



# LABOR OBSERVATORY OF THE AMERICAS



## Country Profile Chile

2021



### Total Area:

756,950 km<sup>2</sup>



### Population (2017 Census):

17'574.003 people<sup>1</sup>



### Population estimated as of June 2021:

19'678.363 people

### Population composition

(2017 Census):

**51,1%**

8'972.014 women

**48,9%**

8'601.989 men



### Economically active population:

(for the period August-October 2021)

9'199.520 people



### Gross Domestic Product (GDP) in 2020:

252'940 billion US dollars<sup>2</sup>



### GDP in 2021:

GDP grew by 14.3% between November 2020 and November 2021.



Of the population that participated in the census, 12.8% (2,185,792) identify as belonging to an Indigenous Peoples.

<sup>1</sup> The statistical data presented here are primarily drawn from the National Statistics Institute (INE for its acronym in Spanish) of Chile and its 6-month statistics bulletin. We also drew from the 2020 National Survey of Socio-Economic Conditions (CASEN for its acronym in Spanish), the more recent official and verifiable information available.

<sup>2</sup> <https://statistics.cepal.org/portal/cepalstat/national-profile.html?theme=2&country=chl&lang=en>



# Analysis of socio-economic situation

## Employment.

There were 8,456,510 people employed in the August - October 2021 period. This shows a growth of 10.3% compared to the same period of the previous year.

## Economically Inactive Population.

6,765,870 people in the August - October period.

## Informal employment.

There were 2,361,430 people working in informal employment conditions in the August - October 2021 period. The rate of informal employment for the period stood at 27.9%, with an increase of 2.8 percentage points within one year. The rates for women and men were 28.9% and 27.3%, with variations of 3.3 and 2.5 percentage points, respectively.

## Unemployment.

There were 743,010 people unemployed in the August - October 2021 period. The estimated national unemployment rate for the period was 8.1%, registering a decrease of 3.5% compared to the same period of the previous year. The unemployment rate was 8.1% for women, and 8% for men.

## Poverty.

The poverty rate in 2020 was 10.8%, equivalent to 2,112,185 people; this was composed of 4.26% (831,232 people) in extreme poverty, and 6.56% (1,280,953 people) in non-extreme poverty. According to the report by the Economic Commission for Latin America and the Caribbean (ECLAC) – Social Panorama of Latin America 2020, Chile has been one of the countries with the least poverty reduction after the pandemic. This situation is aggravated by the concentration of 26.5% of the wealth among the wealthiest 1% of the population, while the poorest 50% of households have access to only 2.1% of the wealth<sup>3</sup>.

<sup>3</sup> <https://www.cepal.org/en/publications/46688-social-panorama-latin-america-2020>

# Context Highlights 2021

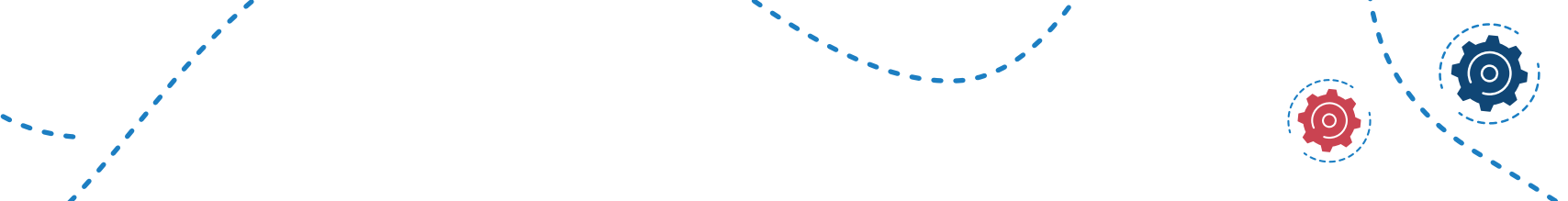
On May 15 and 16, Chilean society elected 155 constituents who will be in charge of drafting a new political constitution, after the 2020 plebiscite that approved the change with 78% of the votes. In addition to having gender parity, the body has 17 seats for representatives of Indigenous Peoples – a significant advance considering Chile’s historical difficulties in recognizing the rights of Indigenous Peoples. These elections were a heavy defeat for the Chilean right wing.

The constitutional reform is one of the main demands following the social uprising that began in October 2019, a historic achievement resulting from great social struggles. It is also significant because it enables the repeal of the constitution approved under Augusto Pinochet’s dictatorship, whose fundamental pillar was privatization of social rights – such as

healthcare, education, and public services – and is the origin of a deeply unequal country due to the State’s absence in guaranteeing human and labor rights.

Several social organizations have presented their demands for the new political charter through the “popular initiative” mechanism enabled by the convention. Among them are the proposals promoted by the mining unions to nationalize lithium, copper, and gold mega-mining; the proposal for State guaranteed access to abortion promoted by the coordination of feminist organizations; and the proposal for a solidarity pension system proposed by the organizations of the “No More AFP” platform<sup>4</sup>.

<sup>4</sup> Política Nacional. Fin de año entre un gobierno de Boric con la ex Concertación y la esperanza de las iniciativas populares de norma en la Convención ¿Qué hacer? (laizquierdadiario.cl)



The constituent process reflects a society that demands an end to economic and political inequality and for the State to guarantee decent conditions for work, access to healthcare, education, public services, and decent pensions; it is basically a demand for a more socially just society.

Also of great significance is the recent election of Gabriel Boric as President of the Republic. Winning 55.7% of the votes on 19 December, the leftist candidate representing the Apruebo Dignidad (“I Approve Dignity”) party defeated José Antonio Kast, candidate of the Social Christian Front.

Kast represented the radical right and his campaign received funds from the Matte group, one of the most powerful business groups in the country with a long history of dismantling and violating workers’ rights. The Matte group is currently wrapped up in scandals regarding the assassination of Mapuche leaders for the expropriation of their territories, and it supports the legacy of Pinochet, a social structure that favors the class to which they belong<sup>5</sup>.

The causes of the social uprising are still present; the president-elect will have to face the challenges of governing a country with the social consequences of decades of inequality, as well as the economic, political, and health crisis of recent years.

<sup>5</sup> Historia. El grupo Matte: Los empresarios pinochetistas que apoyaron la candidatura de Kast (laizquierdadiario.cl)



# Actions/Denunciations (national and international) by Trade Unions and other social sector

Violence against women is a major concern of the Chilean social sectors, with 35 femicides and 141 attempted femicides recorded in 2021. During the confinement and the restrictions imposed by the global health crisis, a voracious transmission of misogynistic information spread, questioning and misrepresenting feminist demands and re-victimizing women who have suffered gender-based violence.

Meanwhile, the trade union movement denounced the attempts of Sebastian Piñera's government to allow exploration, exploitation, and commercialization activities for new lithium deposits in the country. The Ministry of Mining announced the opening of economic tenders for public national and international bidding, seeking ensure contracts are "locked in" until 2050, thus benefitting companies such as Solutions for Human Progress (SQM) and transnational corporations with Chinese and U.S. capital.

In November, Chilean trade unions denounced that thousands of cashiers at Walmart Chile were at imminent risk of being laid off in 2022. The CUT denounced that the multinational company's decision was based on a new reform called a multi-functional organization of work, where workers must take on multiple functions for less pay, in a clear violation of workers' rights.

One year after the enactment of the law on remote work, trade unions denounced labor rights violations that were already apparent since the creation of the law. The trade union movement called attention to the false belief that agreements between employers and individual workers safeguard workers' interests, while stressing that legislation must be grounded on a social dialogue that protects labor rights.





# Trade union proposals and initiatives

The CUT in Chile is advancing in the process of internal strengthening (self-reform) that has included significant debate and agreements regarding gender equality. The trade union has migrated towards a model of universal election with general branches that transform the traditional model of fragmented union organization. The self-reform will include a perspective of transformation that can be implemented and achieved in the medium and long term.

Among the trade union proposals that should be mentioned in detail, due to the magnitude of the process carried out by the Chilean trade union movement, is the Propuesta de Iniciativa Popular de Norma Constitucional (popular initiative proposals for the constitution) to be included in the new Magna Carta.

The CUT developed the constitutional proposal from the trade union world with the objective of enshrining the multiple dimensions of the value of work in the New Constitution, gathering the historical demands and proposals of the trade union world and from the multiple dimensions of Decent Work. The proposal takes up key aspects for

the democratic development of Chilean society, such as the right to decent work; the constitutional protection of the labor relationship; a decent living wage; material equality and non-discrimination; equal pay for work of equal value; freedom of association as true collective autonomy, with the rights of autonomous unionization, the right to collective bargaining at all levels, and the right to strike; and a true right to social security and a social protection floor. This will only be possible to the extent that a new Social, Democratic and Rights-Based State is established, guided by the principles of dignity and solidarity, which would enable a transition towards a new Model of Fair and Sustainable Development.

The proposal also includes contributions from a perspective of Decent Work towards a feminist Constitution. Given that feminism is as cross-cutting in society as work is, it should be a way of conceiving each of the spheres of human life, individual and collective, and primarily involving work, in order to eliminate all discrimination based on gender and sex <sup>6</sup>.

<sup>6</sup> [https://cut.cl/cutchile/wp-content/uploads/2021/11/resumen\\_ejecutivo\\_VF22Julio.pdf](https://cut.cl/cutchile/wp-content/uploads/2021/11/resumen_ejecutivo_VF22Julio.pdf)



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