

Mounting working class and student protests deepen Chile's political crisis

Cesar Uco
13 June 2016

A growing movement of Chilean workers and students against the Socialist Party-led government of President Michelle Bachelet is deepening a political crisis that has engulfed both the ruling New Majority (Nueva Mayoría) coalition and the right-wing opposition, organized in the Alliance for Chile (Alianza por Chile), the two essential political formations that have alternated in power in the quarter century since the end of the dictatorship of Gen. Augusto Pinochet (1973-1990).

Underlying the political crisis is Chile's sharply deteriorating economic position. Once hailed as the South American capitalist miracle, today the country is facing a sharp decline in most economic sectors, including mining, fishing and agribusiness. Automobile sales, hotel occupancy and other economic indices are also falling rapidly.

The economic crisis, part of the broader collapse of the commodities and emerging market booms that has destabilized "left" bourgeois governments from Argentina to Brazil and Venezuela, is expressed in lower export earnings as well as a shrinking domestic consumer market. The Chilean Central Bank growth figures for this year have been revised downward from 2 per cent to 1.25 per cent, while the official unemployment rate has risen from 5.9 to 6.3 percent in the first quarter of this year.

According to a union spokesperson, 68,000 workers have been laid off in the large mining sector since 2014, i.e., since Bachelet took office. Out of these 21,000 were employed directly by the mining companies and 47,000 by contractors.

As the economy decelerates, layoffs in mining continue. In 2015, 19,000 miners lost their jobs. The ranks of the jobless have swollen to roughly 20 percent of the mining sector, which, according to the figures of the INE (Instituto Nacional de Estadísticas), today employs 244,000 miners.

The British Anglo-American mining company, which

operates four mines in Chile, eight in Brazil and one in Colombia, recently announced a workforce reduction from 162,000 in 2013 to 99,000 by 2016, and is expected to further shrink to 50,000 by the end of 2017.

The government-owned mining company, Codelco, the largest copper producing company in the world, set the pace with the the layoff of 4,292 miners late last year.

The loss in domestic consumption is highlighted by a drop of 14 per cent in car sales year-to-year. Total fruit exports have fallen to 2.4 million tons worth US\$ 4.2 billion, the lowest figures since 2012.

Last month, an environmental crisis devastated the fishing industry in the southern part of Chile. This came on top of the industry losing a contract with US retail giant Costco to a Norwegian company due to the high use of antibiotics in Chilean farm-raised salmon. This represented a loss of 16 per cent in export dollars for the industry.

The environmental crisis, which has been attributed to "red tide," a naturally occurring toxic algae that has been intensified by a strong El Niño weather pattern, is also believed to have been aggravated by the salmon industry's dumping of toxins, including 4,000 tons of dead salmon, into the ocean.

To pressure the government to come up with a decent relief package (it initially offered only 100,000 Chilean pesos, one quarter of what is required by fishermen and their families to survive), the fishermen in the first three weeks of May blockaded Chiloe Island, the largest in the archipelago, that runs one thousand kilometers parallel to Chile's continental shore. Carabineros (Chile's militarized national police) used tear gas and water cannon to disperse the striking fishermen.

The fishermen contrasted the US\$405 million that President Michelle Bachelet lavished upon the salmon industry during her first presidency in 2008, when it was thrown into crisis by the spread of a virus, to the pittance

her government offered them. This was only one of the many illustrations of the fact that the ruling Socialist Party is an instrument of the capitalist ruling class, defending profit interests against the interests of the working class.

Since early May 2016, this has been the growing sentiment driving demonstrations by students and workers over the failure of Bachelet to make good on the promises she made during her 2013 election campaign to alter a social order that makes Chile one of the most socially unequal nations in the world.

In the capital of Santiago, thousands of students demonstrated against the government's protracted stalling of a proposed education reform that was at the center of Bachelet's election platform. Over a period of two decades, previous Socialist Party-led governments had failed to change an education system inherited from the Pinochet dictatorship that abolished the previous right to free higher education, imposed tuitions that exclude much of the population, and encouraged the development of private universities to exploit education as a source of profit.

On one of the almost daily student demonstrations on May 27, the authorities denied permission for the march. As result a brutal confrontation ensued, leaving 117 arrested and 31 carabineros wounded. Many people videotaped the events.

In another incident, students belonging to the Asamblea Coordinadora de Estudiantes Secundarios (Aces) burst into the interior of Palacio de La Moneda (government headquarters). Thirty-two students were arrested.

Valparaiso and Valdivia also witnessed clashes between students and carabineros. The government accused the *encapuchados* (hooded protesters) of being anarchists and having started the violence. But many residents of Valparaiso denounced police, accusing them of infiltrating the *encapuchados* with the explicit purpose of provoking violence.

Valparaiso's Mayor Gabriel Aldoney said after visiting La Moneda that the protests were "a cancer that must be removed now."

The student demonstrations have sharply deepened the crisis of Bachelet's government. Her approval rating has shrunk to a record low of 24 percent.

Hostility to the president has been fueled in part by the so-called Caval Case, a scandal that surfaced early last year involving her son and former aide, Sebastian Davalos, along with his wife, in alleged fraud and influence-peddling in the pursuit of a multi-million dollar real estate deal.

Bachelet's unpopularity is exceeded only by that of her rightist opponents. In a poll conducted last August, her New Majority coalition was viewed favorably by only 16 percent, while the Alliance for Chile received only a 15 percent approval rating, meaning that more than two-thirds of the population is hostile to both the "left" and right representatives of the Chilean bourgeoisie.

The crisis has led to a series of cabinet reshuffles. In the latest, Minister of the Interior Jorge Burgos, who had expressed open disagreements with the president, resigned, citing health concerns. His replacement is a fellow Christian Democrat, Mario Fernández Baeza, who as a young man was a member of the Falange and participated in the right-wing demonstrations that preceded the CIA-backed coup that overthrew the government of Salvador Allende in 1973. He is also a leading figure in the ultra-conservative Catholic Opus Dei cult.

Meanwhile, the UDI (Independent Democratic Union) the leading party in the right-wing Alliance for Chile coalition, has been beset by a large number of resignations. Both coalitions have been implicated in illicit campaign financing by business interests, underscoring their equal subservience to capitalist interests.

The working class has been increasingly restive, but held back from a head-on confrontation with the government by the CUT (Central Unica de Trabajadores) union federation, whose leadership is dominated by the Communist Party, which in turn has ministers in the Bachelet government.

The CUT called a protest strike March 31. Its principal concern has been the exclusion by the Tribunal Constitucional of two key points in a proposed labor reform: (i) unions have the exclusive right to negotiate contracts with the bosses, and (ii) extending negotiations to benefits for new members.

The proposed labor reform would give a monopoly on negotiations to the CUT bureaucracy as a reward to its leadership for the CP's work in diverting and containing the struggles of workers and students, while maintaining its support for the corrupt capitalist administration headed by Bachelet.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact