Opinion Chile

Chile's crisis was decades in the making

Pinochet's reforms created a class of citizens with precarious access to public services

JENNIFER PRIBBLE



Protesters in Santiago. President Sebastián Piñera's declaration that the country is at 'war' has only escalated tensions © Reuters

Jennifer Pribble 2 HOURS AGO

The chaotic protests unfolding across <u>Chile</u> are a crisis that has been waiting to happen since the end of General Augusto Pinochet's 17-year dictatorship in 1990.

The story may have surprised outsiders, who know only of the country's reputation for economic success. But for Chileans, it was years in the making. It is a tale of rapid but <u>unequal economic growth</u>; of a state that has withdrawn from its regulatory and social policy roles; and of a political class that has been unwilling to transform the country's economic and social model.

Chile's experience is an object lesson in the dangers of ignoring <u>inequality</u> and the importance of building inclusive political institutions.

On October 18, following a day of protests that turned violent, President Sebastián Piñera declared a state of emergency. Mr Piñera's militarised response, which later involved imposing a curfew and declaring that Chile was at "war", served only to escalate tensions. It also hearkened back to the 1970s, when political parties of the centre and right responded to demands for increased social and economic inclusion with repression, partnering with the military to overthrow the democratically elected socialist president Salvador Allende.

The dictatorship dismantled Chile's social safety net, privatising the pension system and partially privatising health provision. These reforms created a growing class of citizens with precarious access to public services and benefits. After the return to democracy in 1990, demands for redistribution slowly re-emerged, but Chile's political parties focused their energies elsewhere, extending the neoliberal model. Following the "pink tide" election of socialist presidents Ricardo Lagos in 2000 and Michelle Bachelet in 2006, the centre-left coalition of parties — the Concertación — carried out reforms to the country's education, health and pension systems, expanding access to benefits, but maintaining the privatised framework.

The limited scope of the Concertación's reforms was particularly acute for education and pension policy. The early centre-left governments consolidated the voucher scheme subsidising private education introduced in the Pinochet era. Ms Bachelet's first administration created a minimum pension for the bottom 60 per cent of income earners. Prior to that, many Chileans made do without any income support in old age. The reform made a crucial step forward, but the size of the benefit remained extremely small.

Between 2006 and 2011, inequality became increasingly politicised. A growing student movement pointed to the excessive cost of university education and the dismal quality of public schools. Student protests ushered in a new era of mobilisation, though the traditional parties sought to continue with politics as usual.

The fragility of the political system came to a head during the 2017 presidential election. The electorate fractured between the new left parties, the traditional centre-left, and the right. Mr Piñera won, but his victory owed as much to the divisions on the left as it did to his appeal to voters. The results revealed an increasingly polarised electorate with a strong left wing and profound frustrations over inequality. It also pointed to a citizenry that had lost faith in political parties and elites.

The combination of a delegitimised political system and a frustrated electorate has made the current government vulnerable. It lacks the tools needed to engage with protesters and build a more inclusive regime. Any attempt to resolve the conflict will require deep structural reforms to the welfare state, but also to political institutions and parties. If Chile is to find a way forward, it will have to leave the legacy of dictatorship behind.

The writer is an associate professor of political science at the University of Richmond and author of 'Welfare and Party Politics in Latin America'

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