

Students across Chile protest criminalization of youth and education cuts

Part 2. How the Chilean “left” betrayed a generation

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This is the second of a two-part series. Part one was published here.

The CAE: How Lagos indebted a generation

The State-Guaranteed Loan System (CAE), introduced under Socialist Party President Ricardo Lagos in 2005, is one of the most naked demonstrations of how the capitalist state functions as an instrument for transferring public wealth into private hands.

The blueprint of the system is steeped in cynicism. Private banks issue loans to students, the state guarantees up to 90 percent of the capital plus interest in the event of default and the student shoulders decades of repayment. The banks assume virtually no risk; the state absorbs the losses; and the student bears the debt.

The CAE was born from the 1981 Pinochet-era higher education reforms, which dismantled public universities and opened the sector to market forces. But private institutions faced a constraint: Students could not afford tuition. The CAE solved this by creating a mass credit-financed market.

Between 2005 and 2015, enrollment exploded from roughly 450,000 to over 1.17 million, with private institutions absorbing most of the increase. By the 2010s, 80–85 percent of students attended private institutions. The higher education sector ballooned into a US\$6.8 billion annual market, larger than Chile’s salmon or forestry industries.

The banks profited handsomely. A handful of institutions—Scotiabank, Banco BCI, Banco Itaú, BancoEstado, CorpBanca—dominated lending. Between 2006 and 2015, they issued approximately CLP (Chilean pesos) 3.44 trillion (US\$3.76 billion) in CAE loans.

Twenty private institutions captured 67 percent of all CAE resources. The US-based Laureate Education group alone, through its control of Andrés Bello University, Las Américas University and AIEP, received nearly CLP 600 billion (US\$650 million) in CAE-linked financing.

More than 1.2 million youth have passed through the CAE system. Delinquency rates reached roughly two-thirds of borrowers by 2025–26. Over 550,000 borrowers are in arrears. The total overdue CAE debt reached approximately CLP 4 trillion (US\$4.4 billion) in 2025, eight times the level recorded in 2018. Many borrowers never completed their degrees; others face a labor market of precarious employment, underemployment or unemployment.

As of June 2026, youth unemployment (15–24 y.o.) sits at approximately 21.6 percent. The recently graduated unemployment rate is 8.1 percent, while the unemployment or underemployment of all highly educated workers sits at a staggering 35.7 percent.

Bachelet & Boric’s non-reforms

Socialist Party President Michelle Bachelet’s (2014–2018) *Tuition-Free Higher Education Reform*, launched in 2016, was presented as free universal higher education. It was nothing of the sort. It was means-tested, covering only the 50–60 percent of the most vulnerable households. By 2017, just 262,000 students, roughly one-quarter of undergraduates, were covered.

Bachelet’s reforms were not a repudiation of the market model but a managed concession designed to defuse deep-seated anger at the for-profit system amid stagnating economic conditions following the 2008 global financial crisis and the end of the resources super-cycle in 2013.

The central flashpoint was education. Hundreds of thousands of secondary and university students took to the streets in 2011—the largest mobilizations since the end of the dictatorship—demanding free, quality public education and the repeal of LOCE, which had slashed public funding and turned schools and universities into for-profit enterprises.

Other waves of mass social unrest emerged in the 2010s of retirees against the private pension fund system, teachers, healthcare workers and copper miners to name the most emblematic. Underlying all of this was the broader crisis of a society where 40 years of privatization, labor repression and constitutional protections for capital had produced staggering inequality and a social tinderbox.

By this stage, the Socialist Party-Christian Democrat center-left coalition, which had governed 24 of the 28 years of civilian rule, was a despised and spent force. It had preserved and strengthened every pillar of Pinochet’s neoliberal agenda, exposing the civilian political caste as an instrument of capitalist rule indistinguishable in substance from the right, a verdict captured in the 2019 protesters’ chant “It’s not about 30 pesos, it’s about 30 years.”

From controlling the executive and holding majorities in the chamber of deputies (64 percent) and the senate (58 percent) in 1990, by 2018 the center-left coalition had lost La Moneda Palace twice to one of Pinochet’s acolytes, billionaire Sebastian Piñera, and its hold in the chamber dropped to 30 percent. Today it is a rump with barely 35 of 155 seats in the chamber and 15 of 50 seats in the senate.

Another set of political forces was required to straitjacket the growing opposition. Enter the Broad Front and Stalinist Communist Party, both consummately committed to the defense of private property and the capitalist state, albeit clothed in pseudo-left garb.

The Broad Front was founded as a 14-party electoral alliance to intervene in the 2017 general elections. It was composed of ex-university student radicals—Gabriel Boric, Gorgio Jackson, Vlado Mirosevic, Jorge Sharp—involved in the 2011 rebellion who seamlessly entered the state

apparatus. Others entered academia or served as leading bureaucrats in the trade union apparatus.

They would play an equivalent role as the pro-imperialist pro-war political operators of the Democratic Socialists of America (DSA) in the US or Podemos in Spain, setting themselves the task of dissipating anti-capitalist sentiment into safe parliamentary channels, talking up reforming the system from within and injecting life back into the discredited political caste.

Like its international counterparts, the Broad Front aims to secure a more equal distribution of political power and a greater share of the wealth derived from the exploitation of the working class. It is explicitly anti-Marxist, substituting the fight to establish the political independence of the working class with the selfish concerns of the upper middle classes of equality in corporate boardrooms and the capitalist state. Their feigned concern for the environment, the oppression of minorities, etc., does not go beyond having a seat at the decision-making table.

The Stalinist Communist Party of Chile has a far older and more complex history, but the political forces that compose its membership today are indistinguishable from the Broad Front. The Communist Youth student leaders Camila Vallejo and Karol Cariola secured their seats in Congress. Others, like Barbara Figueroa became the top bureaucrat in the Central Workers Union (CUT).

The October 2019 revolt in Chile erupted when a student transport fare hike detonated decades of accumulated class anger, transforming almost overnight into a mass anti-capitalist uprising of millions of workers, youth and middle class layers against extreme social inequality, police violence and a universally despised political caste.

President Piñera responded by declaring a state of emergency, deploying the military and announcing that the state was “at war with a powerful, ruthless enemy”—producing dozens of deaths, hundreds of mutilations and thousands of cases of torture and sexual abuse.

With the insurgency only intensifying, Piñera turned in November to the parliamentary “left,” which dutifully signed the “Agreement for Social Peace and a New Constitution.” The Broad Front and the Stalinists, the latter claiming to oppose the pact while using its trade union apparatus to shut down all industrial action, set themselves the task of channeling the revolutionary movement into the dead end of constitutional reform, promoting the illusion that the capitalist state could be democratized by rewriting Pinochet’s charter.

The pseudo-left presented support for the Apruebo Dignidad coalition and its candidate Gabriel Boric in the 2021 presidential election as the only means to stop the fascist José Antonio Kast. Boric promised to “bury neoliberalism,” reform the murderous police and deliver social justice. Part of his promised reforms was a sweeping CAE debt forgiveness—a commitment widely understood as near-universal cancellation.

Once in office, Boric cancelled out his reformist program by appointing as finance minister the austerity-committed Mario Marcel, who slashed spending and raised interest rates amid double-digit inflation. As significant was Boric’s adoption of the right’s tropes showering the Carabineros with funds and equipment, imposing a permanent state of exception against the indigenous Mapuche, deploying the military to block refugees at the borders and beginning mass expulsions of undocumented migrants.

Having implemented the anti-working class, anti-immigrant and police state agenda of his fascist opponent, Boric’s government paved the way for Kast’s eventual electoral victory in 2025, concluding with an “orderly and exemplary transfer of power” from the pseudo-left to the Pinochetist right at La Moneda Palace.

The Kast government dispensed with many of Boric’s reformist pretenses. Kast withdrew more than 40 environmental decrees that had been approved by the Boric administration and were awaiting final legal review.

Kast also discarded the CAE debt forgiveness proposal and announced stronger CAE collection mechanisms. In March, Treasury announced an aggressive recovery campaign targeting CAE arrears: judicial collection against debtors, bank account retentions, seizure of term deposits and mutual funds and embargo proceedings. Collection revenues rose approximately 295 percent in the first four months of 2026, compared to the same period in 2025.

A generation betrayed

What the Chilean ruling class calls “school violence” is the organic expression of a social catastrophe five decades in the making.

Several generations have passed through an educational system systematically stripped of resources, handed to profiteers, disrupted by closures and regulatory failures, severed from its students during prolonged lockdowns, and then reopened without the counseling, mental health services or the support infrastructure needed to repair the damage.

A student entering first grade in 2006 would have lived through the high school student rebellions of that year, the 2011 mass student mobilizations and the battles over the 2010s. As a university undergraduate, he or she would have shared in the immense expectations generated by the coming to power of Boric’s “progressive” coalition government. As a graduate, they would have felt the despondency and demoralization when Boric’s promised reforms in no way alleviated Chile’s longstanding, rampant social inequality and when the social insecurities of yesterday were ramped up a few notches by the global economic shocks of the decade.

They would have also seen how the whole political establishment maliciously exploited these shifts in moods to whip up base sentiments of xenophobia, nationalist chauvinism and indifference to life. The global panorama included tens of millions of people dead through the uncontrolled spread of diseases and outbreaks of pandemics, US imperialism openly declaring a neo-colonialist strategy and threatening to “bomb nations back to the Stone Age” and a collective shrug by the Western democracies. It included desperate refugees and immigrants fleeing imperialist-caused strife being attacked as “vermin and criminals,” and the entire planet treated to the uninterrupted transmission of the Israeli genocide of Gazans in real time.

These catastrophes have crashed over the people’s heads and accelerated changes in mass consciousness. The bourgeoisie, aware that youth radicalization portends great movements of the proletariat, are criminalizing the young while promoting a next line of pseudo-left traitors.

El Mercurio, the historic voice of the Chilean bourgeoisie, published in May two lengthy, favorable profiles of Laura Mlynarz, the Communist Youth member elected president of the University of Chile Student Federation (FECh). This is not a coincidence. The ruling class recognizes exactly what it is getting.

El Mercurio reported with approval that Mlynarz emphasizes “peaceful” demonstrations, that her slate is backed by both the Communist Party and the Broad Front, and that PC leaders from Lautaro Carmona to Daniel Núñez publicly celebrated her victory as their own. The newspaper noted her father’s FECh pedigree and her insistence that mobilizations are “valid for any group in our country that wants to express its needs and interests—always, of course, in a peaceful manner that strengthens our society.” This is precisely the language the bourgeoisie wants to hear from a “student radical.”

Mlynarz represents a new generation of the pseudo-left being groomed to play the same role as Boric and Vallejo. Her rhetoric—denouncing Kast for governing “for the country’s wealthiest 1%,” defending “public

education,” calling for “student well-being and mental health”—is the standard pseudo-left veneer that masks a complete subordination to bourgeois politics.

Where to from here?

The central political lesson that must be drawn from the experience of the past 15 years of struggle—from the 2011 student rebellion through the 2019 uprising to the present mobilizations against Kast—is that the pseudo-left organizations, in all their variants (the Broad Front, the Stalinist Communist Party, and their trade union and student appendages), are not failed allies but conscious instruments of the bourgeoisie. They exist to absorb, channel and dissipate the revolutionary energy of the youth and the working class into the dead end of capitalist politics.

Boric’s trajectory—from a student radical denouncing neoliberalism to a president implementing austerity, funding the Carabineros and handing power to the Pinochetist right—is not an individual betrayal but the expression of a definite social program: the defense of private property, the capitalist state and the subordination of Chile to international finance capital.

The student movement cannot afford a third cycle of illusions in the pseudo-left. Every new generation of “student radicals” groomed by the bourgeoisie—now personified by figures like Laura Mlynarz at the FECh—must be recognized for what they are: the next relay team in the management of working class opposition, not its authentic representatives.

The right to free, universal, quality education at all levels cannot be secured through appeals to the capitalist state, constitutional reforms or piecemeal debt forgiveness schemes that the next government can revoke with an executive decree. It requires the conquest of political power by the working class and the establishment of a workers’ government.

Such a government, resting on democratically organized councils of workers, students and the poor, would immediately expropriate the billionaire oligarchic clans—the Luksic, Matte, Angelini, Piñera and Paulmann families—whose combined wealth, extracted from the labor of millions, exceeds tens of billions of dollars.

It would nationalize the banks and the entire credit system, dedicating the financial resources currently channeled into CAE debt servitude and bank profits into social needs. The copper mines, lithium reserves and other natural resources—the historic patrimony plundered by domestic and foreign capital—must be brought under public ownership and democratic workers’ control, providing the material basis to finance a genuinely free educational system alongside universal healthcare, housing and dignified employment.

The revolutionary Marxist program advanced by the International Committee of the Fourth International (ICFI) alone can guide this struggle to victory. We call on the most politically advanced students and workers in Chile to study the program of the ICFI, to break decisively with all forms of pseudo-left and nationalist politics, and to take up the task of building the Chilean section of the Fourth International, the party that will lead the working class in the fight for the United Socialist States of the Americas and the world socialist revolution.



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