

THE MIDDLE CLASS IN CHILE

THE CHARACTERISTICS AND EVOLUTION 1990-2011¹

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The middle class in Chile does not correspond to more developed countries where the middle class is the center of society. Despite the economic growth and overall reduction of poverty in the country in the last 20 years, an important part of the middle class in Chile remains vulnerable and, contrary to popular belief, does not present a more favorable attitude towards democracy in comparison to other segments of society. This poses a strong challenge to both the middle class and society as a whole, which implies strengthening and extending the social rights of citizenship, the promotion of the democratic political citizenship and the need for a new social pact for governance.

INTRODUCTION: THE CURRENT MACROECONOMIC AND SOCIO-POLITICAL CONTEXT²

Since the return to democracy in the early nineties, Chile has maintained an average economic growth rate of around 5.5 per cent. At the same time, poverty has reduced significantly: whereas in the early nineties poverty levels amounted to 38.6 per cent of the population, by 2009



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- 1 | This article is based on a case study sponsored by the Konrad-Adenauer-Stiftung (KAS) in the context of a global project on the role and development of the middle class in a series of important emerging economies. A preliminary version of this paper was discussed during a workshop at the office of the KAS in Santiago de Chile on August 31, 2011. We would like to thank all the participants for their valuable comments.
- 2 | Some of the following reflections are part of Project Anillo SOC 12 (Emerging trends in the social stratification of Chile) and the project Fondecyt 1060225 (What does it mean to be middle class in Chile today?).

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the figures were 15.1 per cent.³ The success in reducing poverty has been the result of the combined effects of economic growth (which reduces unemployment) and the effectiveness of targeted public policies toward the lower income segments. Nevertheless, Chile continues to rank among the countries with the worst income distribution in Latin America and the world, with the differences between the different income quintiles having remained fairly stable over time. In general, a country that has a high Gini inequality coefficient, greater than 0.5, is considered a country with high inequality. This was precisely the case in Chile in 2009 (Gini coefficient of a 0.55) which differed from other OECD countries (0.32) as well as the members of the European Union (0.31). The problem lies in the asymmetrical distribution of income in Chile in which its assets are concentrated in the richest 10 per cent of the population (tenth decile) with about 45 per cent of all income, while the poorest 10 per cent only hold about 1 per cent (first decile). The absence of public policies aimed at redistributing the fruits of economic growth has been one of the most difficult to address.⁴

These persisting levels of inequality have not been overlooked by the Chilean public, however, which increasingly questions the legitimacy of such inequalities. This has been reflected, among others, in the recent wave of public protests during the year 2011, which have also made headlines in the international press. The calls of the demonstrators for free education, an end to the current profit-making in the educational sector, as well as an overall improvement of the educational quality have been, without a doubt, the most visible, and certainly constitute a very sensitive issue to the middle class.

3 | CASEN 2009, "Encuesta Nacional de Caracterización Socio-económica Nacional", http://www.ministeriodesarrollosocial.gob.cl/casen2009/RESULTADOS_CASEN_2009.pdf (accessed October 14, 2011).

4 | Andrés Solimano, "Concentración Económica, Heterogeneidad Productiva, Políticas Públicas y Contrato Social en Chile", 2009, <http://andressolimano.com/publicaciones/concentracion.pdf> (accessed October 14, 2011); Andrés Solimano and Arístides Torche, "La distribución del ingreso en Chile 1987-2006: Análisis y consideraciones de política", *Documentos de Trabajo*, No. 480, Santiago de Chile, Banco Central de Chile, 2008.

According to a recent survey by the Center of Public Studies (CEP) for the period June-July 2011, 53 per cent of Chileans currently disapprove of the way President Sebastian Piñera is leading the government (his approval rate being only 26 per cent), the highest disapproval on record since Chile's return to democracy in 1990.⁵ While electorally his center-right party coalition was able to defeat in January 2010 the "Concertación" after 20 years of government, the low public approval and the atmosphere of the existing social movements pose major challenges to his ability to govern effectively. Coupled with these developments, one also finds currently a "democratic civic culture deficit" affecting the country. According to survey data of Latinobarometer, more than two decades after the return to democracy, levels of support for democracy were still very low in Chile in 2011, with only 61 per cent of respondents adhering to democracy as the best form of government.⁶

THE CONCEPT OF THE MIDDLE CLASS AS APPLIED TO CHILE

The main concerns raised by experts on the middle-class worldwide relate to the growth of these sectors in recent decades.⁷ While one can say that the middle class has increased in several countries of the region, the situation is less clear in the case of Chile. Both the OECD⁸ data and the results of the ENES study in 2009⁹ show that the size of the middle class has remained at about the same percentage

While one can say that the middle class has increased in several countries of the region, the situation is less clear in the case of Chile.

- 5 | Centro de Estudios Públicos (CEP), "Estudio Nacional de Opinión Pública, Junio-Julio 2011", http://cepchile.cl/dms/lang_1/doc_4844.html (accessed October 14, 2011).
- 6 | Latinobarómetro, "Informe 2011", <http://www.latinobarometro.org/latino/LATContenidos.jsp> (accessed November 28, 2011).
- 7 | Martin Ravallion, "The Developing World's Bulging (but Vulnerable) Middle Class", World Development, Washington D.C., World Bank 2009; The Pew Global Project Attitudes, *The Global Middle Class. Views on Democracy, Religion, Values, and Life Satisfaction in Emerging Nations*, Washington, Pew Global, 2009; Homi Kharas, *The Emerging Middle Class in Developing Countries*, Paris, OECD, 2010.
- 8 | Organisation for Economic Co-operation and Development (OECD), *Perspectivas Económicas de América Latina 2011: En qué Medida es Clase Media América Latina*, Paris, 2011.
- 9 | Encuesta Nacional de Estratificación Social (ENES), <http://desigualdades.cl/category/encuesta-nacional-de-estratificacion-social-2009> (accessed October 14, 2011).

in the last fifteen years, i.e. between 30 and 49 per cent depending on the measurement used. Conversely, other studies reach the conclusion that the size of the middle class has indeed increased in both Latin America and Chile.¹⁰

It follows that the concept of the middle class and its measurement are not without difficulties.¹¹ The middle class is considered a "moving target"¹² depending on the criterion of measurement used. More conventional approaches attempt to estimate the size of the middle class in terms of: a) groups whose income is around the median income; b) a definition of "absolute terms" that determines a rank equal to all countries, which according to World Bank definition corresponds to a range from two U.S. dollars to 13 U.S. dollars in terms of daily expenditure (value in 2005, PPP).

Regarding the former, a standard measurement would consider the middle-class to be the groups that are located around 75 to 125 per cent of the median. However, the definition used by the OECD includes from 50 to 150 per cent around the median income, which for the purpose of this document is a better fit. The following table shows the median income values in Chile for the year 2009.

10 | Ludolfo Paramio, "Economía y política de las clases medias en América Latina", *Nueva Sociedad*, No. 229, 2010, 62-75; Rolando Franco et al., "Crece y cambia la clase media en América Latina", *Revista CEPAL*, No. 103, 2010, 6-26; Alicia Bárcena and Narcís Serra, "Presentación", in: *Clases Medias y Desarrollo en América Latina*, Alicia Bárcena and Narcís Serra (eds.), Santiago de Chile, CEPAL – CIDOB, 2011, 7-10.

11 | For a better understanding of the categories used in Chile to define the middle class and its corresponding theoretical debate see: Emmanuelle Barozet and Vicente Espinoza, *De qué hablamos cuando decimos "clase media"?* *Perspectivas sobre el caso chileno*, Santiago de Chile, Universidad Alberto Hurtado-UDP-Expansiva, 2009.

12 | Louis Chauvel, *Entre les riches et les pauvres, les classes moyennes*, unpublished, 2000.

Table 1

Income range of the middle class around median income (+/-50 per cent) 2009, in U.S. dollar

	Median	50 per cent of the Median	150 per cent of the Median
Monthly amount 2009	249	125	374
Daily amount 2009	8	4	12

Source: Based en CASEN Survey 2009 (Chilean National Socio-economic Characterization Survey) and Central Bank.

These figures show a very poor middle class in comparison with developed countries¹³, especially if one considers that the bottom of the middle class is close to the poverty line. According to measurements by the OECD, Chile in 2006 consisted of 19 per cent of its population at a “disadvantaged” level (which tends to coincide with the poverty rate, although not as strictly), 49 per cent in the middle sectors, and 32 per cent of the population at a high level (affluent).¹⁴

However, one of the main difficulties associated with the measurement of the middle class stems from the variables that define the continuous change in income and the fact that economic measurements are rarely used in analyses related to political science or sociology. What is more widely used in Chile in such studies is rather the socioeconomic status (SES): ABC1, C2, C3, D and E.¹⁵ In this case, the middle class would be composed of the C1 (partially integrated into the elite, i.e. to AB), C2 and C3 segments. It may also include a portion of the SES “D” (popular sector), if one prefers to use the definition of middle-class offered by the OECD. According to 2005 data, if we add the

13 | Cf. Barozet and Espinoza, n. 11.

14 | OECD, n. 8, 17.

15 | This is an index for the home, including the education level of the main supporter of home and a battery of ten goods. Cf. Alejandra Rasse et al., “Transformaciones económicas y socio-culturales: Cómo segmentar a los chilenos hoy?”, in: *El Arte de Clasificar a los Chilenos: Enfoques sobre los Modelos de Estratificación en Chile*, Alfredo Joignant and Pedro Güell (eds.), Santiago de Chile, Ediciones Universidad Diego Portales, 2010, 17-36.

segments C2 and C3, we would get a middle class of about 43 per cent in Chile.¹⁶

THE ECONOMIC ROLE OF MIDDLE CLASS CHILEANS

Chile is the only country in the region in which the middle class is more involved in formal rather than in informal work.

It can be noted that the productive sectors in which middle-class workers play a role in Chile, compared with other countries in the region, are principally in the fields of "construction, transport and communications" and secondly in "agriculture, forestry and fishing".¹⁷ Notably, the Chilean middle class only partially plays a role in the informal business sector. Chile is the only country in the region in which the middle class is more involved in formal (defined as those working with a contract) rather than in informal work: 2/3 versus 1/3 respectively. This, however, is still a problem because "informal employment includes not only many forms of self-employment, but also employment in informal enterprises (themselves usually excluded from labour inspection and social protection requirements), together with unregistered employment in formal enterprises or households";¹⁸ and, therefore, reinforces its vulnerability.

In terms of occupation, the middle class, which consists of the wage-earning segment (28.1 per cent) plus the independent segment (13.5 per cent), represented 41.6 per cent of the national workforce in 1995. In 2000, the middle class constituted 42.7 per cent of the Chilean labor force, with the first group rising to 29.0 per cent and the second to 13.7 per cent. In respect to the estimation of income (and consumption) among the middle class, an easy approach is to characterize it in terms of socioeconomic groups (SES).

16 | ICCOM, „Descripción básica de los niveles sociales hogares urbanos”, http://www.iccom.cl/html/info_estadistica/documentos/datos/descripcionBasica_gse_iccom_2005.pdf (accessed October 14, 2011).

17 | OECD, n. 8 , 65.

18 | Ibid., 93.

Table 1

**Per cent of population, income and level of education
of SES – ICCOM Chile**

SES	ABC 1	C2	C3	D	E
Population (in %)	10.4	18.7	24.7	36.5	9.7
Average household income (in Pesos)	2,866,000	1,073,000	517,000	292,000	128,000
Minimum household income (in Pesos)	1,800,000	670,000	440,000	218,000	63,000 or less
Maximum household income (in Pesos)	7,500,000	1,800,000	670,000	440,000	218,000
Years of schooling of the head of the household	17 a 20	14 a 17	10 a 14	6 a 10	5 or less

Source: ICCOM 2005, n. 16

In the last twenty years, it is also possible to observe a significant increase in income in all socioeconomic segments, partly due to economic growth, but which is particularly visible in the lower middle class (C3) and D segment (of which a part can also be considered lower middle class). These groups, in turn, have benefited from the extension of credit. However the lax conditions in which credit is granted has lead to over-indebtedness in these social groups, from the D to the C2, due to consumer loans for mortgages or children's education, which again reinforces the vulnerability of these segments.¹⁹ For example, according to some estimates, household debt in

19 | This issue, widely discussed in Chile, has little data yet, owing to the lack of an integrated database on debt in Chile. It is indirectly addressed through the Household Budget Survey, *Encuesta de Presupuestos Familiares*, http://www.ine.cl/canales/chile_estadistico/encuestas_presupuestos_familiares/VII-encuesta/index.php (accessed October 14, 2011). And while the various indicators of indebtedness in the aggregate have shown significant increases over the last decade, there are few information sources to assess, from a financial stability perspective, the real vulnerability of the households. Cf. Banco Central de Chile, "Vulnerabilidad Financiera de los Hogares", <http://www.bcentral.cl/publicaciones/recuadros/pdf/ief/2009/vulnerabilidadene2009.pdf> (accessed October 14, 2011).

Chile grew at an average rate of 12.8 per cent in real terms between 2000 and 2009, which has meant an increase in debt to income ratio of 35.4 per cent to 59.9 per cent within that period.²⁰

SOCIAL IMPLICATIONS

Large segments of the Chilean middle class self-identify as carriers of meritocracy, in which education is the fundamental aspiration and considered a vehicle of privilege for social mobility.

Since the twentieth century, the middle class has tended to be associated with expectations of progress and modernity. Among these transversal values of the middle class, effort is probably the most important. Moreover, large segments of the Chilean middle class self-identify as carriers of meritocracy, in which education is the fundamental aspiration and considered a vehicle of privilege for social mobility. This is one of the reasons why middle class segments are willing to invest a large part of the family budget on education. Similarly, a significant portion, especially of the traditional middle class, emphasize the value of access to culture and use it to differentiate between the lower middle class consumer, a segment that has recently emerged from poverty. The “emerging middle class”, meanwhile, has been characterized by marked feelings of distress (against income insecurity, lack of time for their children and the quality of their education), and hope (hope in their children, hence the importance of education).²¹ The characteristics also specifically express a criticism of “the system” and politicians in general, but they are not apolitical groups since they usually have a pretty clear vision of the role and shortcomings of the system. Moreover, it should be noted that the traditional middle class tends to value “public” as opposed to the emerging middle classes, where this assessment is much more limited, except in periods of social movements.

In terms of feeling part of a middle-class identity, over 70 per cent of the Chilean population now declare themselves

20 | Banco Central de Chile, “Endeudamiento de los hogares en Chile, Análisis e implicancias para la estabilidad financiera”, http://www.bcentral.cl/publicaciones/recuadros/pdf/ief/2010/ief2010_1endeudamiento.pdf (accessed October 14, 2011).

21 | Eugenio Tironi, *Radiografía de una derrota o cómo Chile cambió sin que la Concertación se diera cuenta*, Santiago de Chile, Uqbar Editores, 2010, 130-133.

middle class²², a figure which ten years ago was 85 per cent.²³ The levels of self-identification are certainly high but it is, however, a very lax social self-identification. On the one hand, many of the rich, either by shame or ignorance, identify themselves as middle class and on the other, something similar happens within the popular segment D. Whichever the case, the very lax social self-identification determines whether the middle class actually has an appropriate level of self-awareness. Many experience great difficulties in defining what they are, especially in the context of a society that has experienced a significant social mobility in the past thirty years.²⁴

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As for social mobility, economic growth associated with a boom has permitted parts of the middle class to secure the feeling that they have fared better than their parents (though with some variation)²⁵ and that their children will do better than themselves. However, it is not easy to estimate who has actually changed places in the socio-economic structure of Chile in the last decade, particularly

22 | Cf. ENES, n. 9.

23 | Florencia Torche and Guillermo Wormald, *Estratificación y movilidad social en Chile: entre la adscripción y el logro*, Santiago de Chile, CEPAL, 2004.

24 | Results of the focus groups applied in 2006 and 2007 between the integrants of the middle class sectors in Santiago, Angol and La Serena, marked in the Project Fondecyt 1060225 (What does it mean to be Middle Class Today), Emmanuelle Barozet and Vicente Espinoza, "Que sont les classes sociales devenues? Stratification, inégalités et mobilité sociale au Chili", *Cahiers des Amériques Latines*, to be published, 2011; María Luisa Méndez, "Middle class identities in a neoliberal age: tensions between contested authenticities", *The Sociological Review*, 56:2, 2008, 220, 237.

25 | Taken into consideration were educational and occupational mobility, but not income mobility, which is a major limitation to the benefits of the economic model of social mobility. Cf. Vicente Espinoza, "Movilidad ocupacional en Chile 2001-2009. Desigualdad de ingreso con igualdad de oportunidades?", to be published, 2011. However, some estimates from the CASEN survey would indicate that there has been a significant improvement in median household income segments of the middle class in recent years; cf. Eduardo Abedrapo, "Clases medias: Propuestas de Políticas", *Asuntos Públicos*, 797, 2010, 1-5. And it would be possible to see an important social mobility across the poverty line and between incomes deciles; cf. María Elena Arzola and Rodrigo Castro, "Determinantes de la movilidad de la pobreza en Chile (1996-2006)", in: *El Arte de Clasificar a los Chilenos: Enfoques sobre los Modelos de Estratificación en Chile*, loc. cit., n. 15, 61-82.

in the middle class²⁶ (either in terms of upward mobility or downward mobility). In principle, it could be said that the structural mobility is much weaker today than in the 60's²⁷, especially in terms of downward social mobility.²⁸ Upward social mobility, in turn, rests more on individual and family strategies in extending social protection. And while technical careers and professionals increase the pace of modernization of the economy and the expansion of education, due to a certain permeability of the middle class, the groups in the middle of the distribution may lose their status even more than previous generations, though it is more an "individual" than a structural downward mobility. Additionally, the social structure has tended to become more rigid in the past ten years since long-distance mobility is limited due to a more marked hierarchy.²⁹

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This previous point suggests the vulnerability of the middle class. While the middle classes tend to have strong aspirations to upward social mobility, a significant portion of them are very cautious not to lose what they have accumulated. The lower middle class is an especially vulnerable group because of its proximity to the poverty line, but also because of a series of factors related to the limitations of

26 | Vicente Espinoza, "La movilidad ocupacional en el Cono Sur. Oportunidades y desigualdad social", *Revista de Sociología*, 20, 2006, 131-146.

27 | Comisión Económica para América Latina y el Caribe (CEPAL), *Panorama social de América Latina 1999-2000*, Santiago de Chile: CEPAL, 2000; Vicente Espinoza, "La movilidad ocupacional en el Cono Sur: Acerca de las raíces estructurales de la desigualdad social", *Proposiciones*, 34, 2002, 32-53; Adolfo Gurrieri and Pedro Saíenz, "Empleo y movilidad estructural: Trayectoria de un tema prebischiano", *Revista de la CEPAL*, 80, 2003, 14-164; Raúl Atria, Estructura ocupacional, estructura social y clases sociales, Santiago de Chile, CEPAL, 2004, 51; cf. Torche and Wormald, n. 23, 85; Vicente Espinoza and Gabriel Kessler, "Movilidad social y trayectorias ocupacionales en Buenos Aires: Continuidades, rupturas y paradojas", in: *Transformaciones estructurales de un cuarto de siglo: Estructuración y movilidad social en América Latina*, Rolando Franco and Raúl Atria (eds.), Santiago de Chile, LOM, CEPAL, GTZ, 2007, 259-300; Barozet and Espinoza, n. 24.

28 | Espinoza, n. 26, 131-146.

29 | Cf. Espinoza, n. 25.

the system of social protection in the country.³⁰ A serious illness, unemployment or even reaching the age of retirement may lead many to a rapid economic decline. As noted in a recent OECD report, “What is perhaps more surprising is that Chile’s middle sector is the least resilient among the countries surveyed: the Chilean lower middle sector is closest to the disadvantaged income threshold [...] and therefore close to falling back into disadvantaged status”.³¹ In addition, public policies aimed at the middle class in Chile are highly reduced and limited almost exclusively to housing subsidies for the lower-middle class.

Finally, in terms of taxes, the contribution of the middle class to public finances is almost equal to what they receive from the state.³² Moreover the tax system cannot be regarded as favorable for most of them because of the additional costs incurred on health and education.

POLITICAL IMPLICATIONS

In the last 20 years it is possible to see a slight growth of the middle class in Chile as a result of economic growth (which reduces unemployment) on the one hand, and the effectiveness of public policies oriented towards overcoming poverty on the other.³³ This has created a phenomenon of upward social mobility that has tended to expand the middle class with the integration of new lower-middle segments composed mostly of those who are no

The slight economic growth created a phenomenon of upward social mobility that has tended to expand the middle class.

30 | Arturo León et al., “Clases medias en América Latina: Una visión de sus cambios en las dos últimas décadas”, in: *Las Clases Medias en América Latina: Retrospectiva y nuevas Tendencias*, Rolando Franco et al. (eds.), México, CEPAL 2010, 43-116.

31 | Cf. OECD, n. 8, 19.

32 | *Ibid.*, 23, 158.

33 | Increasing the size of the middle class can also be explained by the decrease of the “dependency ratio”, which combines the effect of the decrease in the number of people and increasing the number of workers – particularly women – in homes. Cf. Arturo León et al., n. 30, 69, 90, 97; Martín Hopenhayn, “Cómo ha cambiado la clase media en América Latina? Elementos para el debate”, in: *Clases Medias y Gobernabilidad en América Latina*, Ludolfo Paramio (eds.), Madrid, Editorial Pablo Iglesias, 2010, 29. However, the estimation levels of social mobility in the case of Chile depend on the measurement used.

longer poor.³⁴ They are the new emerging middle class or aspirational middle class. Similarly, there is evidence to suggest that along with the previous trend there has been the reverse in certain segments of the middle class (downward mobility) following the progressive loss of purchasing power (depletion).³⁵ In both cases, however, the relative vulnerability of the middle class is very apparent. This situation raises questions about the possible political implications.

The central thesis of a recent OECD work is that if the strata have stable employment and reasonable income, it will contribute positively to both economic progress and political stability in the country.³⁶ Middle class segments should tend to favor moderate political platforms with some emphasis on progressive social policy and educational work. However, in those countries where middle class jobs are characterized by unstable and precarious incomes, their political leanings might veer towards popular choices of left or right. In other words, there would be a virtuous relationship between a strong middle class, development and democracy. Hence, the consolidation of the middle class is considered by some as key to the function and stability of the democratic system.³⁷

Where middle class jobs are characterized by unstable and precarious incomes, their political leanings might veer towards popular choices of left or right.

Attitudes towards democracy

There is a broad consensus among scholars that the survival of democracies rests on a broad and deep foundation of support among the citizenry. They require that citizens are capable of creating and maintaining a policy of support for ideas, values and democratic practices. Democracies

34 | Martín Hopenhayn, "Clases medias en América Latina: sujeto difuso en busca de definición", in: *Clases Medias y Desarrollo en América Latina*, loc. cit., n. 10, 27-28, 35. These tendencies should be a shared characteristic in Latin America. Cf. Arturo León et al., n. 30, 69-70; cf. Hopenhayn, n. 33, 55-56.

35 | Arzola and Castro, n. 25, 61-82.

36 | OECD, n. 8, 15, 60.

37 | OECD, n. 8, 158; Andrés Solimano, "La clase media y el proceso de desarrollo económico: evidencia internacional de 130 países", in: *Clases Medias y Desarrollo en América Latina*, loc. cit., n. 10, 41-42, 48; Pablo Zoido, "Juventud, clases media y educación en América Latina: la evidencia de PISA", in: *Clases Medias y Desarrollo en América Latina*, loc. cit., n. 10, 238.

lacking such a foundation of legitimacy are seen as being at risk. However, the middle class in Latin America has tended to be associated with two contradictory trends. On the one hand, emphasizing the role of the middle class in stability and democracy and on the other linking it to the support of military rule³⁸ under which the middle class is considered the foundation of political stability or on the contrary, the most important element of the institutional breakdowns.³⁹ Laura Tedesco and Jonathan Barton in their book *The State of Democracy in Latin America* expressed these trends in the following terms:

“The middle classes have played an ambiguous role: they pushed for their own inclusion as they became a stronger social grouping over time, but their attitude towards inclusion of the lower classes depended on the need for, and possibilities of an alliance with the working class. Middle classes have been most in favour of fuller democratisation of society where they have been confronted with intransigent dominant classes and have had the option of allying with a sizeable working class. However, if they started to feel threatened by popular pressures under a democratic regime, they turned to support the imposition of an authoritarian alternative. Although the above provides a broad generalisation of social relations in twentieth century Latin America, these are the predominant tendencies that have influenced the pursuit of democratisation and its suppression.”⁴⁰

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In order to clarify the scope of its democratic vocation, the following examines the relationship that can be established between the middle class and their attitudes toward democracy in comparison with the other segments of society. For this we will use the Latinobarometer database surveys, covering the period 1995-2009.

38 | Ludolfo Paramio, „Introducción”, in: *Clases Medias y Gobernabilidad en América Latina*, loc. cit., n. 33, 11.

39 | Rolando Franco and Arturo León, “Clases medias latinoamericanas: ayer y hoy”, *Estudios Avanzados*, 13 (2010), 62; cf. also Laura Tedesco and Jonathan Barton, *The State of Democracy in Latin America. Post-transitional conflicts in Argentina and Chile*, New York, Routledge, 2004, 54-55.

40 | Cf. Tedesco and Barton, n. 39, 54-55.

Support for Democracy

Support for democracy is for many a determining factor for the stability of a democratic regime, particularly in societies undergoing or having undergone transitions to democracy. Similarly, it is often insisted on the importance of evaluating the satisfaction with the performance of democracy. There is not always a high correspondence between the two because many “democrats” may feel dissatisfied with the performance of their democracy.⁴¹

Table 3

Democracy is preferable to any other form of government by SES (%)

	Lower class	Middle class	Upper class	Average
1995	50	55	56	54
1996	49	57	58	56
1997	60	65	62	63
1998	49	53	56	54
2000	48	56	61	55
2001	43	49	52	49
2002	49	53	57	53
2003	48	52	61	53
2004	51	58	64	59
2005	50	66	68	63
2006	61	51	67	59
2007	48	49	46	48
2008	44	53	59	54
2009	67	59	65	62
Average	51	55	59	56

Source: Latinobarometer Survey 1995-2009 (excluded DNK and DNA)

According to the data presented in Table 3, one’s attention is strongly drawn to the fact that two decades after the return to democracy, the levels of democratic support are still low in Chile. The average period (1995-2009) barely

41 | Carolina Segovia, “Percepciones ciudadanas y calidad de la democracia en Chile”, in: *Desafíos Democráticos*, Claudio Fuentes and Andrés Villar (eds.), Santiago de Chile, FLACSO, 2006, 88-9; Pippa Norris, *Democratic Deficit: Critical Citizens Revisited*, Cambridge, Cambridge University Press, 2011.

reaches 56 per cent. In turn, the level of support achieved by 2009 (62 per cent) is not very different from that in 2005 (63 per cent) or 1997 (63 per cent). Chilean democracy has not yet reached satisfactory levels of legitimacy among the citizenry in comparison, for example, to countries such as Uruguay or Costa Rica, thus demonstrating a weakness in democratic civic culture. Furthermore the socioeconomic status of the citizens shows no statistically significant differences in their support for democracy in most years during the period examined.

CONCLUSION AND PROPOSAL FOR PUBLIC POLICY GUIDELINES TOWARDS THE MIDDLE CLASS

In sum, it should be noted that the middle class in Chile does not correspond to more developed societies in which the middle class is the center of society. It is a vulnerable middle class due to its limited income. Given this situation, the need to question the legitimacy of the strong inequalities in Chilean society grows. This has been expressed, in part, in the recent public protests. Moreover, the Chilean democracy has not yet reached satisfactory levels of legitimacy among the public, thereby manifesting a clear weakness in democratic civic culture. Similarly, there is no significant difference in the support for democracy in relation to the socioeconomic status of citizens. This poses a strong challenge to both the middle class and society as a whole.

The Chilean democracy has not yet reached satisfactory levels of legitimacy among the public, thereby manifesting a clear weakness in democratic civic culture.

Therefore, public policies aimed at the middle class should facilitate social mobility and reinforce social integration. This means not only focusing on reducing poverty, but also addressing the needs of the middle class⁴², including education, health, housing and social security.⁴³ The challenge is precisely to build more inclusive societies that

42 | Alicia Bárcena and Narcís Serra, "Presentación", in: *Clases Medias y Desarrollo en América Latina*, loc. cit., n. 10, 8-9.

43 | Andrés Solimano, n. 37, 42. Within the distinct characteristics of the emerging middle class one finds an expectation for homeownership, education and assured health care; cf. Manuel Mora y Araujo, "Vulnerabilidad de las clases medias en América Latina. Competitividad individual y posición social", in: *Clases Medias y Desarrollo en América Latina*, loc. cit., n. 10, 158.

are, in turn, more democratic.⁴⁴ This requires strengthening and extending the social rights of citizenship, the promotion of the democratic political citizenship and the need for a new social pact for governance.

Strengthening and extending the social rights of citizenship

When faced with the vulnerability of the middle class it is necessary to advance the terms of the social rights of citizenship and guarantee them by the state⁴⁵, not only to the poor but also to the large segments of the middle class.⁴⁶ The combination of targeted policies (for the poorest) and universal policies (social rights extended to the middle class) will allow greater equity in the society as a whole⁴⁷, which will consolidate parts of the strata and enable more Chileans to incorporate into it creating higher levels of security. The main priorities will revolve around: improving the quality of public education and the public health system, improving the system of financing of tertiary education, improving the social protection system, and improving the conditions of access to credit, including housing.

The combination of targeted policies and universal policies will allow greater equity in the society as a whole, which will enable more Chileans to incorporate into it creating higher levels of security.

Promoting democratic political citizenship

Strengthening civic education for the formation of new citizens is one of the main challenges in order to strengthen our democracy.⁴⁸ Here the middle class can play a key role⁴⁹, but the lack of an existing democratic civic culture requires reservation in order to promote change in all segments of society. Moreover, social citizenship and the democratic political citizenship should remain related.

44 | Alberto Minujin, "Vulnerabilidad y resiliencia de la clase media en América Latina", in: *Clases Medias y Desarrollo en América Latina*, loc. cit., n. 10, 116, 118.

45 | Mario Marcel and Elizabeth Rivera, "Regímenes de Bienestar en América Latina", in: *Redes, Estado y Mercados. Soportes de la Cohesión Social Latinoamericana*, Eugenio Tironi (ed.), Santiago de Chile, Uqbar, 2008, 151-226.

46 | OECD, n. 8, 69.

47 | Cf. Minujin, n. 44, 117.

48 | Cf. Robert Dahl, *On Democracy*, New Haven, Yale University Press, 2000, 79-80, 187-188.

49 | Cf. Hopenhayn, n. 33, 13.

Only a citizen may be required some moral responsibility towards their national political community once such a “political community has clearly demonstrated that the citizen is recognized as one of its members; as someone belonging to the community”.⁵⁰ This recognition must be civil, political and particularly social.

The need for a new social pact for governance

Strong inequalities between different social segments may have important implications for social cohesion and, therefore, political governance.⁵¹ The new social demands, including the student movement (which seeks to claim profits and improve the quality of public education) brings the idea of a new social pact to light. A new social pact that is capable of leaving behind the vulnerabilities of the poor and middle classes. This is what might make the Chilean society more cohesive, just, and stable.⁵² This, in turn, implies the establishment of a progressive tax system.⁵³ The Chilean economic success depends on the quality and governance of its democracy. In the meantime, Chile must also overcome the risk of the populism and the crisis of political representation.

50 | Adela Cortina, *Ciudadanos del Mundo: Hacia una Teoría de la Ciudadanía*, Barcelona: Alianza Editorial, 1999, 92.

51 | Manuel Rojas, “Las clases medias en Costa Rica”, in: *Clases Medias y Gobernabilidad en América Latina*, loc. cit., n. 33, 168, 177, 184; cf. Minujin, n. 44, 117.

52 | OECD, n. 8, 4.

53 | Eduardo Saffirio, “Desigualdad y Política”, *Asuntos Públicos*, 884, 2011, 1; CEPAL, *La hora de la igualdad. Brechas por cerrar, caminos por abrir*, Santiago de Chile, 253-7; OECD, *Economic Survey, Chile 2010*, Paris / Rome, 2010, 9, 12.