

Chile under Piñera

The Good, the Bad and the Ugly

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University of Chile

+ Chile under Piñera

- The context
- The reality
- The elections





CONTEXT

- August 2010 Punta de Choros (2000? people)





CONTEXT

- 2011 HidroAysén





CONTEXT

- June 2011 First major Diversity March (50-80K people)



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CONTEXT

- 2011-2013 student protest (100K+ people)





How and why did we go from continuity to confrontation?





....or in other words





Commonly heard explanations



- Right:
 - It's a leftist conspiracy
 - It's being financed by chavismo
 - They were never going to let us govern
 - *The left is overly ideological*
- Left:
 - It's a right wing conspiracy
 - It's the collapse of the chilean model
 - WE knew how to govern
 - *The right is overly ideological*





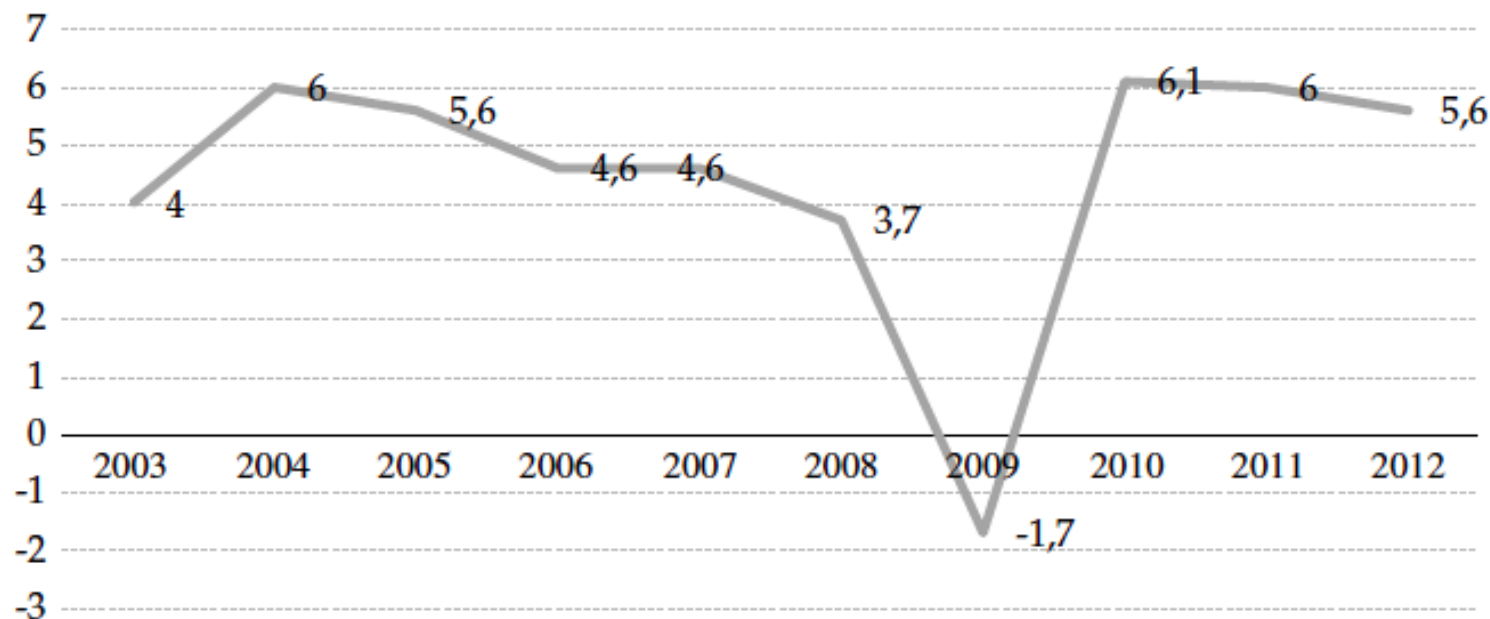
The Good

- Growth 5-6%
- Inflation at about 2%
- Poverty at 14.5%
- Copper at \$3.35

Chileans have “an enormous capacity to always see the glass half empty”
- S. Piñera
May 2012



+ Economic Growth, GDP



Fuente: Banco Mundial.



+ The economic benefits of earthquakes



Great Depression		Chillan		Valdivia	
1929	100	1938	100	1959	100
1930	86	1939	101	1960	106
1931	69	1940	103	1961	108
1932	52	1941	101	1962	110

Source: Landerretche 2010

+ The economic benefits of earthquakes



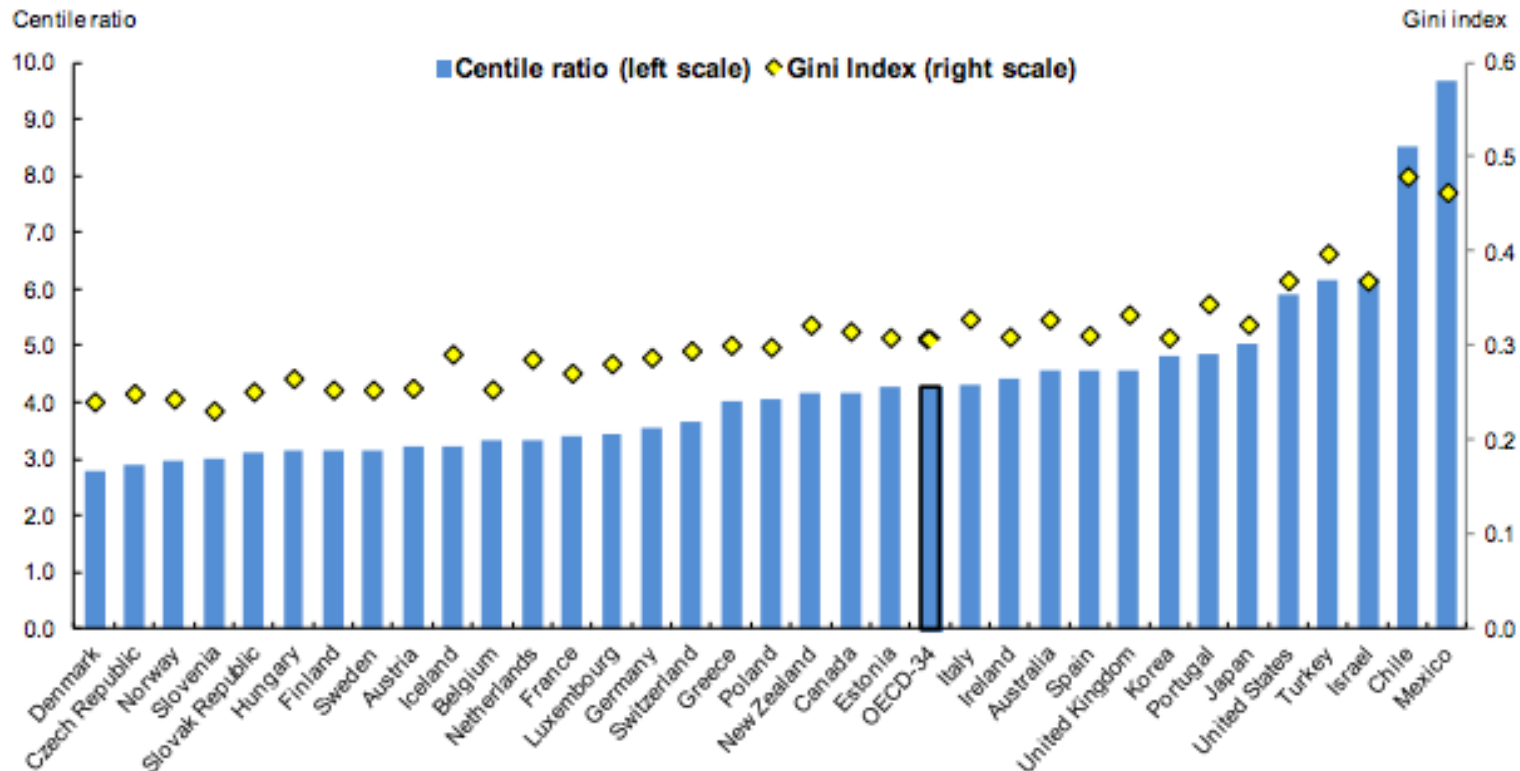
Coup / Oil Crisis		Debt / Oil crisis		Asian Crisis	
1972	100	1979	100	1997	100
1973	93	1980	106	1998	102
1974	92	1981	111	1999	100
1975	79	1982	95	2000	103
1976	81	1983	90	2001	105

Source: Landerretche 2010



Inequality

Household disposable income: Gap between the 10th and the 90th centile
and the Gini index in the late 2000s

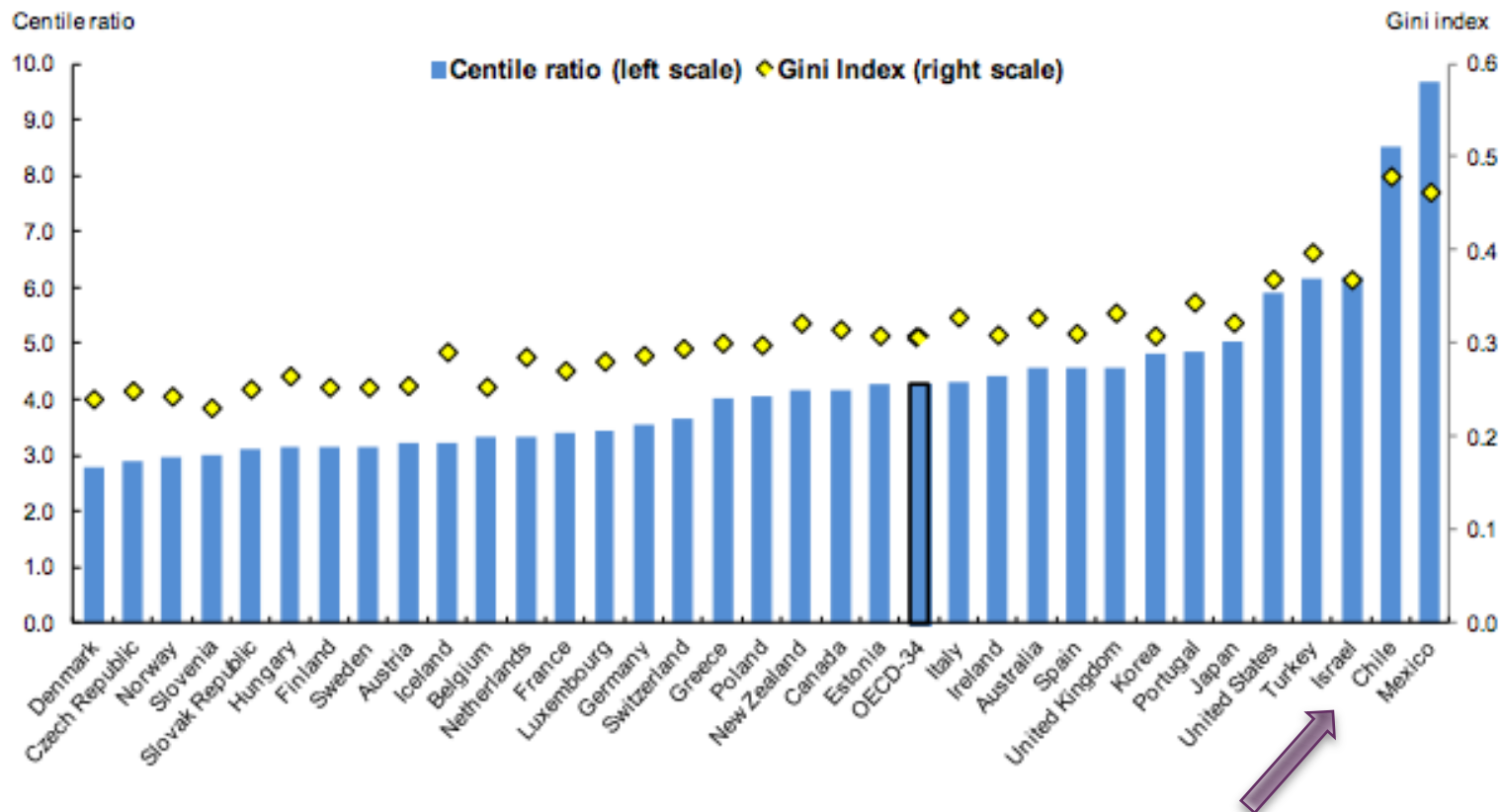


Source: OECD



Inequality

Household disposable income: Gap between the 10th and the 90th centile
and the Gini index in the late 2000s



Source: OECD

+ Inequality



	Chile	Portugal
GDP per capita (PPP)	\$18,000	24,000P
P/c income of poorest 20%	\$4,800	\$7,400
P/c income of richest 20%	\$65,000	\$49,000

Source: Andrea Repetto



Housing

3.5



Income

0.6



Jobs

4.8





Education



4.0



Environment



2.9



Civic engagement

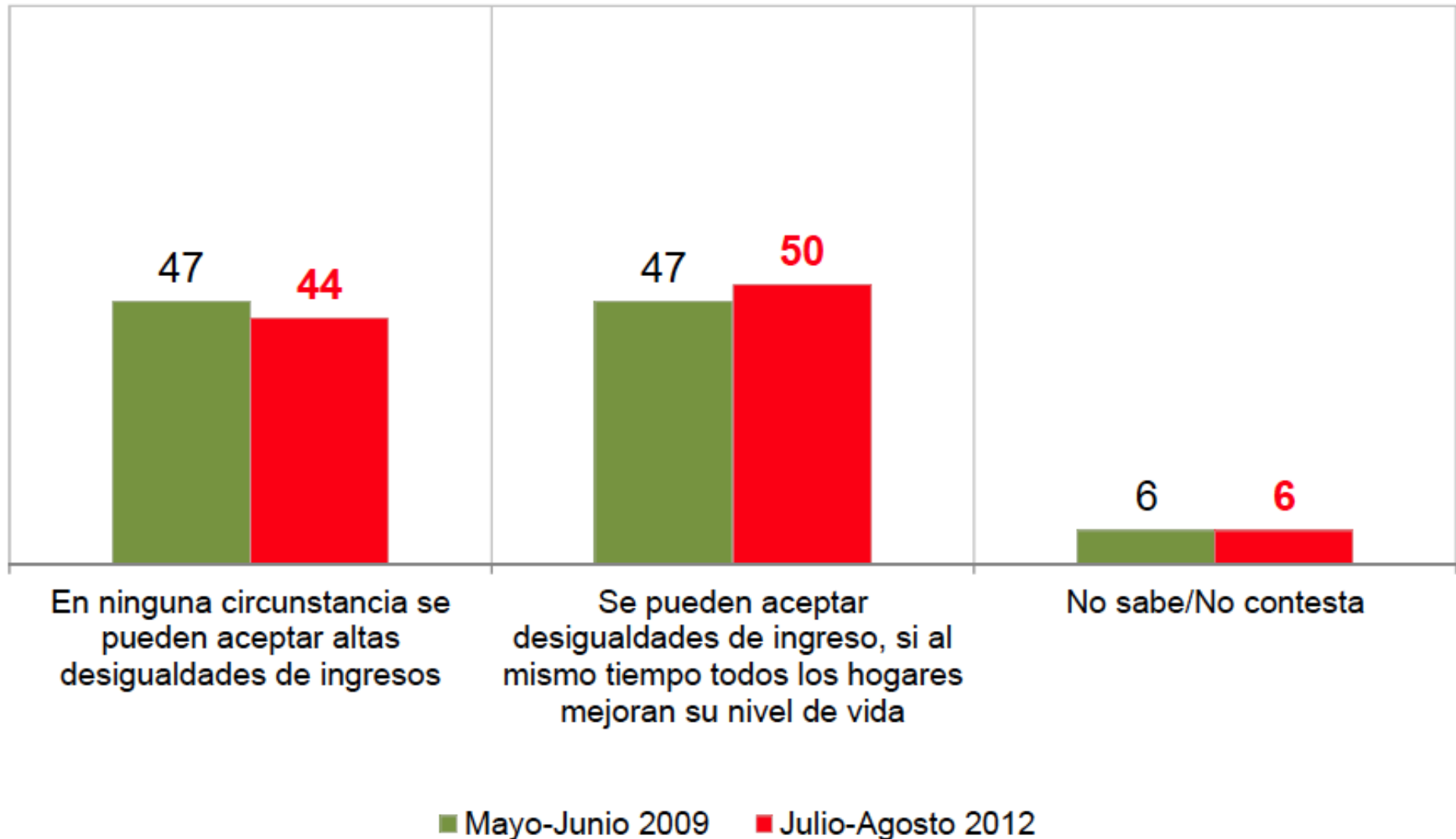


4.4



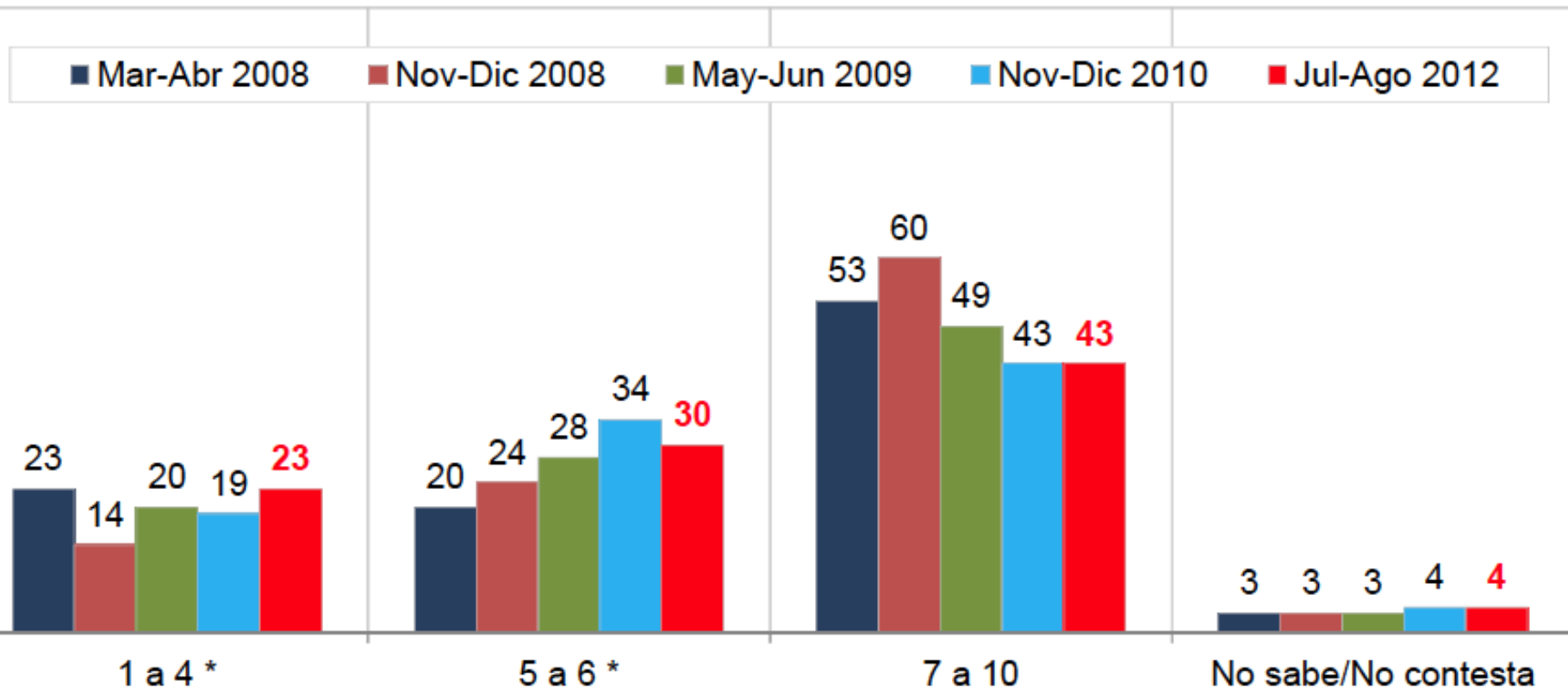
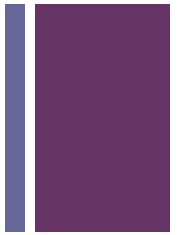
+ Is it the end of the Chilean model?

“Is inequality acceptable?”



+ Is it the end of the Chilean model?

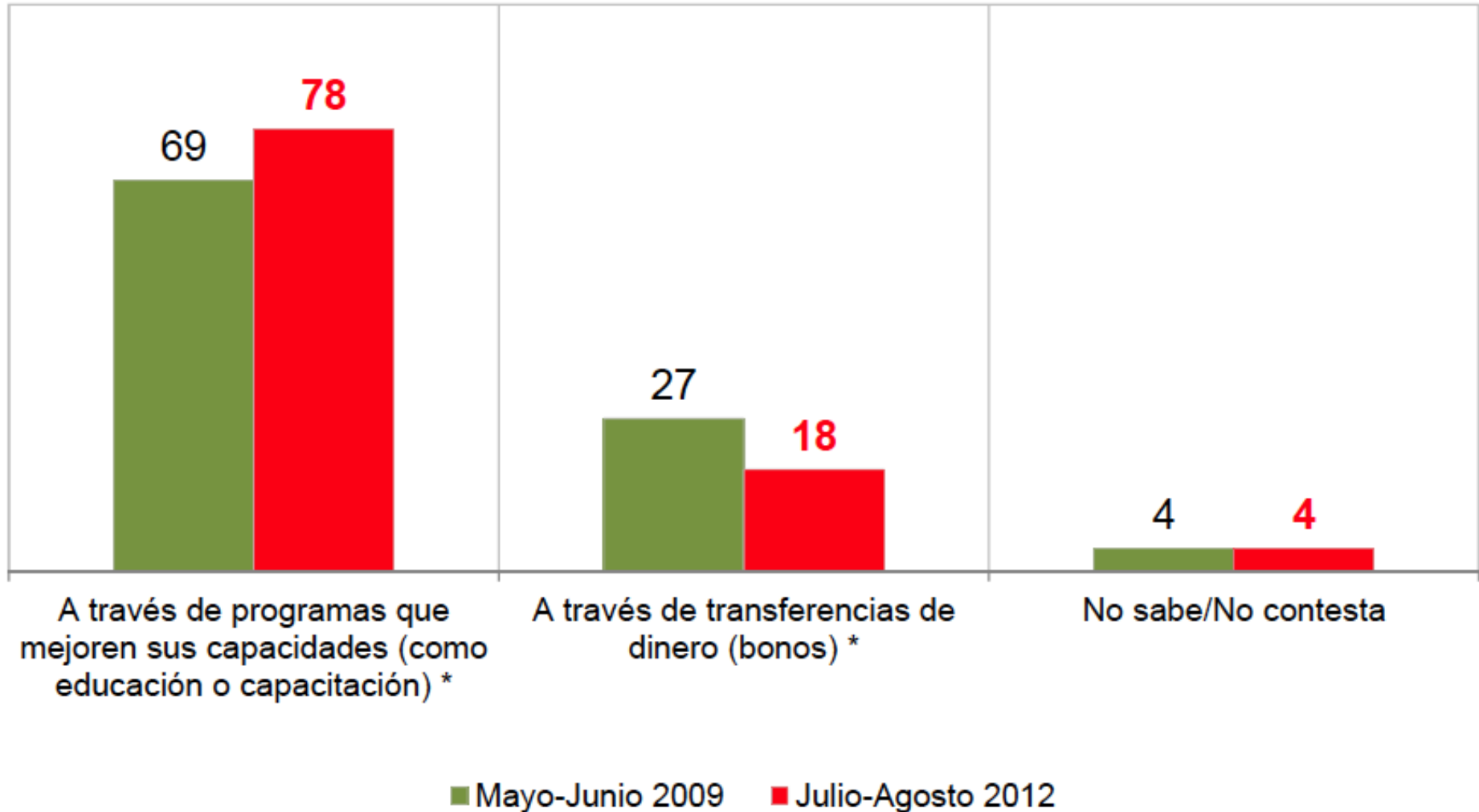
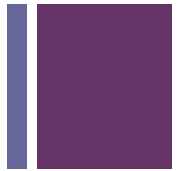
“Is inequality acceptable?”



← “los ingresos deberían hacerse más iguales, aunque no se premie el esfuerzo individual”

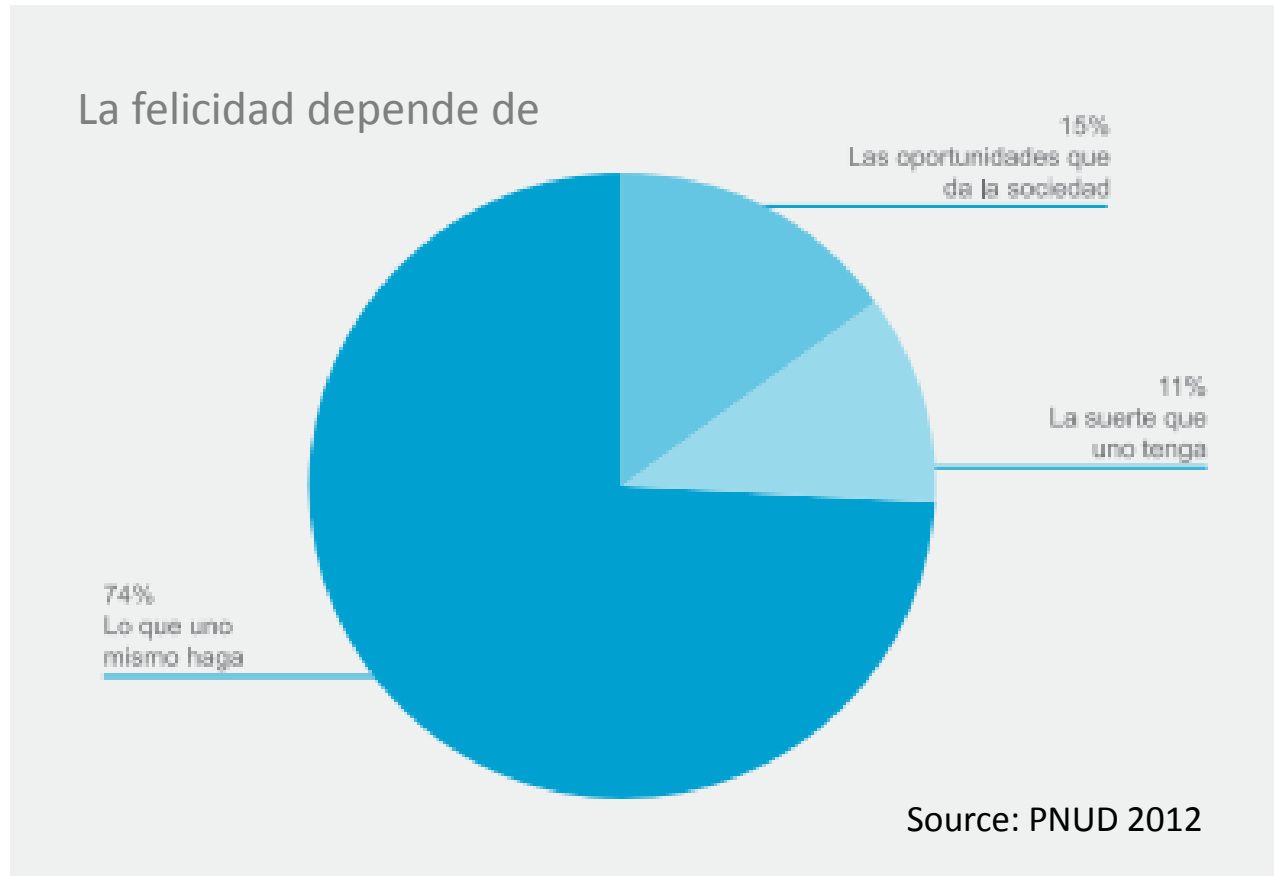
→ “debería premiarse el esfuerzo individual aunque se produzcan importantes diferencias de ingresos”

+ Is it the end of the Chilean model? “How to address inequality?”



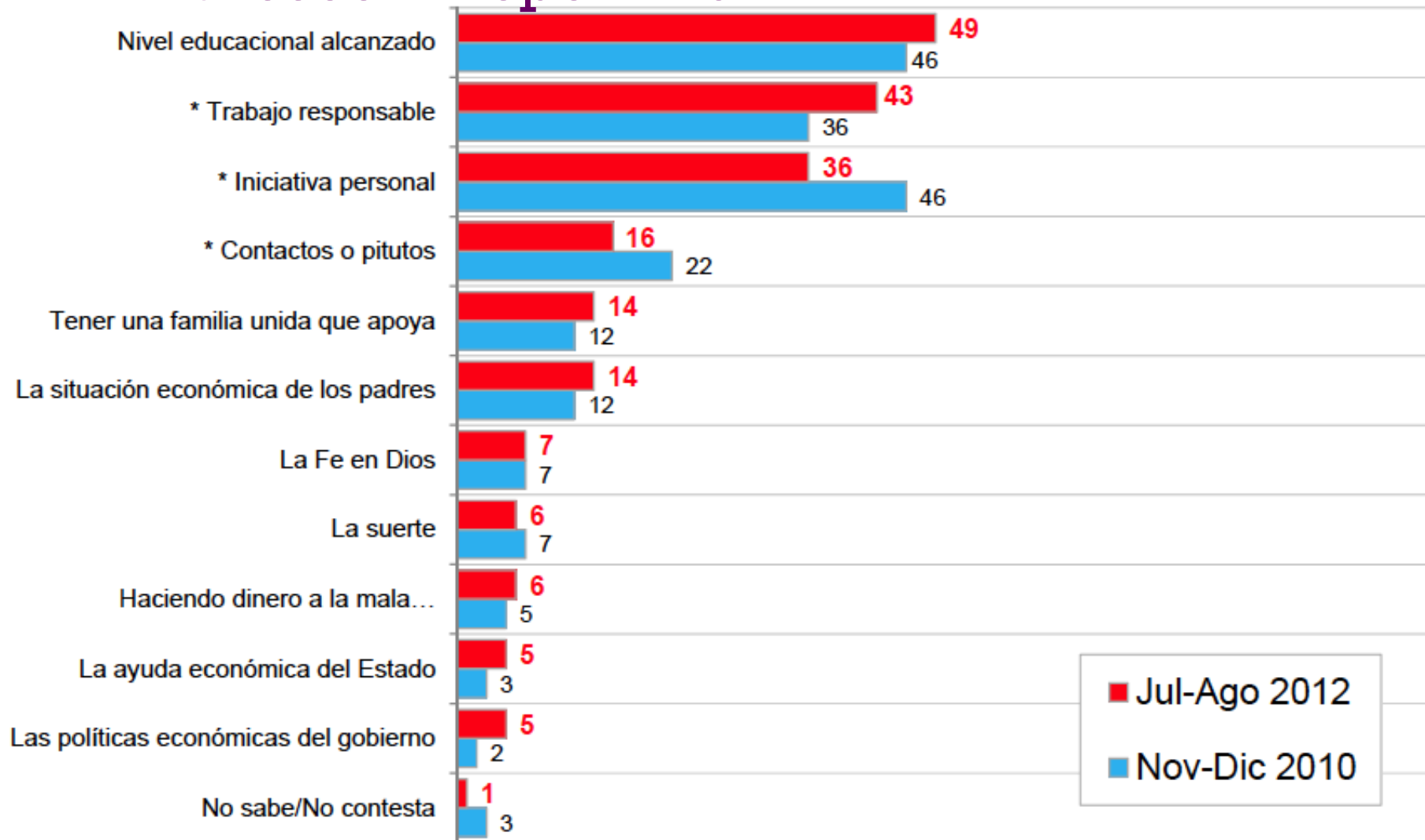
+ Is it the end of the Chilean model?

“Happiness depends on....”



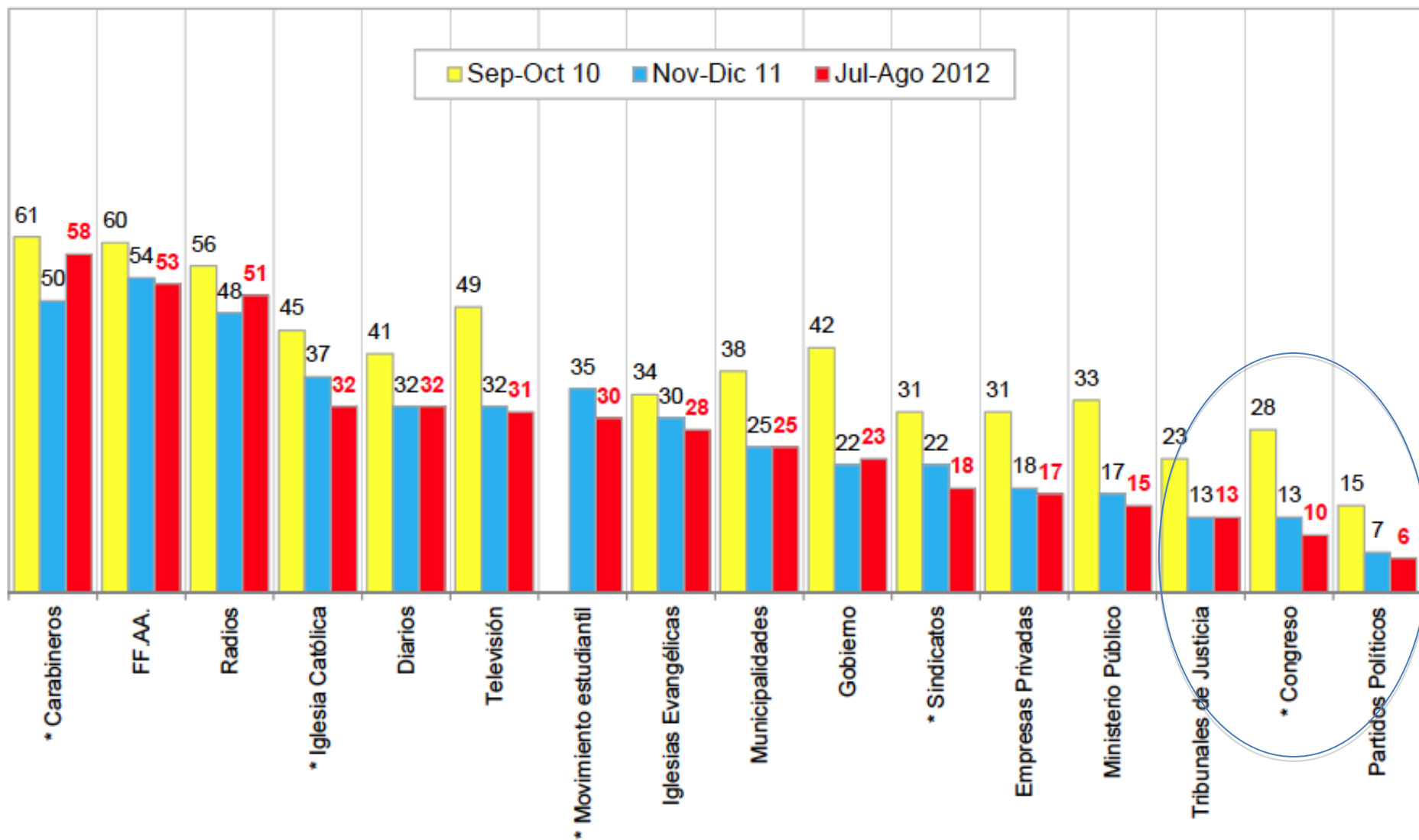
+ Is it the end of the Chilean model?

“Success depends on....”





But.....



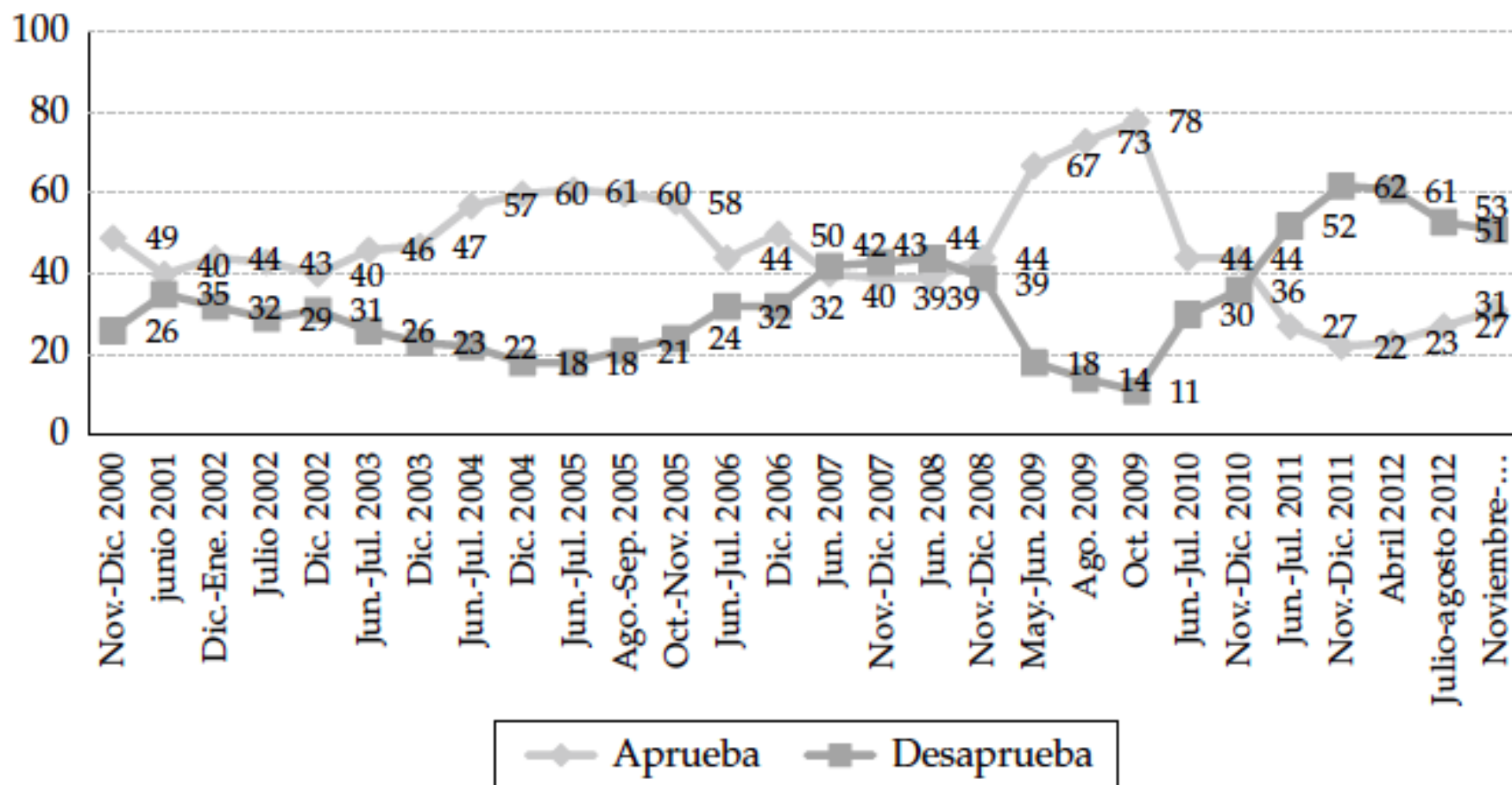
Fuente: CEP ago 2012



Elections 2013



+ Presidential Approval





Who voted in last munic. elections?

	Sexo		Edad				Nivel socioeconómico		
	Hombre	Mujer	18-24	25-34	35-54	55 y más	Alto	Medio	Bajo
	49%	51%	16%	20%	38%	26%	6%	54%	40%
Se abstuvo...	41	44	60	58	34	31	17	39	51
Sí votó	58	54	40	41	63	67	83	59	48

Fuente: CEP noviembre-diciembre 2012.

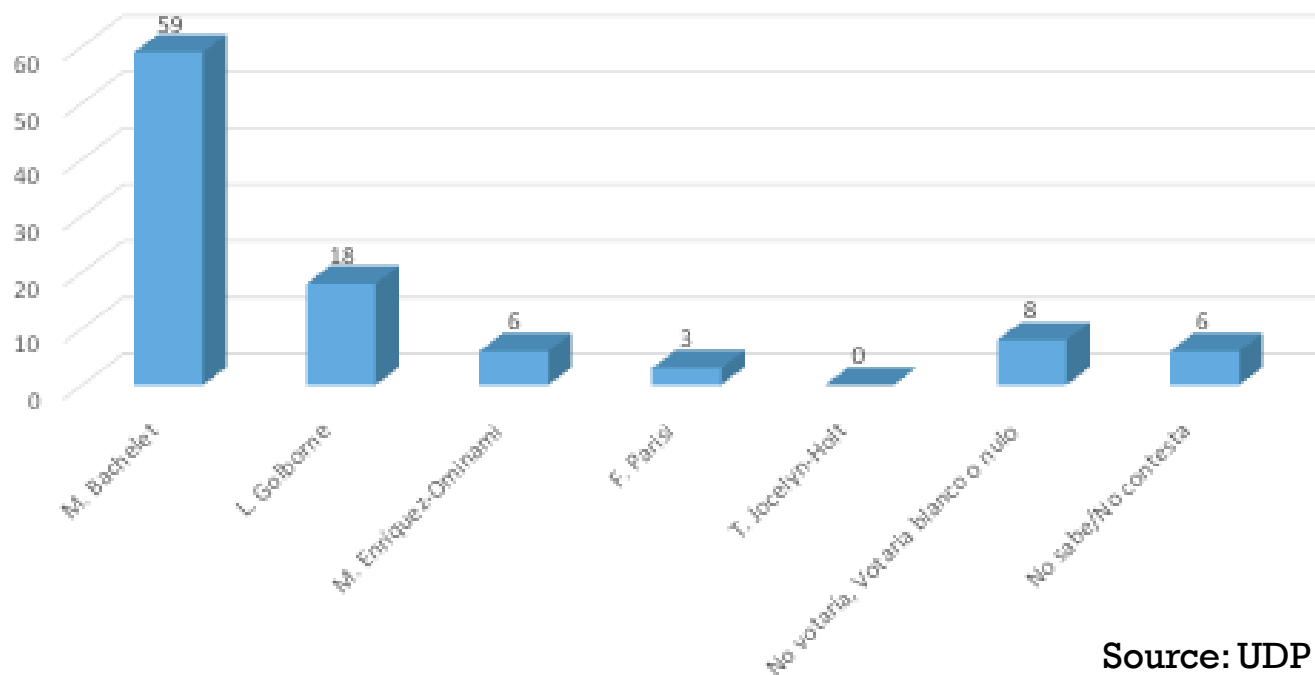




If elections were held next Sunday



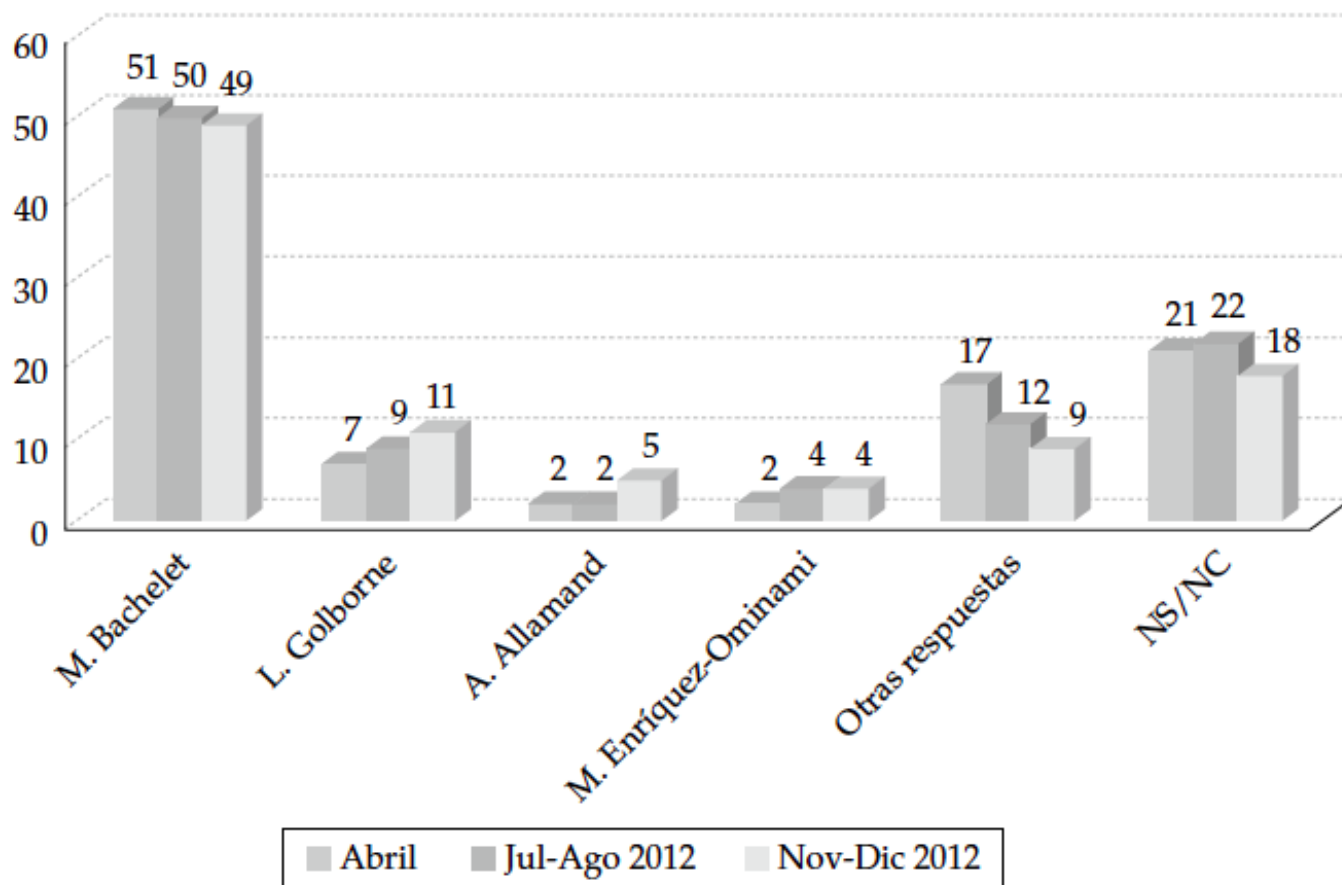
Si las elecciones presidenciales fueran el próximo domingo y los candidatos fueran los siguientes... ¿Por quién votaría Ud.?



Source: UDP 2013



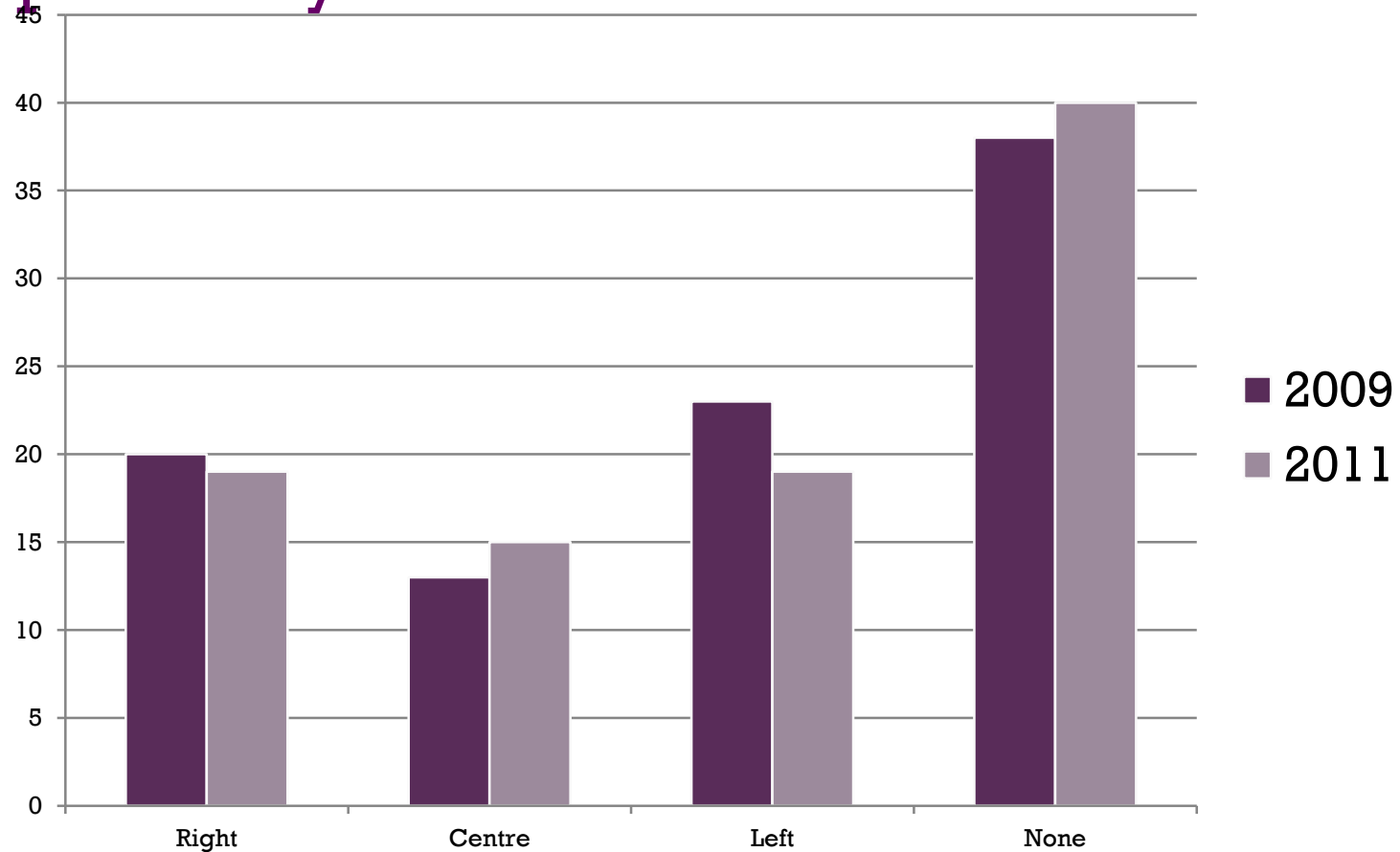
+ Who would you prefer?



Fuente: CEP Nov-Dic 2012.



Where do Chileans place themselves politically?





Going forward.....



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A Tale of Two Cities



- Crisis of representation
- Lack of interpersonal and institutional trust
- Discontent
- End of the political model, but economic model is internalized
- Massive levels of debt (60% of disposable household income)





A Tale of Two Cities

BUT

- People are in debt because they have access to credit
- Crisis in universities is due to the greatest expansion in higher education in history (1 million students) ☐ labour market
- Economic growth allows for increasing social spending

