

Unequal. Origins, changes and challenges in Chile's social divide

United Nations Development Programme (UNDP)

In June Silvia Rucks, resident representative of the United Nations Development Programme (UNDP) in Chile, launched her book *DESIGUALES. Orígenes, cambios y desafíos de la brecha social en Chile* [Unequal. Origins, changes and challenges in Chile's social divide]. A UNDP study that shines a light on the reality of the country and which is particularly relevant given that poverty reduction is one of the 17 Sustainable Development Goals (SDGs) in the 2030 Agenda, to which Chile is a signatory.

In the last 30 years, Chile has made great strides in improving its people's welfare. In fact it is one of the countries in Latin America that has been classified as high-medium income and its poverty rate is well below the average for the region, where it stands at the top of the Human Development Index (HDI). Nevertheless, reducing inequality is still a very pressing social problem.

A number of issues are discussed throughout the book that are inextricably bound up with the inequality of Chilean society, and are considered from two perspectives. The first has to do with social structures and the second with the ideals of equality and sentiments of justice and injustice. She argues that inequality goes beyond traditional socio-economic categories (income, education, health and standard of living), encompassing factors such as the respect which people are accorded. To this end, the study offers quantitative and qualitative evidence recognising inequality as it relates to decent treatment and lack of discrimination.

Among other ideas, the book mentions the World Bank's classification of wealth levels in Latin America. It divides these into four strata: poor, vulnerable, the middle classes and upper class. This analysis puts forward a different set of categories: it recognises lower classes, lower middle classes, middle classes and upper middle and high classes depending on the professional occupations of their members and establishing a correlation between level of education and level of income.

The essay also alludes to the results obtained from the 2017 UNDP survey, according to which 41% of the universe surveyed said that they had suffered some kind of abuse in the preceding twelve months. What was most surprising were the reasons given for this abuse: social class (43%) and being a woman (41%), place of residence (28%), clothing (28%) and job or occupation (27%).

Some of the conclusions from the extensive report are:

- Despite the progress made in the last 15 years, more needs to be done to reduce the major income gaps between different social strata. The results of the 2015 Gini ratio are an example of this: in Chile it was 48%, whereas in nearly all OECD countries it is below 35%.
- A look at Chile's history shows that the country has always had a high level of socio-economic inequality, and that the poorest suffer from the greatest discrimination.
- Wage inequality in Chile is one of the highest among OECD countries even though, overall, wages grew by an average of 120% between 1990 and 2015.
- The social class in which someone is born determines their economic future and it is very difficult to move from that social status.
- Fiscal redistribution and social security mechanisms have been effective in reducing inequality over the last 25 years, but they are still under-used and failing to fulfil their full potential in tackling inequality.

Against this backdrop, the purpose of this book is plain: to work towards more inclusive development and a country with greater social equality.

You may also find these interesting:

- [Interview Sir Angus Deaton](#)
- [Inequality and its impact on economic growth](#) Cingano, F. (2014), "Trends in Income Inequality and its Impact on Economic Growth", OECD Social, Employment and Migration Working Papers, No. 163, OECD Publishing
- [The social inequality matrix in Latin America](#) Economic Commission for Latin America and the Caribbean

2017 © Fundación Microfinanzas BBVA

Past Issues

[Issue number 12](#)

[September 2017](#)

[Issue number 10](#)

[March 2017](#)

[Issue number 9](#)

[December 2016](#)

[Issue number 8](#)

[September 2016](#)

[Issue number 7](#)

[July 2016](#)

[Issue number 6](#)

[March 2016](#)

[Issue number 5](#)

[December 2015](#)

[Issue number 4](#)

[September 2015](#)

[Issue number 3](#)

[May 2015](#)

[Issue number 2](#)

February 2015

Issue number 1

November 2014