

## Chile Protests

### What is the issue?

- The difficult circumstances like fiery street protests, mob violence, arson, etc., were cited by Chile's President Sebastián Piñera to back out of hosting the COP25 and APEC Summit.
- It is surprising as Chile is long regarded as a remarkable example of prosperity and political stability in generally turbulent Latin America.

### How did the Chile protests start and spread?

- The trigger was a modest 4% increase in subway fares announced on October 1, 2019.
- The day after the new fares came into effect, school students launched a campaign to dodge them.
- They jumped the turnstiles on the Santiago Metro in civil disobedience, and trended #EvasionMasiva, or 'Mass Evasion' on social media.
- As the campaign spread, there were violent incidents and all the Metro stations were shut down and Piñera announced a 15-day curfew.
- However, the rioting continued and spread from Santiago to Concepción, San Antonio and Valparaíso.
- So the government cancelled the fare hike, but the protests didn't cease.
- By the end of October, over a million marched in the streets of Santiago.
- Many Metro stations have been destroyed, supermarkets set afire, and stores have been looted. At least 20 people died in the protests.
- The protests have been described as the most tumultuous of the last 30 years, since the country returned to democracy at the end of General Augusto Pinochet's dictatorship.

### Why are Chileans so angry?

- The protesters represent the voices of those left out of the economic growth and prosperity that most non-Chileans have come to identify the country with.
- Discontent against broad income inequality is the key provocation.
- People are angry about low incomes from salaries and pensions, and are unsatisfied with public healthcare and education.
- A major driver of the protests has been the fear of poverty in old age.

- Chile has a defined contribution pension scheme in which workers pay at least 10% of their wages each month to for-profit funds, called AFPs.
- Over the years, these AFPs have come to hold an enormous corpus about 80% of the nation's GDP at present and have huge investments in Chile and overseas.
- Thus, the AFPs have helped fuel an economic boom that has been visible in impressive skylines and apparent prosperity.
- However, not all Chileans benefit from the pension scheme. Many can't contribute enough regularly, and end up with small payouts.
- A third of Chileans who work in informal jobs, and those who don't have jobs, and women who quit to raise children, lose out too.

### **What is the government doing?**

- Piñera has acknowledged most of the protesters' demands.
- He has offered a reform package that includes higher taxes for the rich, and multiple policies of redistribution of wealth.
- He fired several ministers against whom the public has expressed anger.
- He has said he would increase the state's contribution to basic pensions by 20% for the poorest Chileans, and raise employer contributions.
- However, the protesters remain unmoved, and want Piñera, one of the richest people in the country, and the President since 2018, to go.
- Opposition parties too, have indicated that they would not simply rubber-stamp the government's attempts to fast-track pension reform.

### **Is there a counter-argument?**

- The AFPs argue that the problem doesn't lie with the pension scheme, but rather with low wages, a weak job market, and the country's ageing population.
- There are many in the country who doesn't sympathise with the protesters, or who disagrees with their violent methods.
- The Santiago-based Spanish language daily said that it was essential to be clear on the origin of these happenings and those who are responsible.
- This violence must be very clearly distinguished from peaceful protests.
- They say that violence only seeks the destabilisation of the country and has nothing to do with the demands of the marches.
- It had praised Piñera's reforms package as effectively taking care of the needs most felt by the people and allowing for a new political and social dialogue.
- The counter-arguers also say that Chile has 9% poverty, 2.3% destitution. Since the return of democracy, the GDP has multiplied 5 times.
- Inflation is below 5% and a high level of employment.

- Even though there exists the problem of distribution, the country continues to be rich and orderly.
- The complaints of the middle classes don't justify the setting ablaze and destroying of a nation that is a model of development for the region.

**Source: The Indian Express**

