news, traders, and regulator discourses to produce a sound understanding of FyF as a moral and political device. Lastly, the article discusses the political and moral nature of FyF and its relationship with the current Chilean economic and political environment and gives its conclusions.

## **2. The Case of Felices y Forrados: Some Elements for Analysis**

### ***2.1 The AFP System***

Chile became a world laboratory in terms of neoliberal reforms (Harvey 2007) during its most recent dictatorship. In this sense, pension funds and social security were the subject of one of the main economic reforms during the 1980s (Rosende and Reinstein 1986). International financial institutes, especially the World Bank, promoted financial openness to allow the entry of capital flows and improve the liquidity of local markets, which faced restrictions due to low levels of savings. In the case of Chile, given the narrative of the failure of the state economy model, the accumulation of savings in the long term and the creation of a deep capital market were promoted (Brooks 2007). The pension privatization program is associated with this financial

liberalization, with global economic forces playing an important role in its implementation, promoted by think tanks and the private sector in Chile and becoming one of the pillars of Chilean political economics (Bril-Mascarenhas and Maillet 2019). The reforms applied in Chile in the 1970s and '80s are at the vanguard of neoliberal policies promoted by the interaction between the national sphere and the global policy agenda (Orenstein 2005). Historically, Chile had a state distribution system that withheld from workers' salaries for savings once they left the labor market. However, the neoliberal turnaround created ruptures, thus allowing private entities to enter the system for the first time. This process created a unique system of individual capitalization, where private firms manage workers' savings through individual accounts, providing a "social right by private means" (Larroulet and Alessandri 1994).

Since then, the pension fund system became a cornerstone of Chilean political economics, fueling capital markets, providing capital flows to business groups, and promoting certain industries (Maillet 2015, Bril-Mascarenhas and Maillet 2019, Madariaga 2020). In this way, the Chilean pension system became a battleground for the clash of groups seeking to change or preserve the current economic system.

Accordingly, the private pension fund management companies—AFPs, for *Administradoras de Fondos de Pensiones*—withhold a legal monthly percentage (9% to 11%) of the wage of all dependent workers in the country (Da *et al.* 2018). Such a tremendous amount of money in the hands of a few private fund managers led to an enormous concentration of business power (Schiappacasse 2020, Bril-Mascareñas and Maillet 2019). The AFPs work investing these funds in Chilean and foreign capital markets, pursuing profits that will eventually benefit workers upon retirement. AFPs operate under the legal obligation of investment possibilities and safety in the funds' profitability, considering a minimum and maximum fee for their services (Mesa-Lago and Betranou 2016).

The radical economic changes in Chile in the 1980s are widely known for creating one of the most extremely neoliberal economies worldwide (Harvey 2007, Solimano 2012). Institutional processes of privatization include health, education, and essential services, such as water and energy, labor market deregulation, liberalization of trade and capital markets, tariff reduction, and the promotion and diversification

of exports (Ritter 1990, Schurman 1996). This neoliberal agenda passed several reforms that maintained the fundamental pillars of the AFP model during the Concertación administrations in the 1990s (Schiappacasse 2020).

The pension reform of the 1980s was a key element that rearranged financial markets and led to novel funding streams for a new set of growing industries and business groups (Salvaj 2013). Consequently, the pension system reform was key to the Chilean economic system change and its political base (Maillet 2015, Schneider 2008). Based on instrumental and structural power, the AFP system contributed to the neoliberal resilience under Concertación governments (Schiappacasse 2020). Interestingly, ideology becomes a major aspect of this economic and social model resistance, where “Money and media access help businesses amplify and disseminate the message. Strong relationships with political parties help bring business arguments to the center of debate in congress” (Fairfield 2015: 422).

Instrumental business power (Hacker and Pierson 2002) was maintained throughout the whole period of the AFPs operation. Furthermore, the AFP system is still the main contributor to the Chilean capital market, in terms of the volume. In 2019, their funds grossed US\$ 218 billion, about 77% of Chilean GDP (Superintendencia de Pensiones July 2019). Pension managers own about 30% of the Chilean stock market and 30% of the Chilean Treasury bond market. After a legal reform in 2002, the authorities created a multi-fund system. In this system, each AFP offers its affiliates five fund options. The funds range from fund A, which is composed of a high percentage of shares, to fund E, composed mainly of risk-free treasury bonds. As a result, AFP system users can choose both the fund management company and the type of fund where their funds are invested. As Schiappacasse (2020) comments, economic ideology is part of the structural power that business associations exert to maintain their desired economic and social order. This structural power is built from agents' perceptions.

Though AFP affiliates cannot withdraw their savings until retirement, a reform implemented in 2002 allowed users to move their savings from one AFP to another at any time, in addition to switching from one fund to another. This reform was, in part, based on the idea

of rational AFP users who can make the right decisions based on their respective risk profiles and the performance of AFPs and funds, creating an environment with increased incentives for maximizing performance in AFPs. In this particular sense, the reform also preserved an ideology based on economic training that posits expectations and interpretations of investment, behavioral economics and the existing literature on cognitive biases as the basis of the model's "improvement." (Fairfield 2015, Dorlach 2021).

The creation of a multi-fund system, associated with Chile's increasing exposure to the global stock market crisis—as demonstrated by the 2008 subprime crisis—(Corbo *et al.* 2011) and the scarce public policies and collective undertaking of financial socialization (Castillo 1996, Iglesias 1996, Miranda 2013) have facilitated a space for a plausible alternative financial advice market. It is in this new space of possibilities, created under the financial-economic ideology that preserves structural business power, that *FyF* entered the pension system arena.

In this sense, though the multi-fund reform described above formally allowed users to switch between AFPs and funds, the insufficient financial knowledge and information available to most of the system's users inhibited changes and people tended to rely on their initial choices, regardless of the fees and performances of managers and funds. This reform was a move to change certain 'cosmetic' aspects of the system which, nevertheless, did not reduce the instrumental and structural power of the AFP business. Furthermore, this reform created new possibilities for extracting income from AFP affiliates by using the space created for intermediary agents offering 'advice' to users for their decisions on fund switches. This new 'development' of the AFP system is nothing more than another step of the design of conservative economists building on broad support of business, employers, and policy experts (Dorlach 2021).

## ***2.2 Felices y Forrados Framed as a Technical Project***

*FyF* was created in 2010 to provide dynamic advice on AFP and fund choices, usually using social media as its main channel of communication and marketing. The founder of *FyF* based his company on a financial forecast system stemming from a tailor-made mathematical model that

allowed advising users to change from the riskier to safer funds before suffering financial losses and to switch from the safest ones to the riskier but more profitable ones when yields were positive. FyF offered its members a newsletter containing the instructions to maximize profits and minimize losses for an affordable monthly fee.

As a public-oriented organization, FyF needs social legitimacy (Navis and Glynn 2010), which in this case is both technical (they promise to help users optimize their profits by closing informational and analytic gaps) and moral (they democratize knowledge and profits, empowering users for a reasonable fee), like most economic fabrics (Schiappacasse 2020). In the background, its original publicity explained the name of the firm: While maximizing profits in the riskiest fund and minimizing losses in the safest fund, FyF users would take full advantage of the system and eventually would be able to retire at 50. Thus, people would be happy and loaded, bringing together happiness and financial wealth. This created not just a legitimizing discourse (Boltanski and Thévenot 2006), but also a seductive one.

FyF's predictive claim is based on a mathematical formula designed by Gino Lorenzini, FyF's founder and CEO. In Lorenzini's words, the formula "combines the knowledge acquired as a business engineer from Alberto Hurtado University with his years of management experience, and also studying for a master's degree in finance at University of Chile, in the middle of the 2008 crisis" (Felices y Forrados May 2021). The quote refers to scientific knowledge, accredited by his master's degree in finance, to justify the intermediation of FyF. By communicating their recommendations based on this 'expert knowledge,' FyF users would benefit from an improvement in the final profitability of their pension funds. As Fairfield (2015) explains, there is nothing unpolitical in the use of technical expertise and the legitimization that FyF obtained from its knowledge of this complex field. What is interesting to note, however, is that FyF envelops the power it possesses in such technical legitimacy.

### ***2.3 FyF as a Commercial Success and a Political and Financial Challenge***

FyF presents analysis inferred from specialized newspapers about the movements of international markets and expert reports on public

debt. This analysis, together with a tailored and “secret” mathematical model, is the background for its users’ recommendations. FyF generates recommendations and news, while at the same time “formatting” (Wilkie 2017) its users with a specific notion of economic rationality based on orthodox macroeconomics. Such an orthodox approach to the economy provides a framed but panoramic view of the economy and advice in line with those forecasts, enabled by the right of users to change AFP and funds at any time. Otherwise, there would not have been room for a service like the one provided by FyF, as we will see below.

FyF advice impacted its users’ fund accounts and the entire Chilean capital markets system. Due to its large and loyal client portfolio, recommendations are also monitored by relevant market actors to foresee possible consequences of the advice, as commented by trading desk operators. Thus, economic actors’ study of FyF’s mediation helps us to understand the essential aspects of the pension fund industry and markets.

FyF follows a ‘short-term’ investment strategy, seeking to maximize profits from market variations and putting forth new views about risk and protection, based on economic insights. This process injects financial noise into the industry, generating a catalytic effect on capital markets and the pension fund industry, often leading to herd behavior, as reported by the OECD (2020). This problem of herd behavior plus financial illiteracy caused concern among Chilean Central Bank officers. As the Central Bank President claimed, when FyF makes a recommendation, a huge number of users changes their type of fund, and such movements lead fund managers to “swap foreign assets for domestic ones, fixed income for variable income, more liquid assets, and more illiquid assets, within a very limited time frame. It is not very clear how the effect involving a substantial frequency of switching could benefit the system” (*Pauta* November 2020).

#### ***2.4 FyF as a ‘Para-site’***

There is no “a priori” market (Padgett and Powell 2013). Third parties limit the ubiquitous uncertainty in the markets from agents’ behavior (Bessy and Chauvin 2013: 95), producing organizations for lenders and savers. Bessy and Chauvin explain that third parties like FyF rearrange the

market's operation. Such an arrangement is not exclusively calculative, but also, primarily, a matter of legitimacy of actions.

FyF acts offering information based on the existing asymmetry in the Chilean capital market. Therefore, FyF becomes an intrinsic component of the complex AFP system, it "is on the side, to the side, shifted...not in the thing but in its relationship" (Serres 2002: 38). In this sense, FyF inhabits the "para-site" of the AFP system. Furthermore, as Serres accurately explains, parasites are entities that change relationships between related entities (Espinosa and Brown 2017, Brown 2002). In this case, this change emerges as FyF injects its own moral and political visions concerning the AFP system and the economic system, extracting profits in the process. When FyF para-sites AFPs, they are also affecting the financial market with its specific moral approaches, political and economic interests, and in its specific historical context.

To consider FyF a parasite implies understanding that it needs the existence and endurance of the AFP system. But at the same time, it introduces certain qualities to the AFP system. In consequence, it is relevant to inquire about the specific kind of social relationship that FyF translates and adds in its messages. Its recommendations can be regarded as noise that turns into signals for its users, consequently enabling a new kind of relationship between AFPs and users. This conceptualization justifies the existence of FyF in the needs of AFP users, though it also intercepts the relationship between users and their AFPs, injecting relationships between AFPs and users with its messages. In this sense, FyF is not just an information platform, but also an information intermediary, which, according to Preda (2007), enables building views from its highly specialized mediational processes.

### **3. Methods: How to Study FyF as an Assemblage of Technical, Moral, and Political Elements**

This text aims to understand the technical, moral, and political aspects FyF takes part in. In particular, the article seeks to show how FyF's positioning, and discourses change in different periods of its existence, injecting economic decisions, political strategies, and moral views into its users and capital markets. It does so mostly by analyzing communications

made by FyF, but also with data from interviews with key actors in the system. The authors see the FyF case as a way to problematize the understanding of financial and economic intermediaries. The article raises the question about what type of financial agent FyF is and how its operations are imbued with morality and politics.

Data collection came from news records taken from the Felices y Forrados website —[www.felicesyforrados.cl](http://www.felicesyforrados.cl)— and from other media sources (national web newspapers such as *La Tercera*, *El Mercurio*, *El Mostrador*, *El Líbero*, among the most important ones). The article obtained the company's perspective, its technical and moral discourses, and additional broader discourse on FyF from these data sources, analyzing a sample of news and reports published from 2015 to 2021 for this purpose. Researchers also followed news on Felices y Forrados and the pension system from 2019-2021 to track the case in national news outlets. They also held semi-structured interviews with market-making traders from two large bank trading desks in Santiago, Chile, obtaining institutional consent to do so. To add some context, authors used 20 interviews executed from September 2015 to January 2017, five of which were with regulators and government institutions from the national Chilean financial system, and 15 were bank market makers, traders, and trading desk managers from Chilean financial institutions. The authors followed up the case by contacting some traders during 2020.

Data analysis was based on emergent coding, bringing together data from the news published by Felices y Forrados, and from the interviews. The authors used Nvivo software to automate the enormous amount of data obtained. The unifying exploratory codes were developed contingently following two methodological principles: exhaustive semantic generality and mutual exclusion (Cáceres 2003, Bazeley 2013). In addition to the above, the codes collected obeyed an inductive category coding, with a simultaneous comparison of all the units of meaning obtained. The guidelines proposed by Elo and Kyngäs (2008) were followed, who recommend each unit of analysis obtained should be immediately compared with the others. This comparison is done with the aim of factoring the analysis to arrive at a meaningful reconstruction of data. In sum, the elaboration methodology was emergent and based on a global reading of the interviews.

Concerning the analysis, the codified material was analyzed in terms of its content and discourse, understanding the discourse as an active process of composition, organization, designation, and entity acceptance rather than as a product (Brown 2001), which implies granting the discourse the capacity to create reality rather than just represent it (Van Dijk 2010). The texts were examined across three complementary levels: the semantic, centered on the “literal” content, the organizational and rhetorical, focused on “what to say,” and the performative, focused on the examination of the text’s effects on the reality it intends to organize (what is “done” by the text).

## 4. Analysis and Results of the FyF Case

### 4.1 *First Movement: FyF as a Financial Device*

#### 4.1.1 *FyF Enters the Field and its Initial Success*

FyF’s original mission was strongly grounded in the multi-funds reform. FyF claimed to possess a financial-mathematical model to foresee fund performance and advise its customers to follow two alternative behaviors, depending on market trends: to adopt a ‘risk strategy’ using fund A in case of an expected rise in the global stock-market economy, or else to adopt “protective behavior” using fund E in case of a forecasted economic slowdown. FyF grew from a limited number of users in 2010 to a stronger group of followers who paid a monthly fee between US\$ 5 and US\$ 10 to receive their multi-fund change recommendations and became known for its relative success at ‘beating the market’ with its recommendations during the initial months.

During this stage, FyF already showed some of the first moral and political elements that were to become more explicitly visible later. The idea was to use the system to empower its users to make the most of their savings within the rules of the system itself, and to create a community of users who share these views were already relevant features of its services, despite the strong emphasis on its technical strength.

As Fairfield (2015) explains, showing technical expertise led to legitimization and, as a consequence, to the accumulation of structural

power. By positioning itself as a knowledgeable expert in this complex field, FyF participates in the long history of experts who sustain the AFP system. The FyF strategy of ‘beating the market’ is a first crucial political maneuver for FyF, one that is at the core of the 2002 neoliberal multi-fund reform.

#### 4.1.2 *FyF’s Moral Justification*

In all, what was clearer during this first period was the moral justification. In a context of financial illiteracy and information asymmetries, technical advice could be useful to a large proportion of AFP users. Though FyF showed promising financial results during its initial months, apparently numbers were less satisfactory in the years that followed and it became common to read in news outlets that FyF users were losing money compared to the AFP affiliates who did not switch funds. So, while technical knowledge of finance and financial economics is a crucial aspect of FyF’s moral justification by filling an information gap, its moral ground became more strategic. FyF relied on an ideal user who could take action to maximize his or her savings. This ideal is also part of the ideology behind Chilean neoliberal economic architecture, since several market-based solutions for public problems, such as education, pensions, healthcare, and infrastructure rely on users who are able to decide what the best option is (Bernasconi and Espinosa-Cristia 2020). However, the crowd effect noted by Da *et al.* (2018) shows that FyF sought to provide two concatenated elements: on the one hand, it let the public know the real effects of FyF as a financial advisor, and on the other, the scientific/financial celebration of FyF as a validated intermediary in the pensions industry. This is what FyF ultimately translates into, in turn generating its own justification and injecting its moral views into the users of its services.

Last April 3, ‘Felices y Forrados’ told its 80,000 clients to move their money from A and B funds to funds with a higher proportion of local debt (D and E). Since making the recommendation, yields on Chilean 10-year peso bonds have declined 32 basis points to 5.19%, outpacing the 24-point drop in similar debt in other emerging markets. In January, when the site recommended that clients withdraw money from fixed income funds, yields climbed 22 basis points. (*El Mostrador* April 2013)

In 2015, when the media reported that numbers fell for FyF users, it became strategically important for the company to explicitly take a much clearer moral stance. This new strategy became more notorious during the merger between Argentum and Cuprum, an important Chilean AFP, when FyF publicly and widely reported irregularities in forums and media. In a particularly interesting media appearance, FyF developed what later became its communicational hallmark: its owner and CEO, Gino Lorenzini, argued that the merger was illegal and detrimental to AFP users and that “the Superintendencia de Pensiones is an economic operator that fulfills what the AFPs request” (Felices y Forrados September 2015). In the interview, Lorenzini evokes his knowledge of the legal system governing AFPs to claim that institutions such as the Chilean national tax authority and the Superintendencia de Pensiones are “doing their best to legitimize an operation that is illegal.” This approach of expressing concern about the misconduct of these institutions put FyF on the side of its users, but also mobilized a group of politicians and institutions, thus resulting in an enormous number of public reactions for FyF and a media presence for Lorenzini and his company.

FyF created its own platform ([www.felicesyforrados.cl](http://www.felicesyforrados.cl)) to further expand any news that might appear to support its position in the Argentum-Cuprum case. Also, FyF’s extensive use of social media—Facebook, Twitter, and YouTube— amplified its messages. In the process, FyF social media nurtured not just a user base, but also a community of users for whom FyF represented more than just another service that they contracted.

This move against a particular AFP and the government can be seen as a change in the former strategy of “beating the market.” From a technical point of view, the FyF CEO went so far as to declare that:

The real objective of the strategy is to avoid losses rather than to achieve concrete returns. Perhaps in the first stage, because of the drive, because of the lack of experience, perhaps I communicated that we always beat the market. But that was a communication problem in the first stage. (*The Clinic* July 2015)

According to our analysis, this movement towards caring for the users of the AFP system and the related notion of “avoiding losses”

shows a moral discourse that is inserted in the suggestive device built by FyF. FyF is no longer just a source of suggested changes between multi-funds but becomes an intermediary that looks after and defends its users from the power of those who control the very same institutions that are supposed to regulate markets and protect people's interests. It depicts itself as a defender of markets that could eventually benefit regular people, compared to current markets that are arguably benefiting elites. This strategy, which positions FyF as the one that cares about AFP users, elicited a response from actors and regulators. This is the beginning of the subsequent moral-political stand of FyF: positioning itself alongside the general population of users against abuses by AFPs and authorities. Its claim was that the AFP system is not the problem, but rather corruption and monopolistic practices that erode the "free market." Therefore, it produced a critical stance against Chilean neoliberalism, within the principles of Chilean neoliberalism itself.

#### *4.1.3 FyF Justifications and Attacks from Other Market Actors*

According to the interviews carried out with relevant actors in the financial services industry, both actors and regulators offer three concatenated opinions on the effects of FyF on markets. First, it fulfilled a role regarding financial socialization and education. That is, FyF played a role filling the gap produced by the lack of public policies on how to educate users on AFPs to make the most of their right to choose among multi-funds. Actors and regulators find in FyF an 'original and innovative' agent that transforms a popular need into a business. A common example expressed by the actors in their interviews is that they acknowledge a shortage of information in the capital market that demands FyF information services as an extension of the AFP pension systems. Therefore, thanks to the intermediation of FyF, the system's users read the information that they cannot find through other channels:

I like the idea of Felices y Forrados, because I'm telling you, in fact I followed it. Why did I follow it? Because I said, if there is someone who spent time studying certain variables that let us foresee/anticipate a particular movement in the market and its study is better than the one I have, than the one I could make, or the time I could assign to it, I'm going to follow it. (Interview with trader No. 23)

In the above quote, an expert financial trader explains that FyF produced information that helped clarify potential market movements, since the advice not only aims to generate information translatable for users but becomes a “prop” to enhance the trader’s information processing capacity. However, the crucial point is that FyF affects the market and, therefore, traders need to consider its analysis and all its movements.

Thus, trading desks translate the FyF effect into a “flow” variable. FyF financial advice is assimilated as a variable, and if this variable affects the industry, which carefully observes the variable, this will allow the traders to know and anticipate the market according to the actions of the most important institutional investors, which is the entire AFP system. This is a significant element, since at least for market maker traders, FyF should not be considered just a communicational variable for its target audience. For them, FyF was an important ‘future reality generator’ at the core of capital markets.

Lastly, analyzing the discourses of regulators and traders, it is possible to reconstruct the regulative ground on which FyF’s business stands, with some actors pointing out that FyF does not respond to any normative regulation. In this view, FyF appears to be a privileged actor that is not accountable for its movements. This element could be used to question not just the origin, but also the task performed by FyF in the pensions industry. In one of the interviews conducted, a high-level representative of the Superintendencia of AFPs —the entity that regulates and monitors AFPs— mentioned that:

Look, in the case of these fund recommenders, the truth is they are entities that are not regulated by any oversight body these days, and they are entities that, well, with the passing of time and legislation, are left behind with regard to changes, and today, in practice, they are not regulated, and regardless of certain minor things that can be addressed by SERNAC,<sup>1</sup> maybe the Superintendencia de Seguros and by us, but in general they are not regulated. Now, these people emerge because I think there is a gap in terms of information for the members, which was used by these informers, that is, the industry wasn’t able to deliver information at the right time. (Interview with regulator No. 4)

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<sup>1</sup> National Consumer Service.

As the quote suggests, FyF faced other interested parties. The Superintendencia of the AFP system understands the need for extra information at the level of the users. However, it claims that FyF is an unregulated agent of the system. The system needs it but, at the same time, the system needs to regulate it. Furthermore, they faced a more committed interested party, the association of AFPs, whose president Fernando Larraín goes so far as to compare FyF to AC Inversiones, an illegal front company that organized a pyramid scheme that caused over 5,000 users to lose their funds in Chile in 2016. In the voice of FyF founder and CEO: “Larraín compared us to a scam like AC Inversiones; since we don’t touch the savings, we can’t cheat because the savings are in the AFP. FyF is not a pyramid scam” (Felices y Forrados April 2016).

This exchange between the president of the Association of AFPs and the FyF CEO shows a struggle for social legitimacy between AFPs and FyF, which is relevant for the political economics of the problem, because FyF is building on the underlying economic goodness of a competitive AFP system (Bril-Mascarenhas and Maillet 2019, Schiappacasse 2020), while Larraín makes a similar point based on good regulation. Both FyF and the AFPs dispute their positions within a field, marked not only by technical or financial elements, but also by moral justifications and political interests. The observation of how the effect of FyF on the market has evolved is relevant to this case. Several traders interviewed have stated that the same effect has decreased over the years that FyF has been operating, though it occasionally presents specific peaks. FyF was once again at the center of controversy in the last part of 2019 and in 2020, due to its moral-political strategy, because of its effects on AFP fund changes and, consequently, its effects on the market.

Referring to FyF’s effects on the market, a trader claims “I couldn’t say what is behind it, but definitely the effect and even institutional investors have learned to manage that information” (Marker Maker No. 28). This could be indicative of the limit of FyF’s economic and market performability (MacKenzie 2006). FyF affects the market when its users follow its recommendations and switch funds. However, market actors began to “read” the FyF variable and adopt strategies for their “market timing” considering FyF suggestions. This also seems related

to extensive news reporting of losses sustained by FyF users in outlets such as *El Mercurio*.

In sum, FyF initially framed its work as a technically-oriented financial device and became an important actor in the Chilean capital market. However, since its technical and regulatory position was attacked by the pension funds industry, regulators and news and media outlets, FyF moved from a justification built mostly on its technical competences to one based on its moral obligation and care for its users. The company confronted the need to sustain its income and use stream at the base of its income statement. Though FyF always plays the power and political game, in a second movement, FyF more openly enters the political arena to deepen its moral justification and build a renewed assemblage of technical, moral, and political justifications for its social legitimacy and economic survival.

#### ***4.2 Second Movement: Defending FyF, Entering the Political Arena***

##### *4.2.1 FyF Against the Bachelet Administration*

FyF had already entered the big leagues Chilean politics in the case of the Argentum-Cuprum merger. FyF mobilized its moral and technical claims using its own social media, along with formal press channels. Lorenzini came to be known as an “expert” in the AFP system and a public figure able to confront ministers, legislators, and other authorities. Such “expertise” was deliberately sought by FyF because it sought to influence policy to maintain and enhance its business. In this sense, the press coverage and public relations offered the company a marketing platform based on the structural power of the ideological business. FyF showed its concern for its clients and the entire AFP system user, entering the debate on possible reforms to the Chilean pension system. In fact, Erwin Ide, Strategy Manager at FyF, claimed that:

[...] we must look for other more efficient options that that adapt to a scenario with a more limited budget. If other alternatives are explored, such as improving the profitability of the system, increasing annual profitability by 1%, and reducing the risk of loss of pension funds, the impact on the replacement rate would be significant. Furthermore, all that benefit would carry zero cost for the State. (Felices y Forrados October 2015)

This opinion includes moral and ideological content, related to a clear macro-prudential argument about the national budget and austerity. In any case, this technical opinion responded to a journalist's inquiry about the government-appointed Bravo Commission to improve the functioning of the Chilean pension and FyF's analysis of the advantages and costs of several ideas that emerged in its work. What FyF's appearances in national and specialized press demonstrated is that FyF was positioning itself as a relevant and technical actor to be interviewed by mainstream financial media alongside academics and other experts. However, as mentioned in the problem of profitability, Erwin Ide's technical recommendation came in tandem with a critical moral and political stance presented by CEO Lorenzini in a leading Chilean finance and economics newspaper, *Diario Financiero*. Lorenzini was responding to the attack by pensions expert David Bravo—chairman of the Bravo Commission—in which Bravo claims that any service offered by companies that recommend financial changes between AFP multi-funds are “basically about the degree to which these institutions have more or less scruples.” On Bravo's point, Lorenzini says that “there was lobbying and conflicts of interest...” and he accused that the initiative chaired by David Bravo “did not evaluate any proposal.” (Felices y Forrados February 2016) At this moment, Lorenzini and FyF explicitly entered into the political arena by confronting the institutions that the government itself had created to innovate in the pension system. This last movement, during the second term of the center-left Bachelet government marked a clear shift in FyF's strategy.

#### 4.2.2 Context: Social Outrage at the AFP System

As we saw in previous sections, FyF introduced a financial device that led to massive movements in AFP funds. Its users started to switch their savings from one fund to another, changing the AFPs' business and work dramatically. However, a more radical shift would come with FyF disputing both AFPs' technical legitimacy and their morality, mostly depicting AFPs as oriented toward their owners' wealth instead of users' pensions. This is particularly relevant during the last stages of FyF's operations, since it changed its core message from technical advice to political action, challenging AFPs, political

authorities, and the pension system itself, aligned with a grassroots movement against the pension system at a national level—the so-called No + AFP movement—that sought to end the individual capitalization system and replace it for a state-based one (Rozas and Maillet 2019). The Bravo Commission was a response to rising discontent with the pension system, mostly because of the paltry pensions obtained by a large portion of the current retirees.

FyF directly entered the Chilean pension reform debate in 2016. Riding the momentum of the social outrage and massive public demonstrations of Chileans against the AFP system, FyF used its social media sites to offer an alternative reform that differentiated itself from the AFPs' and No + AFPs proposals. Stepping away from these socio-economic actors that were at the core of the pension system controversy, FyF proposed a constitutional approach where “our right to ownership is enshrined at retirement” for those who participate in the pension system.

However, against No + AFP, FyF proposed returning to a previous state of the system, with a couple of considerations regarding ownership of the companies, maintaining its principles based on private management and individual accounts and opposed to a solidary state-owned system as proposed by No + AFP. Against the AFPs' position, FyF proposed further regulation of AFPs' decisions, transactions, and profits, and proposed the idea of a state fund that would put CLP 1,000,000 into the personal pension account of each child born—mimicking New Zealand's social policy. Using the momentum of outrage, but at the same time trying to save the AFP system on which their business was founded, FyF called for political participation, standing at the side of the people and spreading the message throughout its user base:

The time has come for politicians not to look away, not to vote differently from their discourses, and once again we will recover the meaning of the word “retirement,” which comes from joy<sup>2</sup>. Chile has already expressed itself... You are free to decide any of the three paths; we are now in democracy, and we must seek to improve to the system to provide decent pensions today, at least equivalent to the minimum wage. (Felices y Forrados July 2016)

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<sup>2</sup> *Jubilación* (retirement) comes from *júbilo* (joy) in Spanish.

Thus, FyF used the outrage momentum to generate instrumental power based both on its technical expertise and on its moral positioning, engaging in various types of collective action with its users (Schiappacasse 2020). FyF leveraged its business on this business power, proposing some changes but nevertheless defending the AFP architecture. This discourse of “freedom” underlies FyF’s ideological figure of clients as the managers of their own retirement, something that is at the core of the pension system with its form of personal capitalization for all Chileans’ retirement. This ideology is the paramount pillar of neoliberalism and builds on the idea of empowered individuals. This discourse is clear in the call for ownership, defining freedom as the freedom to decide. Almost echoing the idea of “Free to Choose” (Friedman and Friedman 1990), FyF intensifies the deep critique of the system in the No + AFP movement and the neoliberal approach to solve all social problems. Within the same neoliberal moral, political, and economic framework, different actors, such as FyF, AFPs or regulatory bodies, assemble and mobilize discourses and ideological elements in specific ways, according to their own interests, decisions, and strategies.

FyF’s position against No + AFP became clearer in 2019, when Gino Lorenzini himself publicly unmasked Mesina —No + AFP leader— as a former AFP Director in 1995, again using its social platforms sites as a prime outlet for its messages. Lorenzini himself participated with Mesina and the No + AFP social movement protests in the time of their opposition to AFP mergers back in 2015, when they were part of the Coordinadora No + AFP. This marriage with the grassroots political movement was not opposed to the AFP system but aimed at channeling social outrage to propose new institutional arrangements that benefit their business and expand their client base, targeting people who were becoming more reluctant to accept the current system. Lorenzini and his team now began to play the political game harder. FyF was not criticizing the AFP system itself anymore, but its current form after reforms produced by an alleged alliance between AFP owners and managers, regulators, and political authorities to increase profits and capital for the large business groups at the expense of regular users. This whole movement allowed FyF to position itself on the side of the normal AFP users, which became key to its business power and to maintaining it as part of the pension system.

### ***4.3 Third Movement: Social Unrest, Pandemic, and Constitutional Change***

#### *4.3.1 FyF Social Unrest and 10% Pension System Withdrawal*

As it is well known, Chile experienced huge social unrest in October 2019 (Somma *et al.* 2020), which had an enormous socioeconomic effect that is still being analyzed by social scientists and social actors (Pérez-Roa 2019). Several months later, the economy suffered a second and even bigger shock: the COVID-19 pandemic. Lorenzini, who had already been living outside Chile for a while, “visited” the country to speak at two conferences to selected clients/users of FyF’s service. The name of the conference was “How to transform the financial and social crisis into an opportunity.” However, Lorenzini gave a more crucial presentation to the National Congress, where he spoke about

The main focus of the work to be done to really improve pensions, providing a better quality of life for retirees, with emphasis on the current global economic situation and its similarity to the crisis that hit the world between 1929 and 1932. (Felices y Forrados March 2020)

As usual, Lorenzini claimed that the problem with pensions was based on the changes made by the parliament to Legal Decree 3,500 and the rules that governed the system.

The COVID-19 pandemic inflamed the economy, already been depressed due to the social unrest since October 2019. To support and settle the finances of the Chilean people, for the very first time since the system was created, Congress passed constitutional amendments allowing people to make three withdrawals from their personal AFP savings accounts. Initially moment, FyF aligned with some economists expressing that a 10% withdrawal would affect people’s future pensions. That is why Lorenzini appeared offering a formula to return the money by raising the amount of the monthly savings from 10% to 11% of AFP affiliates’ income. This is how, remarked Lorenzini, “in addition to cleaning up the economy of everyone, their own funds could be increased thanks to the interest charged” (Felices y Forrados July 2020). Later, when the time of the second 10% withdrawal came, FyF did not offer any new pension advice. However, this more ‘technical’ advice did not

change its core political discourse. In fact, Lorenzini went to court to dispute an information request by the Chilean Ministry of Finance regarding the personal identification number (CI) of those who requested their first 10% withdrawal. Though many social actors were irritated by this Ministry's information request, the court declared the legal appeal inadmissible (*La Tercera* December 2020).

FyF also took a stand in favor when the first and second withdrawal bills gained momentum, since it was "people's money." Again, the moral discourse was related to users' right to make the most of their property, and against institutions that only look after their own interests. The popularity of these withdrawals also involved FyF as one of the actors willing to attack the government and the AFP system, claiming to defend the rights of the users. At this stage, FyF's followers were already quite strong; it framed its communications in a community sense.

FyF's core device; that is, its recommendations to change from one fund to another was now completely coordinated with its actions at the political level. Then came the time to face a huge opponent and continue the game of offering technical, moral, and political justifications for its social legitimacy and economic survival. This time, however, its target would be bigger.

#### 4.3.2 FyF and 'Piñeragate'

At the end of 2020, FyF made what is probably its most clearly politically attack. After significant publicity in the days before, it used its YouTube Channel *FyF Live* to make an announcement that thousands of people watched live. FyF's direct attack also appeared in the public media under the hashtag '#triangulacióndepiñera' where Lorenzini claimed that the Chilean president triangulated funds from AFP Habitat to companies that he owned together with his brother José Piñera, the intellectual designer of the Chilean pension system. Once again, using the extensive audience of his social network, Lorenzini attacked the Superintendencia de Pensiones as 'government puppets,' alleging that they had failed to control the illegal triangulations of funds (*Cooperativa* November 2020).

As indicated, the move to directly attack President Piñera came at a highly complex moment for FyF. Indeed, it was being accused of

misleading advertising and inaccurate information about the economic results of its fund change recommendations. The Superintendencia de AFPs responded that AFP Habitat had not committed any irregular act. The controversy escalated, and some members of Congress even tried to make the case for a legislative investigatory committee. Also, the Minister of Economy, Development, and Tourism “categorically” ruled out all FyF’s accusations about illegal fund triangulations in several appearances in the mass media (*La Tercera* December 2020).

Interestingly, technical critiques of FyF began to appear and the old call to regulate recommenders —see the section *FyF Justifications and Attacks from Other Market Actors* in this paper— like FyF by the Central Bank and many other technical commentators of the Chilean financial system resurfaced (Felices y Forrados May 2020). Furthermore, the case of illegal fund triangulation and the National Consumer Service investigation are part of a broader relationship between FyF, politicians, and politics in general. FyF not only intervenes as a lobbyist giving its points of view about the pension system to the legislature but created a more direct and formal connection with political power. Lorenzini and FyF hired the lawyer Ricardo Rincón, a former congressman and the brother of Ximena Rincón, who appeared as one of the closest allies of Lorenzini’s organization in Congress, as an investigation by the newspaper *La Tercera* shows (November 2020). Moreover, another online newspaper came across an e-mail that connects Lorenzini and FyF with drafting some parts of Senator Ximena Rincón’s draft bill (*El Líbero* November 2020). FyF’s technical recommendation device now became part of a broader political project that supported opportunities to maintain a stream of money from its users. Thus, a final step toward FyF’s politization was taken.

#### 4.3.3 *FyF and the Chilean Constitutional Change*

The crisis of October 2019 triggered a solution based on a legislative negotiation between the government’s supporters and the opposition. This solution led to a process in which a new constitution, the first since Pinochet’s 1980 constitution, will be drafted. A national plebiscite was held on 25 October and the “Approve” option won by a landslide, with 78% agreeing to create a fully elected constitutional convention.

Its movements alongside No + AFP groups and its connections with legislators like Ximena Rincón, made FyF's incursion in mainstream politics clear. This more direct politicization began after FyF and Lorenzini filed a motion for protection against the government's demand for personal data —name and personal identity national number— of every person who withdrew their 10% from their personal pension funds, which failed in court. After that, in December 2020, Lorenzini claimed that he would appeal to the Supreme Court (*La Tercera* December 1, 2020). However, Lorenzini's movement was radically different. FyF had now taken a definitive political stance, abandoning its previous lobbying, legal and political movement approach. FyF now embraced the use of its user base as a channel to register a list of independent candidates to the constitutional convention that was to draft the new Chilean constitution. Again, this list was framed on the distinctions previously indicated: "Us," regular people, pension funds users who deserve decent pensions with our self-owned savings, against "them," establishment politicians, elite members, and other privileged and/or corrupt people. Therefore, the aim of landing in the constitutional convention was to create a new institutional environment for FyF users, their savings, and their families.

The project called 'Felices y Forrados Vota Feliz' (FyF Vote Happy) forced those who intend to be part of to the convention and participate in the organization's list to be a premium user of the platform and to have a plan with the firm that provides recommendations for fund changes in exchange for an annual payment of CLP 24,000 — which already has more than 300 people signed up. (*La Tercera* January 2021)

This last 'FyF Vota Feliz' project shows how its search for power from its group of users reached another level. Interestingly, Lorenzini himself entered the constitutional convention competition for district 10, claiming that the list that emerged from their FyF Vota Feliz project intended to defend "certain freedom" that is behind the operation of his company. The Chilean Electoral Service then began a legal investigation to see if platforms like 'FyF Vota Feliz' could operate legally, considering that FyF is a financial intermediary, and that nature could contravene the principles of non-intervention of corporate money in Chilean politics.

#### ***4.4 Epilogue: New Regulations and FyF's Disappearance***

While FyF Vota Feliz candidate lists were blocked by the electoral system, Congress approved a set of financial reforms that included the regulation and eventual prohibition of non-formal financial advisers. In the preceding months, the number of people changing funds increased to historic levels. Not only were formal FyF users doing it, but the rest of the AFP system's users also found out when FyF were advising changes and some of them also did so.

President Piñera's government, regulators, and experts were covered by several media outlets when they warned about the possible detrimental effects of FyF recommendations for its users and the system as a whole. This created the momentum to pass the law that the press called the "Felices y Forrados Act," five years after its proposal by Bachelet's government.

Shortly after this, Lorenzini announced the end of FyF's services as of May 2021 (*Diario Financiero* March 2021). He explained his decision on the grounds of an alleged "economic dictatorship" in which people would not have access to the information they needed to make economic decisions, also limiting the possibility of users to change funds freely. Lorenzini framed this new institutional environment as a point of no return for an economy captured by the elite power. Finally, on June 15 Lorenzini sent a statement to his supporters announcing that he would no longer make suggestions for fund changes but left the door open to possible activities involving training (*La Tercera* July 2021).

### **5. Discussion and Conclusions**

This article aims to address the issue of financial intermediaries and their role, not only in the economy, but also in the broader political and moral dimensions. Therefore, it argues that financial intermediaries like FyF are always involved in the technical, political, and moral realms, even when they present themselves as purely technical. The article follows the case of a specific market intermediary and focuses on a controversy within the pension industry in Chile. Given the economic concentration and its importance for national macroeconomics, as well

as the translations into political interests involving social rights, the AFP system is key to Chilean public analysis and political economics (Bril-Mascarenhas and Maillet 2019).

In any of the three movements summed up in the analysis and results of the FyF case section, the company could be characterized as a “para-site” (Serres 2002) which needs to be at the side of the AFP system to survive. Like any parasite, FyF was never passive in terms of its moral and political activity. Since its appearance based on the possibilities of the 2002 pension AFP system reform, FyF always added its own recipes to its operations. FyF used existing market failures to build its business and allow its users to actively participate in the AFP system. It brought news from the specialized press closer and translated economic, educational, and real estate news, among others, and even produced its own news platforms.

FyF construes itself as an operator that contributes to the Chilean neoliberal model’s resilience (Madariaga 2020) by injecting moral and ideological positions about the financial and pension system, though its actions may have unexpected effects. FyF justified its position as an intermediary by positioning itself as an organization that is close to the user but nonetheless an expert about financial markets. Such a political maneuver built its business power based on an ideological-moral approach that instead of radically changing the AFP and pension system, defends its resistance and endurance.

FyF builds its user advice by injecting a moral standard based on a financially active individual who can make good decisions regarding his or her own future welfare (Brockling 2016). This is relevant considering that the Chilean system is a mandatory but individually based system, so it is not based on the State or collectives, or on individual decisions or investments, as happens in Taiwan, for example (Chen and Roscoe 2018).

FyF projected a discourse toward its users that summoned diverse technical, moral, and political elements in different stages of its operation. However, the starting point is based on financial socialization since the original moral and technical justifications of an intermediary such as FyF were related to information gaps and asymmetries for the users of the fund industry. This initial focus on information and socialization does not mean that other dimensions are neglected. For example, it is

crucial to observe FyF's increasing public mobilization and coordination with the No + AFP movement (Rozas and Maillet 2019). In this sense, its contribution and role within a grassroots movement against the AFP system, usually linked to the No + AFP system, is something that requires closer analysis.

Though a preliminary reading of FyF's operations can lead one to understand this intermediary as one that found an exploitable market niche in the translation of information between experts and regular users of the pension system, the article's analysis found that FyF, like any financial and market device (Beunza and Garud 2007, Muniesa *et al.* 2007) not only informs and recommends its users to change among the AFPs' multi-funds. It is through the same channel that morality and political strategies are simultaneously injected, in this case challenging the legitimacy of AFPs' actions in Chile. In this way, FyF responds and formats its group of clients from rather passive positions towards one of advocacy of its own notions and projections of the market, the power of consumers and regarding their pension savings (PNUD 2017). FyF presents itself as a moral, technical, and political intermediary between "the citizens and the 'elite power,'" engaging in escalating interventions in the Chilean public arena. Within the same framework of neoliberalism, actors such as FyF would mobilize and assemble their own web of moral, technical, and political elements in pursuit of their interests. However, FyF's does this in a way that does not threaten the AFP system, which is still key to its very existence.

The morality observed in the discourses of both FyF's founder and CEO, and the capital market regulator seems like an expansion of the original strategy and could fall within the concept of moral performativity developed by Wilkis (2017) in his research on Argentine credit and debt markets. Wilkis argues that in such markets it is important to note that "virtues" are affected and formatted by the mixture of agents and devices that operate within. It is a "black box" that would be worth opening to identify the mixture of moral and dispositional aspects that blend with markets (Fourcade 2007). We argue that such moral performativity goes hand-in-hand with political power based on ideology and memory (Schiappacasse 2020, Fairfield 2015). In this sense, morality can be a fundamental aspect of discourses that support structural power in neoliberal societies.

Furthermore, FyF goes on to characterize the other actors in the pension industry, mentioning that a series of moral, political, and personal interests underly the technical decisions of both the private sector and regulators, acting against competition and social benefit. During a second stage, a citizen-oriented approach gained centrality, and FyF's CEO could be seen in videos challenging the creator of the AFP system or current authorities, claiming representation of his current or potential clients. When FyF enters its last political movement, Lorenzini claims that his list and his own competition for a Constitutional Convention seat, seeks to defend "certain freedoms" that are behind the operation of his company. Such an announcement is consistent with the ideological stance that FyF pushed throughout its existence, an ideology that sustains the way in which an apparently technical project involves class interests, political positions and the moral frameworks of neoliberalism (Harvey 2007, Madariaga 2020)

FyF is an "original and innovative" agent that not only contributes to solving an information gap in the pensions system, but also makes it a business niche. In this sense, and from the point of view of market makers and regulators, the structural hole mentioned by Bessy and Chauvin (2013) makes sense. Therefore, based on sociology of translation, the role of an intermediary, such as FyF, could be understood as the doer of "the group of actions through which one entity strives to create and stabilize the identity of the other actors that it defines through the way it defines the problem" (Callon 1984: 185). According to Callon, the intermediary party is a crucial element for rearranging the relationship among all members of a network and would eventually order and shape the network, translating values, preferences, interests, and material situations (Callon 1991: 135). Beunza and Garud (2007), conceptualize Wall Street stock analysts as potential builders of encouraging frameworks for investors to evaluate stocks under extremely uncertain conditions. Based on the economic sociology of stock analysts (as developed by Zuckerman 1999, 2004, Zuckerman and Rao 2004, cited in Beunza and Garud 2007), intermediaries provide "interpretative devices" in uncertain times. Intermediaries can thus be understood as translators (Bessy and Chauvin 2013: 95) in the Serrean perspective developed by Callon (1986) and explained by Brown (2002). In this case, FyF

reconnects elements of the pension fund and capital markets, such as accounts, users, profits, and companies, redefining senses, agendas, and decisions, involving the regular user not only in financial decision-making, but also in moral and political discourses.

Additionally, FyF provides its users with a sense of community through several social media platforms, and at the end of this road, offers them a chance to become candidates for the Constitutional Convention to represent the values and interests of FyF users. Regulators and experts described FyF followers as a type of sect, has and it did produce a sort of shared identity of like-minded people sharing the moral and political visions proposed by FyF. Users were relevant in disseminating Lorenzini's claims and defending FyF from its tragic end through their personal social media accounts. Furthermore, FyF's discourse shows that it must develop understandable strategies for its target audience, finding a model in the everyday ups and downs of the market that allows it to advise users in anticipating upcoming changes in the profitability of the fees of the pension funds, advising its users the adoption of risk/protective behaviors according to its own readings of the domestic and global economy. This way of bringing the economy closer to users is not free, not just because they pay for the advice, but also because they are undoubtedly "morally preformed" (Wilkie 2017), and we could add politically preformed, too.

Regarding a market device approach that does not consider ideological and political power aspects for the analysis of intermediaries and its relationship with the Chilean pension fund system, we proposed a moral and political approach based on Mirowski and Nik-Khah's critique (2020) of market devices new economic sociology literature. If there are any lessons to be learned from the case of FyF, it is that an analysis on the ground requires considering the political aspects that are interwoven with capital markets.

The three movements described in this article show that FyF was an ensemble of technical, political, and moral elements from its inception, but its main and explicit discourse across this story was flexible enough to respond to its institutional and political environment. The specificity of FyF was its innovation as a challenging financial device, producing reactions from very different interest groups, which mobilized their own power (Bril-Mascarenhas and Maillet 2019) to end FyF's operation.

We have come to affirm that more traditional financial intermediaries are also —explicitly or implicitly— assemblages of technical, moral, and political elements, and mobilize discourses within the markets and institutional environments in which they partake. Therefore, technical elements are significant to the study of business and finance, but moral and political ones are also constitutive of economic realities and cannot be overlooked (Boltanski and Chiapello 2007). There is no political neutrality, either in the pension system, or in the general business arena. The approach developed throughout this article, opens a potentially fertile research program about financial and economic intermediaries as ensembles of moral and political devices.

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