

'It's not 30 pesos, it's 30 years': The roots of the current Chilean protests

Krisztina Kocsis considers the potential of the current Chilean protests for triggering change based on Chile's recent political history.

The current mass protests in Chile, one of Latin America's most prosperous and freely democratic countries (Albertus & Demig, 2019) were ignited by a seemingly trivial issue: a 3 percent rise in subway fares (Tormen, 2019). Millions have taken to the streets where they have been met with violent repression by the military. As insignificant as the cause of it seems, this increase in the cost of living is an enormous weight on the shoulders of millions. It has exposed the rampant inequality in a country that was once the 'economic miracle' of the region (Albertus & Demig, 2019). This article will analyse the reasons that led to the establishment of a system of radical inequality and extreme hierarchy in Chile, and why the country's successive governments have been unable to escape its rigidity.

The violence of the current protests has not been seen since the end of Augusto Pinochet's military dictatorship in 1988, when the country entered a period that is officially labelled as the 'transition to democracy' (Albertus & Demig, 2019). Chile's president Sebastian Piñera declared a state of war against a "powerful enemy that respects nothing" (Navia, 2019). The military was stationed on the streets for the first time since the end of the dictatorship, firing water cannons and rubber bullets at protesters, killing tens, injuring and arresting thousands since the eruption of the mass protests on the 18th of October, with wide spread allegations of human rights abuses by the military and police (Bonney, 2019).

The three-percent increase in subway fares, in a country where low-income families spend 20% of their income on transportation, was the last straw for the Chilean population (Navia, 2019). Chile's main public services are owned by a small, private group, making Chile one of the most unequal OECD countries, with the richest one percent controlling around 26.5% of the wealth. In comparison, 50% of low-income households together hold approximately 2.1% of the nation's wealth (Habib, 2019). The reason behind this is a structural hierarchy in Chilean society that was established over the last fifty-years and still remains today.

Following the 'socialist experiment' and election of the first Marxist president Salvador Allende in 1970, the coup d'état led by Pinochet resulted in the imposition of the 1980 constitution. It centred on radical neo-liberal economic models and mass privatization of public goods. The controversial legacy of the Pinochet regime left the post-transition governments torn between maintaining the economic prosperity that was rooted in the neo-liberal model and addressing the rampant social issues (Habib, 2019). Most often the former proved to be a priority, and national economic growth-oriented programmes of successive post-transition governments have neglected improving social services. But to understand the roots of the protests and the struggle of current and recent governments, the switch between Allende's and Pinochet's regimes have to be examined in detail as it allowed the inequality embedded in Chilean society to develop and deepen.

The Popular Front, led by Salvador Allende, had a communist programme that threatened the longstanding oligarchic hierarchy in Chile (Skidmore & Smith, 1997). Allende was elected in the heights of the cold war, made Chile an object of paranoia, and only won the elections narrowly (Skidmore & Smith, 1997). Allende began a rapid communist transition that involved an extreme redistribution program, the encouragement of labour unions and popular participation in politics (Muir & Angell, 2005). After a period of quick growth the

economy quickly deteriorated as the price of copper fell (Muir & Angell, 2005). Growing discontent between both pro and anti-Allende groups culminated in clashes on the streets. On the 11th of September in 1973, led by a right-wing military officer Augusto Pinochet, Allende's government was overthrown with the help of the CIA (Skidmore & Smith, 1997). Pinochet used the void to completely reshape the country's politics, and through it, laid the foundation for the social inequality that the current protests are an outcry against.

Augusto Pinochet established a military dictatorship and announced a counter-revolution to Allende's 'socialist experiment'. With the help of a small Chicago-educated group of business elites and politicians, named the 'Chicago-boys', Pinochet introduced an extreme neo-liberal economic model and a mass privatisation program (Association for Diplomatic Studies and Training, 2014). The Chicago-boys policies proved to be a success and Chile's economy experienced a rapid take-off (Association for Diplomatic Studies and Training, 2014). Pinochet's regime contributed to the eradication of the left through violent killings and kidnappings of anybody associated with leftist ideologies (Association for Diplomatic Studies and Training, 2014). The Chicago-boys and the military established a system of symbiosis: the Chicago-boys' free-hand influence in economics was maintained, as long as their support with the economic power they established served the military government and its remaining in the position of authority (Borzutzky, 2016). The privatization programme developed under Pinochet favoured the Chicago boys and the military elite, and allowed for the state institutions and public infrastructure be placed into their, private hands which remain private to this day (Tedesco & Barton, 2004). However, anti-Pinochet sentiments began to grow and the opposition to his rule strengthened the centre-left more than ever before.

In 1988 Pinochet proposed a public plebiscite about remaining in power for another eight years, with the secure belief of winning. However, new parties were organized around voting 'No' and eventually, the 'no' vote won with 56% and the leaders of these parties were the individuals who determined the scenario of the following decades (Tedesco & Barton, 2004). The reason why the term 'democratic transition' is highly debated is that the country indeed introduced a multi-party democracy and free voting system, but this was not enough to achieve any significant changes to the structural ills and embedded inequality of Chilean society that became systemic under the Pinochet and Chicago boys-era (Tedesco & Barton, 2004). Furthermore, the divide between centre-left and right was far from clear-cut because rightist, neoliberal establishments of the regime remained virtually unchangeable, until today.

During the plebiscite the moderate left and centre parties forming around the 'no' campaign organized themselves into the Concertación coalition against the right wing Renovación Nacional (RN) and Unión Demócrata Independiente (UDI) parties. UDI served as a union of military officers, former junta members and business elites of the Pinochet regime (Albertus & Demig, 2019). Consequently, the votes were mainly divided between the centre-left coalition and the right. The approval rating and number of votes for Concertación governments were significantly higher as Chileans saw true potential for democratic social change in their programmes. However, an established binomial parliamentary system guaranteed almost equal representation of the right as opposition in parliament during successive Concertación governments. Therefore, the military officers holding high office under Pinochet still maintained political power, making it hard for the parliament and political power to separate itself from the military even today despite the repeated election of centre-left governments (Albertus & Demig, 2019). Even though centre-left governments won the elections, they were trapped by the neoliberal constitution and the private grip on services by the elite, making it almost impossible to impose significant but very necessary social reforms.

The post-transition governments of Patricio Aylwin, Frei Ruiz-Tagle and Ricardo Lagos differed in their programs, but there was one thing that these administrations shared: the prioritisation of the economic prosperity before the implementation of social reforms (Fernandez & Vera, 2012). Aylwin's government was apologetic and received little blame for aiming to carry the transition through without radically changing the neoliberal economic model, and Chileans waited for reform. However, Frei's administration established the New Liberal Consensus in 1994, which was a contract between business elites, centre-right sympathisers and individuals who had devoted faith in neoliberalism (Tedesco & Barton, 2004). Lagos's populist rhetoric did promise 'growth with equity' but introduced no change, claiming to be a 'new Socialist'. He aimed to combine private initiatives that had allowed Chile's economic development and improved social programmes. Unfortunately, focus on the latter was small (Fernandez & Vera, 2012).

Most recently the Chilean political landscape has been determined by the governments of Michelle Bachelet and Sebastian Piñera, both of them serving two non-consecutive terms (Navia, 2019). They represent the most stark differences in their political agendas since the transition: Bachelet is the most progressive and leftist reformer from the Concertación coalition, and Piñera is the first elected right-wing president since the Pinochet regime (Londono, 2018). But despite their programmes, they still did not manage to fix the problems of the Chilean system, contributing to the situation worsening and climaxing in the current violence.

Bachelet's first term promised changes of a more democratic political system, free university education, increase the power of labour unions, and taxation increases on the wealthiest business owners (Mohor, 2017). However after her second term in office, most of these promises remained unfulfilled. Her government was shaken by corruption scandals, and following mass student protests over free university education only 60% of low-income families were guaranteed (Kershaw, 2019). Unions were left without political influence and her tax reform discouraged investment, slowed the economy down and led to high levels of unemployment (Kershaw, 2019). Policy failures led to a national growth rate of 1.8% during her 2014-18 presidency – the lowest of all post-transition governments (Whistler, 2018). Sebastian Piñera however, represents a growth-oriented, free-market promoting model that encourages foreign investment, the diversification of the economy yet is less considerate of combating inequality in his programme (Navia, 2019).

The transition governments should not be demonised though, since they did achieve notable changes to Pinochet's and the Chicago boy's establishment. Undeniably, there has been a huge growth in the middle class over the last 25 years, from 23.6% to 64.5% (Whistler, 2016). Radical inequality indeed remains, but right now Chile is the most equal it has ever been (Navia, 2019). The way out of poverty is easier than before, but social mobility opportunities are still seriously limited, with the largest percentage of power is still held in the hands of seven oligarchic families (Whistler, 2016). Patricio Navia (2019) concludes that the protest should not be simplistically understood as just a roar against the neo-liberal and free-market models, since under Bachelet it was proved that Chile's growth is vital in order to provide social services for its citizens. While the radical neo-liberal model and lack of focus on social services is indeed the main reason behind the protest, they are not anti-growth, but are instead calling for the elite to "open the gates of the promised land to the emerging middle class", the fast-growing national income to be more equally distributed and state institutions to be taken out of almost solely private hands (Navia, 2019).

Piñera has been tragically slow to respond to the protests revealing his government's detachment from the real issues of Chilean society. However, he has cancelled the subway fare rise, and claimed he is open to reform or to draft a new Constitution (Bonney, 2019). Local assemblies are being stationed in public spaces to analyse the demands of the protesters to potentially use it for a new Constitution (Bonney, 2019). On the 22nd of October Piñera promised an immediate 20% rise in government-subsidized pensions, a fix guaranteed monthly income for families living on minimum wage, lowering the workweek from 44 to 40 hours and 40% tax for those who earn more than 11,000 dollars in a month (Bonney, 2019). He also promised decreased salaries for the members of Congress and the number of lawmakers serving in it (Bonney, 2019).

Right now, it is difficult to predict what the protests will achieve. In terms of the political landscape, they can have serious effects on the composition of Chilean government. Piñera's cabinet reshuffle for younger politicians that are removed from the Pinochet era leaves the potential for a more progressive, centre-oriented government to deal with the protests and its demands. Both ends of the political spectrum can be strengthened: those who voice most radical demands for reform and increase in social services and a brand new Constitution can increase the power of the radical left, and those who prefer social stability and security over the demands of the protesters to be met, the power of the far-right (O'Boyle, 2019). In terms of economics, Piñera's remaining three years in office will most probably maintain a free-market oriented, neoliberal economic model that will increase national growth and wealth. However, there cannot be significant change without structural changes in the country's ruling and business elite and the hierarchical system that developed under the last fifty years, that has been maintained by privatised services and the binomial parliamentary system. Until these systemic causes of inequality are addressed, the initial reasons for the protests will remain and unrest will continue.

This article has been edited by Violet Tinnion (MENA Editor) & Abigail Adams (Chief Regional Editor), peer reviewed by Andra Enuica and Samantha Kichmann (Chief Peer Reviewer), copy edited by Harriet Steele, Evie Patel, Melody Zhang, Grace-Frances Doyle, Nicola Crowe, Alexander Galpin and Ben Malcomson (Chief Copy Editor), checked and approved by the following executives: Robert Jacek Włodarski (Editor-in-Chief) and Emily Hall (Deputy Editor-in-Chief), and produced by James Hanton (Chief of Production).

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