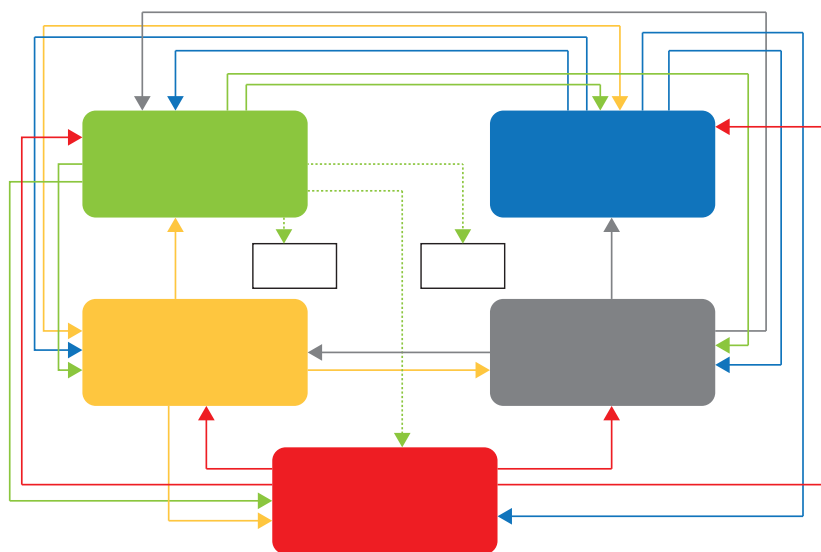


JORGE CHUAQUI

# SOCIAL CLASSES IN CHILE: THEORY AND DATA

James G. Linn  
Emanuel Arredondo  
Patricio Pulgar  
Javier Molina Johannes  
(Collaborators)



GARTH UNIVERSITY CONSORTIUM PUBLISHERS, TORONTO



---

JORGE CHUAQUI

# **SOCIAL CLASSES IN CHILE: THEORY AND DATA**

James G. Linn, Emanuel Arredondo, Patricio Pulgar,  
and Javier Molina Johannes

Copyright © 2022

ISBN: 978-956-410-715-8

This book was formally published as an independent edition in Vina del Mar Chile, July 2022, in Spanish. The English (translated) edition is published with the permission of the Editors, which was obtained in Valparaiso, Chile in March 2023.

Garth University Consortium Publishers, Toronto



---

# Contents

Biography of Professor Jorge Chuaqui	7
Acknowledgements	8
Prologue	11
Author Analysis	15
Notes on Althusser's Contribution	17
The Reproduction of the Capitalist System	23
Social Reproduction of the System: Detailed Marxist Analysis of Class Positions in the Hegemonic Capitalist Society: Stanislaw Kozyr-Kowalski	41
Social Classes in Chile Today	71



# Jorge Chuaqui

Graduated from the University of Chile and received a doctorate in Human Sciences from the University of Poznan, Poland. Currently, he is Professor in the School of Sociology of the University of Valparaiso, Chile. He has more than 80 publications in Sociology. He is author of the following books (in Spanish): *Society, Psychiatry, and Schizophrenia* (2002);

*Microsociology and the Global Social Structure* (2012); *Inclusion in Diversity or Exclusion* (2012); *Social Structure, Power, and the Individual: A Tribute to Capital of Karl Marx* (2019); *Capitalism in Chile: Theory and Reality* (2021); and *Introduction to the Study of Social Classes: Chile and Latin America* (2022). *Social Structure, Power, and the Individual* was also translated into English and published in hard copy and virtually (2021).

Professor Chuaqui has been principal investigator on several funded empirical studies related to mental health in Chile, and he is a member of the Executive Committee of RC-49 of the International Sociological Association. The Chilean Society of Mental Health has awarded him the Dr. Luis Costodio Munoz prize for his outstanding publication in the *Journal of Psychiatry and Mental Health*. His areas of interest are the sociology of mental health, social theory, politics, and the politics of inclusion and social classes.



---

The Spanish to English translation was done by William Wilson, MBA.

Editing and Prologue was done by James G. Linn, PhD.

Contributions to the Prologue and text were made by  
Javier Molina-Johannes, PhDc.

Formatting was done by Laua Comer, BA.

The book manuscript was typed by Sherry Jolly, CAP.

We thank Garth University Consortium Publishers and Optimal  
Solutions in Healthcare and International Development for their  
support of this book.



---

*To Maria Angelica Susana Klaucke Coll*



---

# Prologue

Chile is known as one of the most economically developed and, until recently, politically stable countries in Latin America. It is also renowned for the high quality and wide coverage of its healthcare and mental health services and preventive programs. However, these global indicators for Chile mask great economic and social inequality (which was a precondition to the rapid spread and severe health consequences of Covid 19).

The per-capita income in Chile is over \$24,000 (World Bank, 2019). Based on this figure the World Bank concluded:

*“Benefitting from robust economic growth, Chile’s middle class had grown from about 36% to nearly two thirds in the decade after 2009” (G. Inchauste et al., 2020).*

However, when we examine Chile’s Gini Index, a measure of wealth distribution, it is over .50, which is one of the world’s highest – greater than Mexico, Turkey, United States, and Great Britain (OECD, 2019). Incomes of the richest 10% of Chilean households are 26 times greater than the poorest 10% of Chilean households (OECD, 2017). The median wage in Chile is \$550 per month, and approximately 50% of Chileans have this amount of monthly income or less (Institute of National Statistics of Chile, 2019). An estimated 70% of Chile’s workers earn less than \$825 per month (mondediplo.com, 2019). Households in poverty in Chile (those who struggle daily to obtain food) have dropped in recent years to 8% (Institute of National Statistics of Chile, 2019). However, it began to rise again with the pandemic. Also, a greater proportion of the taxes are obtained from individuals from the middle and poorer income brackets than from the wealthy. This limits the amount of income that poorer Chileans have to meet their basic needs of food, housing and transport (OECD, 2017). Unlike the analysis of the Chilean Class Structure provided by the World Bank, which concluded that there was a large and growing middle class, the Organization for Economic Cooperation and Development (OECD) recognizes the negative consequences for continuing high inequality in the country.

---

*“Persistently high inequality was already a key challenge for Chile, where despite progress in reducing poverty, 53% of households are classified as being vulnerable, meaning they have no financial cushion to protect a sudden drop in income compared to the OCED average of 39%” (OECD, 2021).*

In this book, Professor Jorge Chuaqui provides a theoretical perspective, which accurately describes the complexity of social classes in Chile and the economic precarity that a majority of Chileans experience. This recent publication connects with earlier works of Professor Chuaqui, which is both theoretical and empirical. In 2012, he and his co-authors published “Microsociología y Estructura Social Global.” This was followed by “Estructura Social Global y Persona, Tributo al Capital de Carlos Marx” (2019), which has been translated into English, “Social Structure Power and the Individual” (2020), that in its virtual form has received over 12,000 downloads. This collective work was followed by “El Capitalismo en El Chile Actual” (2021) and “Introducción al Estudio de Las Clases Sociales Chile y Latinoamérica” (2022), which is a primer in the study of class analysis for social science students.

Prof. James G. Linn, PhD  
Optimal Solutions in Healthcare  
and International Development  
and  
Meharry, USA

Javier Molina-Johannes, PhDc  
University of Chile  
Chile

---

## References

- Chuaqui, J.; Paredes, B.; Mally, D.; Perez, M.; and Arredondo, E. (2012). *Microsociology y Estructura Social Global*. Santiago, Chile: LOM Ediciones.
- Chuaqui, J.; Molina, J.; Araya, F.; Diez, S.; Mally, D.; and Parraguez, R. (2019). *Estructura Social, Poder y Persona. Un tributo al Capital de Carlos Marx*. Valparaíso, Chile: RIL ediciones.
- Chuaqui, J.; Mally, D.; Parraguez, R.; Linn, J.; Araya F.; Diez; and Molina, J. (2020). *Social Structure, Power, and the Individual*. Toronto Canada, Garth University Publishers.
- Chuaqui, J.; Y Colaboradores (2021). *El Capitalismo en el Chile: Teoría Y Realidad*. Vina del Mar Chile, Edición Independiente.
- Chuaqui, J.; Y Colaboradores (2022). *Introducción Al Estudio De Las Clases Sociales: Chile y Latinoamérica*. Vina del Mar Chile, Edición Independiente.
- Inchauste, G.; De Hoop, J.; and Saaveda, T. (2020). *Covid-19 Crisis Could Reverse Years of Growth in Chile's Middle Class*. Retrieved from <https://www.worldbank.org/Oct./20>.
- Institute of National Statistics, Chile (2019). Retrieved from <https://mondedipio.com/2019/05/Chile>.
- Organization for Economic Cooperation and Development (2017). *Chile: Focus on Reducing Inequality*. Retrieved from [www.oecd.org/Chile/](http://www.oecd.org/Chile/) July.2017.
- Organization for Economic Cooperation and Development (2019). *Economic Survey of Chile*. Retrieved from [www.oecd.org/Chile/Nov.2019](http://www.oecd.org/Chile/Nov.2019).
- Organization for Economic Cooperation and Development (2021). *Economic Survey of Chile*. Retrieved from [www.oecd.org/Chile/Nov.2021](http://www.oecd.org/Chile/Nov.2021).
- World Bank (2019). *Chile Development News*. Retrieved from [www.worldbank.org/en/country/Chile/Dec.2019](http://www.worldbank.org/en/country/Chile/Dec.2019).



---

# Author Analysis

## Introduction

*Dr. Jorge Chuaqui K.*

This chapter, which I have written, presents my perspective of social classes. We begin with a discussion of Althusser's vision that emphasizes the structural nature of the capitalist system and includes non-economic dimensions such as education which he considered a necessary element. The economy, according to Althusser, has a structural character. Following this insight, we first analyze the structural nature of the reproduction of the capitalist economy, then consider the social reproduction of the system, in which we describe the different aspects of the social structure following my book *Social Structure, Power and Person*. We then analyze the concept of interests and class interests which link class positions with class actions that are the basis of the class struggle. Finally, we provide a detailed analysis of the class positions in hegemonic capitalism. This is a modified version of the analysis carried out by the Polish professor Stanislaw Kozyr-Kowalski which includes the main dimensions of a theory of the social sciences.





---

# Notes on Althusser's Contribution

*Patricia Pulgar C.*

Althusser's theoretical contribution to the study of social classes is not a detailed description of them as specific parts of a social formation; rather, it is in developing an analytical tool, "structural causality," that revolutionized the way of understanding Marx. Working with this concept, he influenced different Latin American thinkers, such as Marta Harnecker.

Althusser maintained that Marx's perception of social classes was limited by the available knowledge of his time. In this context, he developed his position regarding the importance of social relations over the productive forces for class formation. Further, for him the concept of hegemony became important when there was a coexistence of modes of production in specific historical societies. This perspective established the relevance of the structures over human relationships.

At this point, he noted a difference with the positions that dominated in the Marxist thought of his time, putting them under the label of "Historicist Humanism" (Althusser & Balibar, 2001). This approach focused on analysis of historical eventualities. It saw the relations of production in simple human relations. It became an ideology that adapts to any context related to the spontaneity of the proletariat and its voluntarism. With the study of Marx, Althusser sought to understand Marxism as the Theory that goes beyond specific historical events. He focused on a search for a theory of history that conceptualizes the structures of societies, as well as understanding the relationships between people, which are subordinated to the dynamics of social structure.

Another of Althusser's contributions in the book "To Read Capital" (2001) is an observation that the political economy of Marx's time omitted: distinctions such as constant capital and variable capital, and two sectors of production: "Sector I is destined to reproduce the conditions of production on a simple or expanded basis, and Sector II is destined for the production of objects of individual consumption." It is under these differentiations that individuals satisfy their needs that are determined by the forms of production, and

---

also by modes of consumption. Further, the desire for these products were assumed to be determined by the technical capacities of production.

*“(...) Individual consumption itself, which puts in immediate apparent relation to the use values of needs, refers us to the technical capacities of production and another to the social relations of production that fix the distribution of income (forms of the distribution of surplus value and salary). From this last point, we are referred to the distribution of men in social classes, who then become the true subjects (to the extent that this term can be used) of the production processes” (Althusser & Balibar, 2001).*

It is at this point that Althusser makes an important contribution to Marxist theory, departing from the traditional Marx with the observation that a social formation that does not reproduce its conditions of production while producing, will perish in a short period of time. He noted that each historically situated society, to guarantee its permanence, must reproduce the productive forces and relations of production. He also instructed social scientists who are studying existing societies to differentiate between production and productive practice so that they have evidence of reproduction and the enduring material conditions of production.

In Althusser's text called “About Reproduction” (2011) he addresses the issue of the means of production. It is generally understood that by renewing the pieces of machinery or the maintenance of the work instruments, their permanence over time is ensured. However, in the eyes of Althusser that is not enough. The societal survival depends also on conditions outside the company. Specifically, entrepreneurs must satisfy what is needed to maintain the means of production. An entrepreneur who produces wool must be certain that another entrepreneur will supply him with the tools he uses on the loom for its production; then that entrepreneur needs another to supply him with the appropriate steel for its manufacture and so on until the supply can be satisfied.

---

The reproduction of its material conditions goes beyond what happens inside the company and its financial practices. Some economists are confused in their belief that they just need to focus on the capitalists and exploitation. Following Althusser's interpretation of Marx, we must study the relations of the circulation of that capital. More specifically, we must focus on Sector I, the production of the means of production, and Sector II, production of its means of consumption.

Althusser also discussed the reproduction of the labor force which is also known as the reproduction of the productive forces. This process is also generated outside the company. It yields to the employer sufficient resources and materials to provide workers a salary that meets their minimum needs so that they show up the next day at the factory gate. The food, clothing, housing and other benefits that are given to workers are strongly influenced by their present needs (as defined by the historical moment) of the workers. While the workers of Germany need beer, the workers of France need wine. This distinction, known by Marx as the historical minimum of each society, shows that there are no uniform societies in the capitalist model, but rather they are part of the historical construction of their own conditions that develop in their own social formations.

At this point, we must not leave behind the influence of the conditions that the class struggle presents in the social formation that is being studied. The demands that the workers present to the capitalists are also part of the historical needs of that society. They have a tendency to be based on the struggle against an increase in the working day and against a decrease in wage. The capitalist must pay attention or major conflicts which compel him to meet worker demands could result in a loss of profits and productivity.

Another important condition for the reproduction of the capitalist system is the skill level of the workers. They must be qualified to operate the various machines that the capitalist has at his disposal. Their education must prepare them to work with highly complex technology. To endure over time, a capitalist system needs a series of workers who are capable to master modern tasks. Qualified workers are prepared outside the production process in specialized institu-

---

tions where they acquire the pertinent skills for the technical complexity of their work. Also, they learn about the division of labor and disciplined work-oriented values are developed. This training creates submissive workers who are trained to serve the agents of exploitation and repression.

Here the role of the educational institutions is discussed. For Althusser, such everyday issues as speaking the language well, writing well, and behaving well, assure the reproduction of the system; in particular, its workforce which is impregnated with the dominant ideology and the practice of this ideology. Through this ideological subjection system reproduction is ensured. At this point in system reproduction, the apparatuses that the State has at its disposal take on an important role to legitimize, either with the use of force or with the value instruction in the dominant ideology, the reproduction of existing social relations. Althusser emphasized that the State ensures its exercise of power with its repressive apparatus and with its ideological apparatuses.

These dimensions are among the most important contributions that Althusser gave to Marxist Theory. He emphasized the study of what he called the legal-political superstructure and the ideological superstructure, and the role that the mechanisms have for capital. While the purpose of the repressive apparatus of the State is to ensure through force the political conditions for the reproduction of social relations of production and the exercise of compliance with its values, the ideological apparatus exercises the latter. Individuals internalize ideology through the mechanisms of information such as the press, cultural programs, religious practice, or formal education. The latter was for Althusser the most important mechanism of all. He considered it dominant because it was part of the historical conditions of capitalism in the 20th century. In the historical period of feudalism the key role was played by churches and families, but in current societies it is played by families and schools.

Through all of the ideological apparatuses discussed by Althusser, the dominant ideology is acquired to ensure capitalist production relations, and the submission of workers to capital. This process is more sophisticated than physical force. The school, the church, the

---

army, political parties, all teach each other the skills and values that the dominant ideology needs. However, it is in the school where attendance and compulsory participation of the subjects is maintained for a considerably prolonged time period. Key issues for domination are presented in a neutral manner and as part of free thinking.

Althusser concludes that a revolution then means dispossessing the ruling class of the power of the State and its apparatuses, in order to break with the reproduction of the capitalist system and its relations of production. Ultimately to implant new relations from a proletarian perspective. This requires attacking the State apparatuses to be able to interrupt the conditions of reproduction, its duration and existence. Strong revolutions are categorized as those that aspire to transform this type of relationship. Weak revolutions are those that fail to identify the importance of this process.

Finally, another important contribution to Marxist theory is his approach regarding the coexistence of modes of production. This is discussed in “About Reproduction” (2011) and “To Read Capital” (2001). These works dispel the mechanistic stage perspective which assumes that one social formation disappears before another appears. Althusser proposes the coexistence of different modes of production and their respective hierarchies. He observes that this complex process is a result of the criterion of “structural efficiency”. This means that in a particular social formation, there would be modes of production with their respective social relations between landowners and tenants or capitalists and workers coexisting with each other but under a hierarchy defined by their effectiveness and power within that society.

French society is taken as an example. It is in this context that he discusses theory in the essay “The Black Cows” (2019), where he shows differences within the French Communist Party regarding the existing social classes. Althusser describes the factions of classes that exist in the bourgeoisie. He maintained that in addition to the monopolistic sector, we should study the productive and commercial sectors, high officials, liberal professionals, and landowners. In these factions, he observes that there is a hegemony within the classes, which would be the dominant monopoly faction, specifically, the one

---

that exercises power for its own benefit. In this book, he also briefly provides insights on how to conceptualize classes beyond their relationship with property and income.

## References

Althusser, L., & Balibar, E. (2001). *To Read Capital*. XXI century.

Althusser, L. (2011). *About Reproduction*. (Akal). Bogota: Akal

Althusser, L. (2019) *The Black Cows. Imaginary Interview*. Akal Editions

---

# The Reproduction of the Capitalist System

*Dr. Jorge Chuaqui K.*

Althusser sheds light on how to interpret Capital, the most fully developed work of Karl Marx. It is common to selectively deny the theoretical value of volumes II and III of Capital because they were not published during Marx's lifetime and were edited by Friedrich Engels. However, considering only volume I, we limit the analysis of capitalism as a system.

Volume I shows how capital is produced through the work of the collective worker, who gives use value to commodities. The capitalist appropriates part of the exchange value created by labor by paying unpaid workers. They receive only enough compensation to meet basic needs of themselves and their families as determined by their particular society. What remains for the capitalist is surplus value. Only living human labor creates value, machinery and supplies only transfer their value to merchandise. They do not create new value. According to this process, it should be possible to raise wages and to deliver all the surplus value to the worker and solve the problem of inequity, but the matter is not so simple. Would the economic system continue to function smoothly?

To more profoundly understand the problem of Capital, we will make a schematic diagram. To develop this diagram, we rely on the conceptualizations of volumes II and III of Capital. Further, we must analyze the circulation of capital (vol. II) and then discuss distribution of income (vol. III).

In order for the worker to have the commodities that he and his family must consume in order to survive, the commodities must have been produced. If the means of subsistence are not readily available, the workers' compensation will increase, but if it does not manage proportionally to increase the cost of the means of subsistence, the problem will not be solved. To better understand this process, we examine the circulation of capital in society. From this perspective, luxury goods and investment goods (which make production grow),

and what capitalists and workers consume must be available at the societal level. If the difference between incomes decreases because capitalists' profit is used to increase workers' incomes, it will be necessary to produce more means of subsistence and less luxury and increase investment. Traditionally, in the capitalist system, investment is made (or not made) by those who own capital, although we think that the investment could also be made by the State.

But so far the picture is not complete. In order to obtain the value of the merchandise in money, it is necessary to sell it, and for this reason the productive capitalists cede part of the surplus value they have obtained from the worker to whom they are sold, that is to say, to commerce. If the trade does not obtain a profit from sales (product of the surplus value in its production), the trade would not be sustainable. In addition, as money is invested when starting or expanding the production process, or other types of companies, there is financial capital that obtains another part of the surplus value produced in the form of financial profit. Agriculture is based on the exploitation of the land. Some lands are more fertile than others, which means that with the same amount of work and inputs they will produce more than those that are less fertile. This means that the ownership of the land determines the appropriation of greater or lesser surplus value. From this point of view, there is not only one type of capitalist property but several: (1) the property of the direct means of production or productive capital; (2) ownership of merchandise for sale, or business capital; (3) the property of money to obtain monetary interests through loans or financial capital; and (4) property of the land that gives rise to the rent of the land in agriculture. In these cases, the ownership of these capitals allows, (1) appropriation of surplus value by exploiting them, and (2) having power over those who dispute them, and (3) exercising legitimate authority over the workers they hire. It is not simply an "object." It is a source of economic and therefore social power. These capitals are at the base of the entire economic system and their holders are at the base of the social system.

It appears that the capitalist system is based on competition between capitalists, however by concentrating some large capitals, with the help of financial capital, large economic groups arise linked by



family and social ties that concentrate most of the production and economic activity. These are not personal or family attributes, but what gives them their power is their position in the economic system. As a system, it reproduces itself through innumerable economic transactions that, like culture, has an objective existence beyond the will of a particular individual. Further, in order to partially or totally modify it, political and economic power is required. I have my will, I can refuse to be “absorbed” by the system. I can strongly criticize it, but to modify it in one way or another I must accumulate enough political-social-economic power, to do so. One must consider its structural characteristics; because if I modify one part of the structure, there will be changes in other parts. Being an objectively structured system, I must try to foresee unexpected consequences of my actions for other parts of the structure.

## Social Reproduction of the System

For this analysis we will introduce the concept of basal social structure, composed of the following parts:

1. **Material Economic Structure:** productive activities (e.g., material merchandise for sale or lease), commercial sales, financial services, land rental and games of chance based on legal betting. The systems that carry out these activities are large *companies*, in which case they have a formal bureaucratized structure or they are small, usually family-owned, or managed by one or more members of the family, whose conflicts between members are resolved by appealing to the rules of the institution owned by the family.
2. **State:** (understood to be an apparatus of the State exclusively) executive power (including ministries and dependent administration), regional and communal administration, legislative power, judicial power, police, criminal justice apparatus and Armed Forces. The systems that constitute it are formal bureaucratized systems that, in order to guarantee “governability”, must be legitimate (that is, be institutionalized to a certain degree).
3. **Ideational Complex:** Educational System (including research and educational extension activities), mass media (television, radio, press and cinema), churches, artists, writers and private scientific

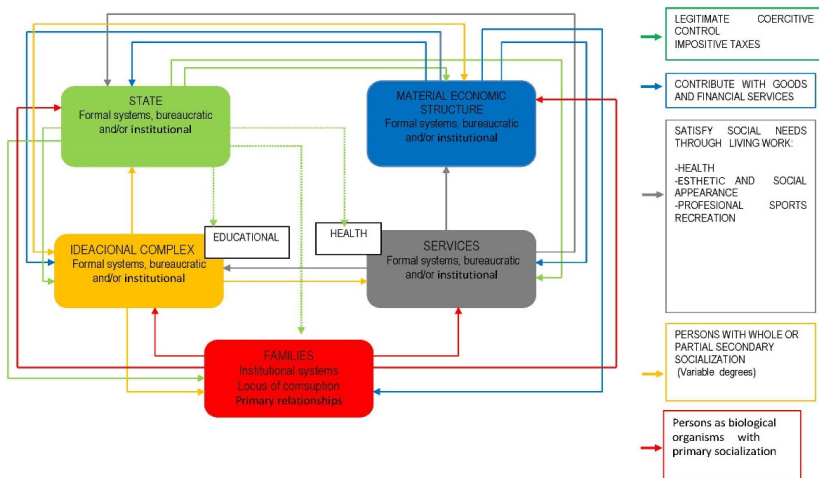
- researchers. These systems are formally bureaucratized and the smaller ones are governed by institutionalized professional rules.
4. **Services:** health, professional sports and other personal services (hairdressers, domestic service, gardeners, etc.). These systems are formally bureaucratized and the smaller ones are governed by institutionalized professional or customary rules.
  5. **Families:** reproduce the labor force, serve as a center of consumption and, together with kinship relationships, provide basic socialization and psychological and affective support to their members through primary relationships

All members of the basal structure, except the indigent homeless and those in a jail or another institution, asylum, or sheltered home, belong to a family. All members who work for pay in the company necessarily do so in one or more of parts (1 to 4) of the social structure or in one of the derived organizations. Only members who do paid work in them, or who obtain their main income from their current or previous position in one of those parts of the structure belong to parts 1 to 4 of the structure. Hobbies and unpaid voluntary activities are excluded. This means that a large proportion of adults distribute most of their time between their work (participation in one of parts (1 to 4) as a social obligation or task) and their family. There are people like children and full-time housewives whose social obligation or task is to study or do housework.

We must make an observation. The link of the participants with the basal structure is twofold: (1) On the one hand, some adult individuals of the families obtain their monetary resources by participating through work or ownership of property in one or more of the parts, or (2) they participate by being receivers of the activities of the different parts towards the other parts of the structure shown in the figure. Due to the central role of work for individuals and for the structure, we must therefore emphasize the importance of this link [point (1)] in addition to those shown in Figure 1 (*next page*):

We have argued that the capitalist economic system is a structured system and that the interactions between its elements reproduce it while maintaining the defining features of the structure. This does

**Figure 1: Basal Social Structure**



not mean that it does not change or evolve, or that it is unmodifiable, but rather that changes directed towards one aspect or part have consequences for the other parts or aspects. But the capitalist economic system does not float in the air, its reproduction in its current form requires the existence of certain relationships in the global social structure. What are the features of this global social structure and what requirements must they meet for the system to reproduce?

A first requirement of a labor force is that it must exist biologically and socially. The institution that biologically and socially reproduces both the labor force and the rest of the people are families. We must develop and maintain the material goods and services to sustain families. These costs for family maintenance determine the value of the labor force. The families must psychologically and socially support their members to perform adequately at work. There is a social debt for women who are homemakers who provide free care to children and other family members. This allows people to be “productive” and economically valued. But in addition to the care activities provided by the family, in today’s society, people (which includes the workforce and other people) require highly complex

---

services, which can no longer be provided by the family members or friends. We are referring to health and recreation services which support work. In addition, to perform “technically” at work, in most cases requires some formal education. In some cases, it requires advanced technical training. Further, in addition to “technical” training, education provides the ideology of “good behavior”, acceptance of the system norms and a sense of national unity. Also religions, and the mass media, provide cultural information and transmit ideological elements of acceptance and development of the system. All of this is reinforced by administrative measures of the State. Without the monopoly of legitimate physical coercion that it has, property and the necessary economic processes could not be guaranteed. It should be clarified that some non-state services generate merchandise with economic value. This process produces surplus value in the form of living labor, which is applied to the labor force and other people when sold in the economic market. We are referring to personal services, such as education, health care, entertainment and professional sports.

All these relationships take place in a territory, in a physical space, and in a symbolic-ideological context that crosses the entire structure, since without communication all this is unfeasible.

## Derived Organizations

To refer to the concept of derived organizations, we must distinguish them from the basal organizations. The basal organizations are all the organizations that belong to the parts of the social structure. Derivative organizations are those organizations that seek to make the interests of members who belong to certain base organizations prevail and which share common or similar interests due to their position in one or more dimensions, or because they have other common characteristics in the structure.

**Unions:** A union is a formal organization that is made up of subordinate members of a basic organization. They can be grouped and associated in various ways.

**Business Organizations:** These are formal organizations made up of those who occupy top positions in profit-oriented organizations. They can be associated in various ways.

---

**Territorial Organizations:** They are made up of members who are grouped in a territory, and who have similar urban or rural interests (neighborhood associations, etc.).

**Occupational Organizations:** they are made up of members of the same occupation, regardless of the basic organization in which they work (professional associations, etc.).

**Generational Organizations:** These are organizations that arise according to the specific concerns or interests of certain age groups, which do not have to coincide with the definitions of age groups in Demography (youth organizations, senior citizens' clubs, etc.).

**Political Parties:** They are formal organizations that represent general class interests (derived from the position in the parts of the structure and the various dimensions) or other general interests of different types against the State, and that seek to achieve State power totally or partially. They can be grouped and associated.

Organizations with other purposes: against discrimination, cultural, amateur sports, for ecology, etc.

## Economic Dimension

The economic market is a fluid system in which people and systems exchange goods and services that satisfy the social needs of its members to a greater or lesser extent. From this point of view, they play a fundamental role because they are linked to the consumption and production of goods and services (productive consumption), without which social needs cannot be met, a condition of material and social existence in our society. Goods and services can be classified into at least three groups: (i) investment (go to productive consumption), (ii) necessary consumption (go to all social classes) and (iii) luxury (only for the most wealthy), although obviously the matter is given by degrees and not in exclusive categories and there are numerous exceptions.

Experience also shows that there is a tendency for one or a group of companies to play a quasi-monopoly role in the market and through the intertwining of the boards of directors of large corporations, large economic groups emerge, which in both cases are dominant systems in the economic market. All the systems that constitute the parts of the structure that we have listed interact in one

way or another in the economic market. They are regulated to some extent by the State that, in addition to applying laws and regulations, acts financially as a market actor and can exercise compensatory policies (partially) of the unequal satisfaction of social needs that the market generates.

## Social Dimension

We will characterize our concept of social class. People obtain an income for their participation as a “task” in one of the parts 1 to 4, either in positions of greater power, as a majority shareholder belonging to a large economic group, or as the last subordinate of the company who is below all the intermediate positions. At the top of the hierarchy, we have a manager of a State company or director of a public hospital. Below them are intermediate employees who perform minor administrative tasks. Then we have a day laborer. At the bottom end is the homeless destitute. Being the Director of a large public hospital financed by the State (through taxes) is not the same as being the Director of a large private clinic, even in the case that they receive the same income, because the *objective interests* derived from occupying one or another social position are very different. On the other hand, the objective interests of the wife and children of a large capitalist are very different from those of the wife and children of a postal worker. From this point of view, the **class position would be given by the position it occupies in the organization of the production, distribution and appropriation of the economic surplus, or the exchange, financing and consumption of the goods and services of society.** Determination of the interests of a class position means to locate the class position in the *relational and dynamic context of all relevant aspects of the basal social structure to which it belongs*. From this point of view we are against the simplifications introduced by simplistic conclusions that have been given in the current Marxist writings. In some elementary cases it will suffice to consider the occupation, in other cases distinguish whether it is productive or financial services, but all of this is concluded after a structural relational analysis. Since the family is the center of consumption, it is obvious that the interests of the family coincide with those of the member who provides the family income, but the

---

problem remains to be analyzed. What happens if there is another member of the family with the same labor income in another place and position of the social structure? These are problems to which there are no predetermined answers.

## **Territorial Dimension**

Concentrations of high population density in a territory (urban areas) occur preferably when industrial, commercial and financial production systems predominate, together with services, the ideational complex, and the main State organizations. The areas of low population density (rural areas) concentrate agricultural and live-stock activities, and some tourist services for special interests. Direct interaction in large urban areas between people who do not know each other is characterized by depersonalization and individualism. In the bureaucratic organizations of parts 1 to 4 of the basal structure in urban areas, the people who work in them in the positions of greater economic power and/or authority correspond to individuals in the highest income groups and also interact directly in the organization with subordinates who have lower income. In the cities, there are privileged areas characterized by the type of construction, better urbanization, and/or greater decoration, where the prices of land and housing have a higher value. The less attractive land and buildings, with less implementation and poorer or more deteriorated urban services, have a lower economic value. Given this situation, it happens that people who occupy positions of greater economic power, or authority, working together with subordinates in the organization, live with their families in privileged urban areas since their income can afford the higher value of land and buildings. On the other hand, the subordinates with lower income live in less privileged, or more deprived areas, with lower value of land and buildings. Those with high economic power and/or authority and their subordinates work together but live separately. An extreme example of this situation occurs in true ghettos, or peripheral populations, or pockets of poverty. In these cases there is a concentration of poor services, criminal activities, limited police presence and high drug addiction. People end up in these degrading urban situations because of their extremely precarious economic power and public housing policies that only

---

seek to reduce costs. It is typical that in the privileged communities or neighborhoods, there are relatively homogeneous groups of people in terms of family income. This situation may not correspond to the commune in which they work.

States are organized territorially encompassing the total population within the limits of a country. Although they are unitary States and many are federal States, there are also regional authorities and subsystems, with the center of power in the capital. The power descends from there to the regions or states (in the federal systems) until reaching the communal or municipal governments.

Following the model of the State, professional associations, trade unions and business unions and political parties are also organized regionally.

The current economic market breaks the barriers of the countries, with transnational companies having great weight. They invest where there is better infrastructure, proximity to markets, quality and price of the labor force and favorable state policies. Economic exchange has long had an international character.

## **Symbolic Dimension (Ideology)**

In order for the social structure to be maintained over time, it must be legitimized or institutionalized in certain basic aspects; physical or economic coercion is not enough. There must be a hegemonic ideology that justifies and makes crucial aspects of the structure acceptable to its members. The ideational complex, being in our society linked to economic and political power, is a facilitator of this consensus. In addition, if the structure manages to satisfy social needs to a certain extent and the State guarantees a minimum of rights, economic coercion (“if you do not do your job you do not eat”) and the threat of physical coercion (“delinquents should be repressed”) can be made without the need to exercise it. There is also the process of habituation and typification of the roles that Berger and Luckmann describe.

But in every society, in addition to the hegemonic ideology, as a result of antagonistic interests and conflicts, contrary ideologies arise in one aspect or another. There is also a large area of behavior that is not planned, that evades or questions institutionalized norms.



---

Pretending that all or most behavior is institutionalized behavior remains an unrealistic assumption.

In addition to the hegemonic ideology, there are subcultures of sectors or groups (such as the subcultures of youth worlds), social representations of specific groups, as well as ethnic subcultures within a country that can give rise to emancipatory, reparatory movements or greater autonomy.

## **Interests and Power**

One aspect that is important is how the system connects with individuals. Individuals by participating in the system for a sufficient period of time occupy certain positions in the system. Through work and property, adult individuals and their families occupy certain class positions. Through work and property, people obtain monetary income. In general, the income of the capitalists is greater than that of the workers, but this depends on the size of the company and the capital, with exceptions such as the high salaries and advantages of those who are in the political and economic administration of large capitals. Their class positions must be considered not only in the economic system but in the social system in general. Due to their class position, certain interests arise and they support collective actions which are class actions whose success is related to the power of the classes, and their massiveness and depth. Also important for the success of the actions are adequate tactics and strategies, ideology that prevails in society and characteristics of the class.

Let's analyze the problem conceptually first:

## **Definition of Power**

The definition of social power that is given here: 1) does not define power as an attribute of individuals or groups considered in isolation from their context; 2) it is more specific and restricted to a special type of problem. Power is a particular way of relating to individuals or groups of individuals within their contexts of interaction and therefore: a. it depends on the individuals or set of individuals; b. it reflects the characteristics of the contexts of the interaction;

c. it is influenced by the environment which frames the context of the interaction; and d. it is characterized by the position of individuals or groups of individuals involved in the interaction.

We will define social power as the ability of individuals or groups of individuals to realize their objective interests in the context of interaction. Social power implies that the behavior of individuals or groups of individuals through their interactions with others in particular contexts. It results in the attainment of their objective interests. Power is derived in part from the position of the individuals or group of individuals in an interaction context, and also from their position in other interaction contexts that interconnect with the first through the individual in question. When this is so, it is called external social power. When it is not, internal power. In any case, when speaking of social power, it is necessary to make explicit what is the context of interaction that is taken as a reference.

The concept of social power is linked to that of interests, objectives and manifestos. We will define these concepts as:

**Objective interests.** The concept refers to the set of objects (material and social, real and symbolic) to which a subject would have access to occupy a position.

To better specify this definition, objective interests are constituted by a set of objects which:

1. Are accessible to the subject from his position, provided that he executes certain acts; and,
2. They provide the highest level of gratification to the subject, within the possibilities allowed by their position in the context of interaction.

The manifest interests are the interests as they are conceptualized or perceived by the subjects. In this case they are the objects:

1. That the subjects see as accessible from their position, provided that they execute sequences of determined acts; and,
2. They are the objects that the subjects think that provide them with the highest level of gratification, within the possibilities of their position that they visualize in the context of interaction.

Here it is necessary to point out some caveats. The characterization of objective interests supposes a theoretical reconstruction of

---

what those interests would be, which may be different from manifest interests. The incumbents of these interests should “discover” them by expanding their awareness of the situation in which they find themselves and analyzing the possible courses of action. This means an active and creative role for those involved. This process is not about determining from the outside and imposing their objective interests on those involved in the event or disagreement with the manifestos, but accompanying them so that they discover their interests and transform them into manifestos. When working with subjects or groups, manifestations of legitimate interests must be supported, especially that of vulnerable subjects. For the vulnerable, we must raise awareness, but not impose a course of action on them from the outside. People have the right to an active and creative role, and in this sense, they are not an object of policies and supportive action, but self-determining subjects.

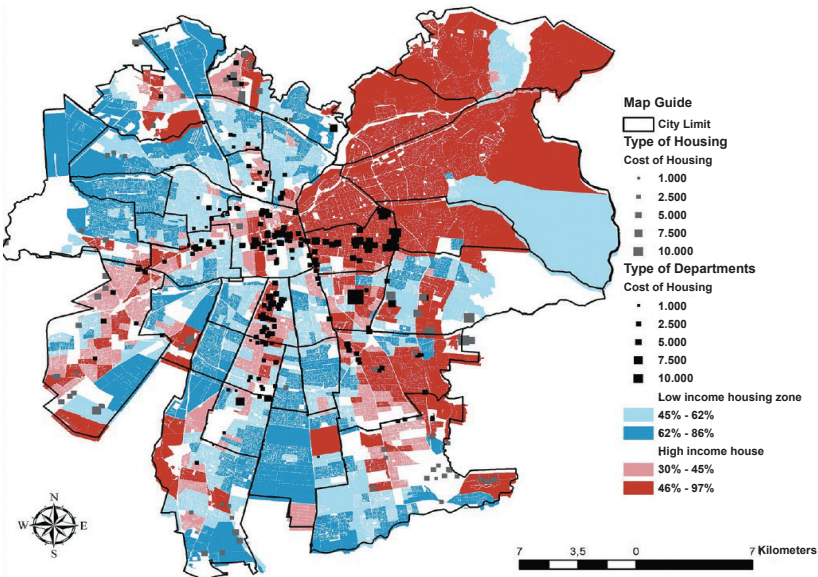
Regarding the interests of a plurality of people, these can be common interests, when the interests that derive from the positions of the subjects are similar to each other. We speak of collective interests when the common interests can only be achieved by people organizing themselves in a community, not individually.

The ability to realize interests to a greater extent, and therefore of power, depends on the interaction systems in which one participates, on the positions held in them and on personal characteristics and behaviors we are analyzing. When talking about power, we must refer to the interaction system where power is exercised. Thus, the power of the head of the family in the family is different from the power that the same person may have in the company where he or she works. However, they are connected, since the income he or she receives for working in the company increases their power in the family, and with respect to the family, it is external power.

How are class interests defined? Class interests are the collective interests of most of the set of positions of a class or class fraction. The fact that they are collective interests means that they are different from the individual interests of some members of the class. There are short, medium, and long-term interests. Class consciousness is a matter of degree. Class consciousness is greatest when long-term

class interests become manifest interests for a sizeable section of class members. Class interests derive from multidimensional class positions. In turn, the monetary income that is obtained for a long period by class positions is closely linked to class interests. Families from the lowest income classes, at least in Chile, to have limited access, due to the value of the land, to neighborhoods with worse urbanization, less availability of services, worse connectivity, and less citizen security because they are cohabiting with gangs or criminal organizations. In these environments, young people do not see prospects for a good life in the future. They also have access to poor quality education due to inequality of our education system. They must endure long waits for health services, or they become heavily indebted to private healthcare. In Chile, more than 50% of the population is in a precarious condition. They belong to multi-class strata E and D, which if we look at their distribution they are concentrated in disadvantaged sectors of the city. In the case of the Metropolitan Region, see Figure 2 (*below*):

**Figure 2: Map of Metropolitan Region of Santiago Chile**



---

The interests of the working classes and other non-monopoly sectors are a product of the property relations of capital in a capitalist economy. Obtaining a better quality of life in their neighborhood is part of their class interests, as well as better services (health, education, etc.). The control of the State is crucial in the case of Chile to satisfy those interests. Regardless of whether it is achieved and whether it is possible to implement socialism within a prudent period, the actions of the State can also be tracked from the point of view of how they affect the various social classes. This can be analyzed in the short, medium and long term. In any case, policies that have the consequence of lowering the quality of life of the impoverished classes cannot be considered revolutionary.

## Class Struggle

Class struggle is the dynamics of the actions or omissions of collective class actions. It includes alliances and oppositions. We are concerned with the extent that they modify society, partially or totally, or contribute to maintaining aspects of the social structure according to their interests. The aspects of the social structure that are the object of class actions are:

**Facts:** those more stable aspects of the structure, such as the fact that the State legitimizes property and general features of the capitalist economic structure, the fact that consumption that satisfies human needs is carried out primarily in families, etc.

**Events:** dynamic processes in one or several parts of the structure, such as electoral processes and results; the processing of laws that affect one or more classes, such as taxation according to income, and labor laws; the organization, realization and culmination of the constitutional convention, etc.

**Events:** changes or processes that impact large groups, or in which a large part of the population participates. In other words, processes at the level of a large part of the society, such as the social outbreak in Chile in November 2019.

The class struggle may or may not involve violence, it is linked to the struggle for State power, but it also occurs in various parts of the social structure.

---

Changing the facts implies very profound changes in the structure. It happens at certain moments in history and is generally accompanied by events and a generalized mobilization of class actions and organizations. It does not inevitably imply violence, and furthermore, in long periods the facts can change in an evolutionarily way.

At the level of events, as the State is deployed territorially, the scope of these events must be considered not only at the country level, but also at the regional level (according to regions of Chile) and at the community level. The events at the country level, the regional and communal level, are perceived by the different classes in their area, and their actions or omissions, alliances and oppositions, are linked to the derived organizations that they represent. If an action occurs, they can be attributed to it. Some of the events are elections at the country level, at the regional level (regional governments) and at the communal level (municipalities), where political parties and territorial organizations are important, and they are for specific purposes. Not only are elections important, but also various forms of collective behavior and participation, including social movements.

The trade union struggle, in entire companies and within types of production, can be carried out for strictly economic purposes, or else be primarily part of a political strategy.

At the level of the struggle in the State, derived organizations are important. They promote policies with one or another type of class content by political representatives (through the actions and alliances of political parties and other derived organizations, such as trade unions and business). As articulators of participation, derived organizations play a very important role. Regarding the development of class consciousness, it is important to determine how these struggles for state power are perceived by the incumbents of the different classes. The editorial lines of the mass media are also relevant as a shaper of consensus. The perception of situations depends in part on the way in which the news content is delivered. The supporters of the media in Chile, are for the most part, although not exclusively, the large economic groups controlled by the economic elite. In our electoral system, the role of classes in voting processes is relevant, but not the only factor, since there are various actions of social movements that modify perceptions and stimulate social solidarity.

---

The ideological struggle does not take place only in terms of the mass media. It also occurs in the area of education and religion. Both have processes which shape consensus. In these institutions, there is the development and elaboration of content that has ideological orientation.

The way events and social occurrences are perceived and reinterpreted according to ideological visions, has effects on social mobilizations for different territorial interests, not only trade unions. Since the members of the classes are also distributed territorially their content interests are shaped by where they reside in the country.

## **Power Positions**

The class position depends on work and therefore on the workforce and the ownership of the means of work. From this point of view, the fundamental concept is that of property in sociological terms, including, as we put it, the property of the labor force which includes those who do not have capital. In the following analysis, we also include not only the production of material commodities but we also include commodities that are living labor, such as health and education services. We also reveal the capital ownership of the capitalist elite. This analysis aims to include in detail the various situations that is much more than the bourgeoisie-proletariat dichotomy.





---

# **Social Reproduction of the System: Detailed Marxist Analysis of Class Positions in the Hegemonic Capitalist Society: Stanislaw Kozyr-Kowalski**

*Dr. Jorge Chuaqui K.*

*Dr. Javier Molina-Johannes*

Within the Marxist tradition the prominent Polish Marxist sociologist, Stanislaw Kozyr-Kowalski<sup>1</sup>, completed an illuminating and detailed analysis of classes in capitalist society, which goes far beyond the simple description of bourgeois and proletarian. The analysis begins with the concept of property as a basis for the differentiation of classes, and as an economic-sociological category which models social relations. He goes beyond using property as a legal category. Kozyr (2002) describes social classes as sets of individuals, which are elements or units, of different modes of material production. They occupy in these modes of production an identical economic property position. Therefore, they are in an identical property relationship with the means of material production and with the labor force of others.

## **The Capitalist Classes of Industry, Commerce and Finance**

In the identification of classes in capitalism, the author observes that Marx in *Capital* identifies the bourgeois in their relationship to the industrial mode of production. However, Kozyr-Kowalski maintains that the bourgeois can also be distinguished from manufactur-

---

<sup>1</sup> Prof. Kozyr-Kowalski (1936-2004) was affiliated with the University Adam Mickiewicz of Poznan Polonia and is author or editor of *ON SOCIAL DIFFERENTIATION* (1992), Poznan, Polonia, Adam Mickiewicz University Press, *SOCIOLOGY, CIVIL SOCIETY AND STATE* (1999), Poznan, Polonia, Universitet IM. Adam Mickiewicz, *DIALEKTICS AND SOCIETY* Introduction to historical materialism. (1972) Varsovia, Polish Scientific Publishers.

---

ing production. Further, he notes that the worker can be identified separately from the activity of manufacturing production and may engage in home-based work.

For the analysis of the differentiation of three different types of capitalists, the author points out: “our general definition of classes reflects the analytical practice of Marx. In Capital we find many statements to this effect, which leave no doubt that Marx considered industrial, commercial and financial capitalists as members of three different classes of society” (Kozyr, 2002, p. 5). An interpretation that there is only one class of capitalists contradicts statements by Marx himself, as Kozyr (2002) points out regarding financial capital: “In the sections of Capital dedicated to financial capital we read that, in front of the industrial capitalist, there is the class of the finance capitalists, which represents money capital and interest as an autonomous form of surplus value” (Kozyr, 2002, p. 5). In this same work, Marx formulates the thesis that, along with the growth of material wealth, “the class of finance capitalists grows and names bankers, financiers, moneylenders and rentiers as members of this class” (Kozyr, 2002, p. 6). The idea that industrial and financial capitalists are members of two different classes of bourgeois society finds a particularly emphatic and concise expression in the *Grundrisse* (1857-58) and in the Economic Manuscripts of 1862-1863. The division of profit into interest and profit – writes Marx in the *Grundrisse* – becomes palpable and easily apprehensible since, faced with the class of industrial capitalists, only the class of finance capitalists remain. And he adds, that the financial and industrial capitalists can only form two different, separate classes (*2 besondere Klassen*), because the profit is divided into two branches of income (Kozyr, 2002, p. 6). Without the difference between the profit of the entrepreneur and the interest appearing, two different classes of capitalists cannot arise (*2 besondere classen von Capitalisten*):

*“The real difference between the profit and the existing interest – Marx continues his thought – as the difference of the financial class of the capitalists (moneyed class of capitalists) in relation to the industrial class of capitalists (industrial class of capitalists)”* (Kozyr, 2002, p. 6).

---

Kozyr (2002) similarly argues to validate the differentiation not only of industrial and finance capitalists, but also of industrial capitalists and merchant capitalists. He maintained that there may be contradictions in the interests of these classes. As Kozyr (2002) points out, contradictions and conflicts in the 19th century, also occur today. This observation reinforces the idea that they are different classes, as Kozyr (2002) points out: In the capitalists and commercial workers who are referenced here the petty commercial bourgeoisie, owners of small businesses, often family are excluded here.

In fact, it should be noted that close to 35% of the companies in Chile are concentrated in the commercial sector and 48.3% of the total number of companies in the country are family-owned. Both the SMEs and microenterprises maintain this structure (ELE4, 2017).

As stated in the ELE-5 Bulletin: Main results of the Ministry of Economy, Development and Tourism (January 2019), the classification of companies by size, according to their sales, shows that only 3.1% are large, while the 52.5% are middle range, and 44.4% are micro. Related to this, it should be emphasized that large companies account for 75.9% of sales, while medium and small companies account for 20.6%, and micro only 3.6%, of the total income from sales in 2017.

Furthermore, the economic sectors with the largest number of companies are commerce (34.3%), manufacturing (10.6%) and transport and storage (10.1%). In addition, the latest updates of the Longitudinal Survey of Companies show that there is no significant variation in the different economic sectors, even though there was a decrease in “Agriculture, livestock, forestry and fishing” and in “Professional, scientific and technical activities.” The recent data is shown in Table 1 (*next page*).

In the last century, the contradiction between the economic interests of the industrial capitalists and the interests of the class of finance capitalists had particular significance. In the third volume of Capital, Marx defines these contradictions with the term exploitation. He observed that loan capital is made up of other people’s property, which the financial capitalist places at the disposal of the industrial capitalist and “for which he on his part exploits.” In this same work of Marx, we find an even more drastic characterization of

**Table 1: Distribution of Companies by Sector of the Economy**

Sector of the Economy	2015	2017
Large and Small Commerce	34.5%	34.3%
Manufacturing Industries	10.2%	10.6%
Shipping and Storage	10.5%	10.1%
Construction	9.8%	9.5%
Agriculture, Livestock, Forestry and Fishing	10.1%	9.4%
Services	7.1%	7.0%
Professional, Scientific and Technical Activities	6.2%	6.9%
Lodging and Food Service Activities	5.3%	6.1%
Artistic, Training and Recreation Activities	3.5%	3.1%
Information and Communication Activities	1.8%	2.1%
Mining and Stone Quarry Activities	0.6%	0.5%
Financial and Insurance Activities	0.3%	0.3%
Provision of Electricity, Gas and Water	0.1%	0.1%

the economic contradictions that appear between the class of industrial capitalists and the class of finance capitalists. The credit system – observes Marx – gives money lenders and usurers – a class of parasites extraordinary power. Occasionally, they decimate the industrial capitalists. The property-economic antagonisms between the class of finance capitalists and the class of industrial capitalists can also find expression in the sphere of political domination. Contrary to the assumptions of common Marxist reasoning, not all capitalist classes stand in bourgeois society in an identical relationship to political power. (Kozyr, 2002, p. 12).

*“The conception that postulates the existence of several different bourgeois classes is not only a more fruitful instrument of analysis of early and contemporary capitalist societies than the imprecisely understood concept of a single class of capitalists, but it also makes it easier to liberate materialist-historical theory. of the classes of dogmatic-doctrinal simplifications” (Kozyr, 2002, p. 13).*

## The Working Classes of Industry, Commerce and Finance

Regarding the labor force, Kozyr (2002, p. 14) asks the question: “Through which set of production and exchange relations are the economic-owner differences between the members of the three different classes of workers manifested? These three classes of workers are industrial workers, ordinary commercial workers and banking-financial workers.” He provides a detailed description of their economic relations below.

*“The class of industrial workers or working class in the sense of this word used more often by the creators of historical materialism is made up of the owners of directly productive labor power. The class of direct commercial workers, on the other hand, is made up of the owners of such an indirectly productive labor force, which ensures the functioning of the process of exchange of material goods. Another different type of productive labor force constitutes the specific object of possession of the class of direct bank-finance workers. The classes of commercial wage laborers and financial wage laborers function as elements of such economic relations, thanks to which the commercial and financial capitalists become the owners of commercial profit and money increased by a certain percentage and obtain extraordinary profits from non-equivalent exchange with the respective producers of the country itself and in particular of foreign countries. The labor power of the financial salaried workers also makes the holders of loaned capital economic co-owners or even full owners of the means of material production, legally and formally belonging to the debtors: to the owners of the land, to the industrial capitalists, to independent artisans and peasants” (Kozyr, 2002, p. 17).*

The values of the labor force of these three sectors, workers, commercial workers and financial workers, can vary unevenly according to the functioning of the sector, which is often not synchronous. From a sociological point of view, there are also differences: salespeople in large retail stores, for example, must have more formal education and civil treatment than a worker, and the same thing happens and with more force in the bank worker. In addition, the value of the labor power of these classes of workers may differ, which is manifested in how their salary is calculated, in the case of the average worker for the time and intensity of work, in the case of retail workers, by sales commissions and other forms in the bank employee. Thus, the advantages of the commercial capitalist were described by Kozyr-Kowalski below.

*“However, it had the possibility, not accessible to the majority of industrial capitalists, of obtaining free of charge a certain amount of material goods, a certain mass of surplus labor from direct producers, conditioned by the non-equivalent exchange between different modes of material production from different countries or from the same country, or by participating in the trade of goods with a monopoly price” (Kozyr, 2002, p. 11).*

On the other hand, regarding the position and role of financial capital, Kozyr-Kowalski concluded:

*“One of the particularly characteristic features of the position of owner of financial capitalists is their entry into relations of economic co-ownership of means of material production with the help of money loans at interest. The possession of interest-bearing capital not only makes it possible for the capitalist to freely appropriate a greater or lesser part of the surplus value or the surplus product, which are produced with the help of means of production that are the legal-formal property, exclusive of industrial capitalists, or of direct petty-peasant or petty-bourgeois producers,*

but it can lead – in cases of high indebtedness of the borrowers – to the transformation of the legal-formal property of the industrial capitalist, peasant or artisan. Marx warns of this transformation of property in the class struggles in France, from purely nominal ownership, to full economic ownership of the holder of loan capital” (Kozyr, 2002, p. 12).

In addition the socioeconomic position of industrial commercial, and banking finances workers, Kozyr-Kowalski made these observations:

*“If in the analysis of the division into classes of society we use the current legal-formal conception of property, if we do not see in labor power a special object of economic property, treating Marx’s concept of property of labor of work as synonymous with the concept of lack of ownership of means of material production, then we do not perceive any proprietary difference in the socio-economic position of industrial workers, commercial workers and banking-financial workers. The simplistic conception of property, almost universally accepted in contemporary sociological and economic sciences, allows us to affirm that industrial workers, commercial workers, surveillance workers, technicians and engineers, and finance workers are in an identical property position, because their only object of property is labor power. On the other hand, the economic-sociological conception of property makes it possible to sustain the thesis that the type of labor power possessed internally differentiates salaried workers in terms of their economic-property situation. Through the set of relations of production and exchange the economic-owner differences are manifested among the members of the three different classes of salaried workers: between the industrial workers, the common commercial workers and the common bank-finance workers” (Kozyr, 2002, p. 14).*

These three types of workers can be differentiated by the type of education required, more in high commerce and finance and less for the unskilled worker. Commercial and financial workers have greater control over the means of work than industrial workers. This is also reflected in the different socioeconomic groups in Chile, where the highest socioeconomic groups have 99% and 95% university education, respectively. To this, it should be noted that the occupation of the head of these households requires 100% formal education. In contrast, for upper middle, middle, and lower middle socioeconomic groups, only 71%, 26% and 4%, respectively, have university studies. For the lowest socioeconomic groups, practically no one, 0.2% and 0.0%, have university education (GfK, 2019).

We can also ask ourselves, are industries of all types of productive capitalist organizations in urban areas? If we make a typification of a classification that includes the various types of large organizations in capitalist society we have:

1. **Economic-Material Structure:** productive activities (material merchandise for sale or lease), commercial, financial, land rent and other merchandise and games of chance and those based on legal bets. The systems that carry out these activities are large companies, in which case they have a formal bureaucratized structure or are small, usually family-owned or managed by one or more members of the family, whose conflicts between their members are resolved by appealing to the rules of the institution of the family.
2. **State:** (understood as an apparatus of the State exclusively) executive power (including ministries and dependent administration), regional and communal administration, legislative power, judiciary, police, criminal apparatus and Armed Forces. The systems that constitute it are formal bureaucratized systems that, in order to guarantee “governability”, must be legitimate (that is, be institutionalized to a certain degree).
3. **Ideational Complex:** Educational System (including research and extension activities), mass media (television, radio, press and cinema), churches, artists, writers and private scientific researchers. These systems are formally bureaucratized and the smaller ones are governed by institutionalized professional rules.



**4. Non-Ideational Services:** health, professional sports and other personal services (hairdressers, domestic service, gardeners, etc.). These systems are formally bureaucratized and the smaller ones are governed by institutionalized professional or customary rules.

## **Classes in the Big Capitalist Service Companies**

In ideational companies, in addition to being capitalist companies, there are ways and forms in which ideological control operates. But a common feature of large service companies is that there are differences with the industry:

- Direct producers; teachers, journalists, doctors, soccer players, must have advanced talent and/or academic training, which differentiates them from the industrial-type worker.
- For this reason, the organization of such companies cannot be excessively hierarchical, since the contribution in the service of direct producers has a much more important personal quality.

## **Classes on the Farm**

If we wish to consistently apply the economic-sociological conception of property as a criterion for class given society. Also, if we consider the possibility of expressing the legal-formal relationship of large landed property in two qualitatively different economic-property relationships, in two qualitatively different modes of material production, then we will have to differentiate between landowners in at least two different social classes: the class of capitalist landowners and the class of non-capitalist landowners.

Typical members of the class of capitalist landowners, or capitalist landlord classes, will be the non-producer-owners of absolute rent and of varieties of differential rent, which are included in the capitalist-agricultural mode of production. As typical members of the class of non-capitalist landowners, we shall study the non-producer-private landowners, to whom the absolute and differential rent and part of their surplus production is delivered and produced by the non-capitalist direct producer who is a peasant.

---

A necessary condition for the existence and functioning of the non-capitalist landlord class in the bourgeois economic formation is the existence of peasants in it.

At this stage of construction and foundation of the theory of the classes of society, we do not use the concept of a single class of peasants that appears in numerous texts by Marx and Engels. The criteria accepted by us for discovering and differentiating the respective classes in the economic form of society lead to the conclusion that many different classes appear among the peasants, that there thus exists not one class of peasants but many different peasant classes.

The first peasant class is made up of direct producers-private owners or possessors of land and other means of production with their own work and the work of members of their closest family, who neither employ outside labor on their farms, nor rent the labor power owned by them to other owners of means of production.

The second peasant class is made up of private owners or possessors of such extensions of land and other means of agricultural production, which do not really free their owner from the need to carry out directly productive work, and rather require the permanent or periodic application of the foreign workforce. The private property of direct agricultural producers that uses the labor of others presupposes the economic-sociological existence of other peasant classes. They are sharecroppers or tenants.

The third peasant class was made up not only in the time of Marx, but also already in the era of domination of the feudal economic formation of peons. The economic-property position of the class of peons can be defined as follows: direct agricultural producers, private, not only owned by means of material production, but also part of the property of their workforce, linked for a long or short period of their lives to an alien farm and to its owner. The source of foreign labor power that is used refers to production belonging to the class of society, which Lenin calls rich peasants, which were, apart from the peons, the members of the fourth peasant class. In Lenin's writings they are called poor peasants, rural semi-proletariat.

The fourth peasant class included the private owners of small pieces of land, which made it impossible to produce not a surplus product, but even the product necessary for the reproduction of the labor force

---

at a minimum level. Thus, these mini-possessors of land had to obtain the fundamental means of biological-social existence, by producing surplus product for the rich peasants. These various forms serve to describe what was called semi-feudal production in Chile.

In the economic formation of many societies of the 19th century and the beginning of the 20th century, it was possible to differentiate still others, more or less numerous peasant classes. Such peasants could then be found in the countryside, who not only did not have any land, but even did not own a house of their own. The basis of their socio-economic existence was: the leasing of small plots and a particular type of creditor-debtor relationship. These peasants (*Allegados*) entered into leasehold and creditor-debtor relationships with members of the rich peasant class. However, they did not pay the rent in money, but in work on other people's land. They did not contract debts in money, but to cover their basic consumption needs. The basis for payment of debts was also payment in work on someone else's land. *Allegados* who find themselves in this type of economic-property situation can be recognized as members of a different peasant class, such as the fifth peasant class.

The particularity of the economic-ownership position of the relatives was also manifested through the limitation in the possession of the type of workforce that corresponded to them. It was caused by the non-capitalist nature of the lease-debt type relationship. The rich peasant, with the help of rent and debts, tied the relative to his land and to his person. It limited him, among other things, the possibility of choosing a "patron", which corresponds in the capitalist labor market to the owner of his labor, of taking advantage of the competition between them in order to obtain the most favorable employment conditions. He did not treat the labor power of his tenant and debtor as a commodity, that is, he had more socio-economic possibilities than the industrial and agrarian capitalist of obtaining it below its value.

The sixth already on our list, a different peasant class, will be made up of direct agricultural producers who do not employ outside labor, who are not landowners but only tenants of the large owner, who pay rent exclusively in money, and thus produce an absolute rent and certain varieties of differential rent. This type of economic-ownership position of the peasant can and did create for him in the real

---

economic process the possibility of co-participating in the possession of the differential rent – just as this occurs in the case of the class of agrarian capitalists.

From the last agricultural census carried out in Chile (2007), the existence of 282,250 production units dedicated to agricultural, live-stock and/or forestry activities is shown, of which 73% correspond to units smaller than 20 hectares, being classified as small agricultural production. However, said property corresponds to a land surface of 1,129,557 hectares, that is, about 3% of the national agricultural land. In this regard, there are more than 200,000 small farmers, which would correspond to the majority of the countryside in Chile. This gives an average of 5.4 hectares per production unit, much lower than the maximum level of 20 for this type of production.

On the other hand, medium production refers to units between 20 and 100 hectares, of which there are 53,811 and covering over two million hectares; their average is 41.7 hectares per unit. Thus, we come to the large farms that are made up of at least 100 hectares. Of this typology there are 21,223 productive units and they cover over 33 million hectares, that is, over 90% of the national agricultural surface, whose average is 1570 hectares for each unit.

Under these parameters, the composition of the Chilean countryside can be divided between smallholdings and large estates – with characteristics different from the colonial period – is evident, with peasant family agriculture predominating. Lastly, it should be considered that in 2002 there was 13.7% of the rural population (2,150,200), which has dropped to 11.4% (even increasing its number to 2,247,649) in 2021. According to the Institute National Statistics, by the year 2035, the rural population would drop to 10.9%.

## **Petty Bourgeoisie**

The first petty-bourgeois class will be made up of all direct producers, who are private owners or possessors of means of material production manipulated by their own labor and that of members of their families. The private owners of shoe shops, tailors, locksmiths, repair shops for household items, television sets, radio sets, small independent carpenters, independent construction workers, furniture makers – these are the typical members of the petty-bourgeois class

which is directly productive. Among others, it would include the 86 thousand artisanal fishermen, who represent 43% of the total fishing in Chile and who are concentrated in regions VII, X and XI of the country (Revismar 2, 2015).

The second petty-bourgeois class has private property as its economic foundation, supported by its own work in the means of exchange of material goods. Small, independent shopkeepers and merchants can be recognized as model members of the petty-bourgeois commercial class. In this case, it should be considered that 788,148 micro-enterprises employ 766,316 people – including their own owners –, that is, 0.97 workers for each micro-enterprise. On the other hand, more than two million people work in the 205,983 small businesses – also including their owners –, reaching almost 10 employees on average. In summary, more than 2.7 million people, together with their families, would correspond to this petty-bourgeois commercial class.

The petty-bourgeois of the third class are made up of the holders of loan money, who carry out all operations linked to the granting of credit and the receipt of the borrowed money plus interest. They do not employ outside labor and they obtain a profit of loan money plus interest, which is their means of consumption. They do not enter into the relationship of economic ownership of the means of material production that is in the hands of the debtors. We can call this petty class – financial bourgeoisie.

The fourth petty-bourgeois class will be made up of the private owners of means of providing services supported by their own work. Among the members of the petty-bourgeois class of services we find some representatives of the “intellectuality”: doctors, lawyers, artists who earn an independent living. Also, a certain part of the private owners of houses, sanatoriums, places of rest<sup>2</sup>, detectives,

---

<sup>2</sup> Based on data from the Ministry of Economy, almost 700,000 companies have been created since the Registry of Companies and Companies (RES) – also known as “Company in a day” – began to function. On the other hand, during the pandemic (2020-2021), for example, there was a clear increase in the creation of companies, exceeding 500 daily on average, that is, exceeding 15 thousand new companies during a single month. It should be noted that women have founded over 38% of companies during the last months of 2021, which a couple of years ago did not reach 30%. In addition, about 14% of the companies have been created by foreigners.

---

masseuses, owners of travel agencies, cinemas, antique dealers and small bookstores, freelance teachers at home and teachers of foreign languages, dance, singing, etc. This includes professional consultants and NGOs.

On the border between the petty-bourgeois classes and the class of finance capitalists, are the small holders of the interest-bearing money function. They may not actually employ salaried labor power in the process of transforming money into interest, even their own room may be for them an objective means of monetary operations. However certain types of creditor-debtor relationship make it easier for them to become economic co-owners of the means of production and exchange of material goods, of which certain categories of peasants, artisans or small merchants are exclusive legal-formal owners.

The respective petty-bourgeois classes, like the respective capitalist classes, differ from each other not only by the type of means of labor they possess (means of production of material goods, means of exchange of these goods, means of providing services), but also by monopolistic appropriation, which is expressed through the possession of “different things”, of certain types of objects of economic property, and the exclusive possibility of entering into certain economic-owner relationships. The members of the respective petty-bourgeois classes are also separated from each other by the relations of production and exchange of material goods through which ownership of labor power is expressed, and the type of labor power possessed.

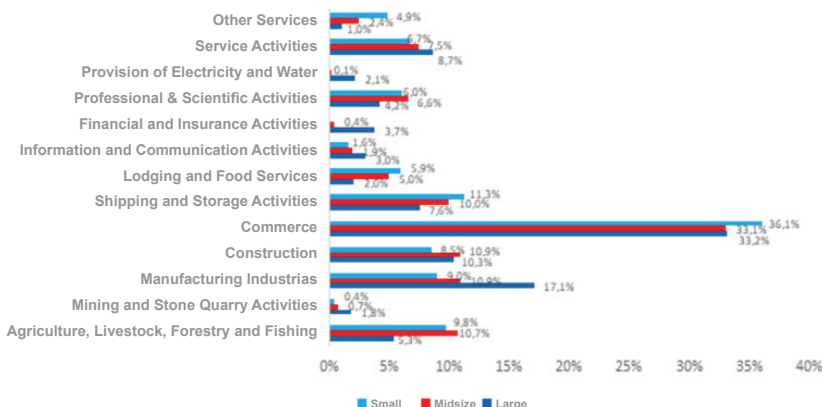
The concept of “petty-bourgeoisie” is linked in common language with many ideas that express negative views and emotions. It is found in the close company of words that designate negative traits of the character of individuals: “philistine”, “insensitive to beauty”, “egoistic”, “bound to the world of things and alien to the world of the spirit”, “limited mentally”, “admirer of mediocrity and the gray of life”, “hypocrite”, “moral Pharisee”, “bowed before the strong and brutal before the weak”. The historical-materialist theory of society has of course nothing in common with the treatment of the petty-bourgeois classes as the embodiment of all human defects and all the bad aspects of people’s social existence. One can even

eliminate from it the word “petty-bourgeois”, loaded with images of pre-scientific-ideological thought, replacing it for example with the word “demiurge” and transforming the concept of petty-bourgeois classes into the concept of demiurgic classes. The word Greek dhmiourgoj (demiurgos), perfectly serves this purpose. Well, it designated both the artisan, the sculptor, the craftsman, each a creator. It was also used in Greece to designate people who provided services (for example: practitioners). It was also an administrative title. In a similar way one could also transform all the names of the other classes applied by Marx and the economists with him contemporary, and even replace the very word “class” with any other word present in the dictionary of the Greek, Latin, Hebrew or Sanskrit language. Marx’s theory of the classes of society based on the economic-sociological conception of property will not lose one iota of its meritorious and scientific theoretical values, if we replace the word “class” in it with some favorite word of sociological thought. contemporary vulgar economic and economic: “group”, “layer”, “socio-professional group”, “social environment”. Of course, this change would bemade under the condition, that the replacement of the word “class” with some other word will not be accompanied by the replacement from the scientific theory of the property-economic division of society by some set of ideological pre-scientific ideas about the structure, functioning and change of contemporary and ancient societies.

Lastly, we would like to discuss the composition of companies by sector and size-based on the Longitudinal Survey of Companies (2017). This process shows the concentration in the commercial area of the different companies, as well as the significance of large companies in manufacturing. In this analysis we observe a few companies involved in the “exploitation of mines and quarries”, as well as in “supply of electricity, gas and water”. In addition, we find that the majority of companies that make up the financial and insurance sector are large companies. In short, Chart 1 (*next page*) gives a panoramic review of the different sectors of the Chilean economy.

It should be noted, based on the Micro-enterprise Survey (EME), that micro-entrepreneurs went from 1,865,860 in 2015, of which 83%

## Chart 1: Breakdown of Companies by Sector and Size



were self-employed and 17% employers, to 2,057,903 in year 2019, where 85% are self-employed and only 15% are employers. In relation to the 2019 data, 70% of people have an educational level lower than secondary education and 47% are between 45 and 64 years old. Consequently, we see how microenterprises continue to grow in the country as we noted previously.

## The “New Middle Classes”

At the stage now reached by us in the development and foundation of the theory of classes, we can present the main critical objections to the conceptions popular in non-Marxist and partially Marxist Western thought of the “new middle class” or the “new petty bourgeoisie”. These conceptions suppose an understanding similar to the one formulated above of petty bourgeoisie. It is called in them, however, “old petty bourgeoisie” or “old middle class”. In the “new petty bourgeoisie ” or “new middle class” are included the workers of commerce and those in the sphere of services, office workers active both in the neo-economic structures and in the extra-economic ones of society, the majority of the managers and finally, the technicians and engineers.



---

The first weakness of the concept of the new petty-bourgeoisie (new middle class) is manifested through the fact that one category encompasses too large a number of individuals who find themselves in qualitatively different economic-property situations<sup>3</sup>. This concept manifests and supposes the lack of sufficiently precise and subtle differentiation criteria of the respective classes in the objective social reality. It is the product of the schematic division of the members of capitalist society into large owners (bourgeoisie and landowners), workers, small urban and rural owners, and all the rest. Since, with the concept of “new petty bourgeoisie” or “new middle class” all those whose economic-ownership position is difficult to classify under the three-state scheme of the class structure, supported by common thought or a simplistic conception are included. The study of the ownership of means of production uncovers the sources of many important problems of modern bourgeois societies.

Theories of the “new middle class” assume, clearly or implicitly, the existence of an extraordinary kinship of the classes of salaried workers underlying the modern bourgeois formation of society: of commercial workers, of financial bank workers, and technical-engineering personnel. These types of assumptions, however, not only cannot be substantiated, but can even be illustrated in a relatively suggestive way, without accepting certain rules of the logic of pre-scientific-ideological thought. Only arbitrarily, on the basis of these facts cited by the very supporters of the “new middle class” theories, can one solve the problem: Do the workers in commerce and finance have more common features with the middle classes? Researchers who use the concept “new middle class” often indicate

---

<sup>3</sup> For the Chilean case, the middle classes, according to the Instituto Libertad y Desarrollo, are considered to be income groups between 1.5 and 6 times the poverty line (defined at \$174,131 in 2020). These groups, which are currently also subdivided into medium-low, medium-medium and medium-high, represented 23.7% of the Chilean population in 1990, while in 2017 they already exceeded 65% of the population. However, this percentage has had a slight decrease in 2020, reaching 62%. However, it should be noted that according to the sociologist Barozet (2017), in reality, only 30% of the population would effectively meet the characteristics of income level, type of occupation, educational level and consumption. The latter is also consistent with the data from the Association of Market Researchers (AIM, 2019), where the division by socioeconomic group shows a distribution similar to that indicated by Emmanuelle Barozet (2017).

the neo-bourgeois character of indirectly productive social classes in this way. They compare them with the workers. This accentuates the differences. When they compare them, however, with the petty-bourgeois classes – they accentuate the similarities. It seems to us, aside from this, that the adjective “new” does not free the theories of the “new middle class” or “neo-petty-bourgeoisie” from this variety of theoretical archaism. This consists in the description and explanation of modern societies, with the help of categories that relatively adequately express only the structures of ancient, pre-bourgeois societies. The treatment of the classes of modern bourgeois societies as a particular variety of petty-bourgeois classes that have existed for centuries in human societies is misleading. The theoretical archaism is revealed in a particularly expressive way, when the description of the economic-ownership position of artisans and peasants becomes the model of research on the class membership of business managers and capitalist corporations and engineers and technicians.

As can be verified in Table 2 (*below*), the informal employment rate is 26%, that is, 2,088,430 people in different groups, although concentrated, especially, in “services and shops” (533 thousand), “craftsmen and trade workers” (472 thousand) and “elementary

**Table 2: Percentage of Informal Workers Within Occupational Groups**

Occupational Groups	Percentage of Informal Workers	Number of Informal Workers
National Totals	26.0%	2.088,43
Directors and Managers	5.0%	16.38
Professionals, Scientists & Intellectuals	14.2%	179.42
Mid-level Technical Workers and Professionals	10.3%	102.22
Administrative Assistance	7.5%	36.32
Service and Commercial Workers	32.6%	533.33
Farmers, Farm Workers and Fisherman	53.0%	99.95
Artisanes	45.0%	472.31
Machine Operators	25.7%	163.20
Laborers	32.8%	468.48
Not Classified	8.8%	2.45

---

occupations” (468 thousand). Likewise, as can be seen, the variation in twelve months was an increase of almost five hundred thousand workers in the informal sector.

In any case, what we are interested in highlighting is that both “mid-level technicians and professionals” and “professionals, scientists and intellectuals” have a significant percentage of informal work: 10.3% and 14.2 %, respectively. Clearly, less than the more than 50% of “farmers, agricultural and fishing workers.” Also, far lower than the 45% of “artisans and trades operators”, and also less than 32% of workers in services and shops. However, this segment, which could be classified as middle class, shows that more than 10% have significant job insecurity. In any case, the C1b and C2 strata that could fall into these categories belong to 18% of the total population of the country, while the C3, D and E strata correspond to 75% (GfK, 2019).

In conclusion, it should be noted that the middle classes would earn – according to the stratification of Chilean society – between one and two million pesos on average per household. Therefore, it would be in socioeconomic groups C1b and C2. Further, most of them have formal higher education.

## **The Leaders of Productive Work**

Both in the contemporary capitalist economic formation are described by Marx and in our economic formation it is possible to differentiate at least 4 different classes of leaders of productive work: 1) the class of leaders of directly productive industrial work, 2) the class of heads of commercial work, 3) a class of heads of banking-financial work, and 4) the class of heads of service-providing work. Numerous statements by the authors of *El Manifiesto* leave no doubt that they consider the leaders of productive work as owners of only labor power, as salaried workers, and thus, not as members of the bourgeois, petty-bourgeois, but of the working classes... The labor power possessed by the leaders of directly productive work is both a part, as well as a co-creator of the total worker. In the leaders of directly productive work and in the leaders of other types of work, the mere ability to perform intense and skillful work, determines the magnitude of wages and remunerations. The inclination to identify the leaders

---

of productive work with the owners of the means of production who rely on the exploitation of the labor force of others has several sources in common thought. Precisely this form of pre-scientific ideological thought associates the concept of exploitation with control, with surveillance, with docility to the will and orders of others. It is also associated with material and spiritual sanctions, with the most severe types of these sanctions including the role of the watchman and the foreman of slaves. Furthermore, the typical members of the ruling classes exercise in the processes of productive work, not the function of direct supervision over the work of the workers, but the function, which Marx defines with the name of *Oberleitung und Oberaufsicht*: top management and high surveillance.

The economic-proprietary position of engineers is distinguished in the bourgeois formation of society by such serious qualitative differences that they cannot be recognized as members of a single class.

Capitalists may have and often do have technical-engineering training. If the engineers are not only possessors of labor power, but also are owners of the material means of production, then the ownership of the means of production decides their class position. The engineer – owner of an industrial or commercial company supported by wage labor will thus belong to the class of industrial or commercial capitalists. They will also be members of the capitalist class – subjects of the modern bourgeois ownership of the means of production: the owners of share capital and interest capital. We find engineers not only among the members of the bourgeois classes, but also among the petty-bourgeois classes (for example, the engineer – owner of a computer repair shop), among the peasant classes (for example: the engineer – owner of an agricultural farm supported by the work of the members of his family), finally, among the classes of salaried workers-leaders of productive work.

## **The Corporate Modes of Property – Rentier Bourgeoisie Class and Managerial Bourgeoisie**

We find different bourgeois classes within the corporative-capitalist modes of material production and the share capital linked to these modes of production. Among the subjects of modern bourgeois ownership of the means of material production, we will be able to differ-

---

entiate the class of pure owners of share capital and interest-bearing capital. They are freed from all productive or non-productive work. They include the class of the rentier bourgeoisie and the class of indirect producers – holders of share capital and interest-bearing capital – to the productive they work as “managerial” bourgeoisie.

## **Domestic Servants**

We analyze the qualitative economic differences among domestic servants and we will be able to differentiate this group. Although domestic servants are no longer as numerous as in the time of Marx and Engels, there still exist different classes of them. These classes of domestic servants include individuals who obtain the means of support by providing productive work or services to owners of property, farms and/or businesses. We can also include in this group members of the professions such as medical doctors and lawyers.

## **The Capitalist Elite**

In capitalist society coexisting with competition is the process of economic concentration in which financial capital usually plays an important role. In larger companies, relationships arise with other large enterprises that result in the formation of a few large economic groups. These larger corporations have a determining weight in the economy. The image of isolated capitalist companies competing in the economic market is false, this is not the case both nationally and internationally. We call the owners of related companies that have the greatest weight in the economic market the capitalist elite, which in many cases are made up of a limited number of people, with enormous economic and social power. For example, in the Chilean case, only 1.4% of the companies are exclusively foreign-owned. However, the foreign ownership is primarily of large companies, where it constitutes 75% of all of them (ELE4, 2017).

This sector, which widely benefited from the privatization of state companies, is currently characterized by a high concentration of capital and property, which are pyramid models whose boards tend to be intertwined, both in assets and in services. In this way, only 1% of the Chilean population has managed, as in no other coun-

---

try in the world, to capture 33% of all the income generated in the nation (Pizarro Hofer, 2020). Consequently, Chile is among the most unequal countries in Latin America and the world. It currently has a Gini index of 0.46. The most paradoxical thing about this situation is that by the end of 2019, Chile had a GDP per capita of US\$16,000, which should support living standards of a developed country. However, the data and the rankings of international organizations, show the tremendous inequalities between rich and poor. Indeed, 50% of Chilean workers earn less than 500 U.S. dollars per month. Forbes magazine indicates that the so-called “Super Rich” Chileans increased their wealth by 73% in 2021. These individuals included Iris Fontbona, Julio Ponce Lerou, Horst Paulmann, Roberto Angelini, Álvaro Saieh, Patricia Angelini, Luis Enrique Yarur and President Piñera himself (CNN, 2021).

It is striking that this exponential increase in wealth has been generated in the midst of a health crisis (COVID-19) that has generated job insecurity, a significant increase in unemployment, and the bankruptcy of thousands of companies, especially those linked to the retail, tourism and the small business sectors in general. These are organizations that were unable to withstand months of quarantine. An analysis of this growing inequality is provided by Roberto Pizarro in his article “Chile: rebellion against the subsidiary State” (Pizarro Hofer, 2020), where he describes how a few families and economic groups concentrate a large part of the national market, creating true monopolies in certain areas and therefore acquire a growing accumulation of capital in activities declared essential by the government. These include private health, pharmacies, super markets, and construction materials. This process occurred while seven out of 10 workers receive less than 700 dollars per month and only 20% receive more than 900 dollars per month (Pizarro Hofer, 2020).

The main national economic groups are listed on the next page:

## Main National Economic Groups

### Economic Groups    Companies

Luksic Group	Has a strong position in banks (Banco de Chile), beverages (ccu), shipping (Compañía Sudamericana de Vapores), fuels (Shell Chile-Enex), manufacturing (Madeco), television (Channel 13), radio (Play, Oasis, Tele 13 radio, Sonar) and mining (Antofagasta Minerals, Minera Michilla, Minera Esperanza and Minera Los Pelambres).
Matte Group	Participates in the forestry area (cmpc), construction (Volcán, SA), electricity (Colbún), telecommunications (Entel), banking (Bice) and ports (Ports and Logistics), among others.
Angelini Group	Its participation is in fuels (Copec, Abastible and Metrogas), forestry (Arauco), energy (Guacolda), mining (Isla Riesco), fishing (Corpesca and Orizon), technology (Sigma), insurance (Cruz del Sur) and agriculture (Siemel and Valle Grande).
Paulmann Group	The Cencosud holding company operates supermarket chains (Jumbo and Santa Isabel), department stores (Paris and Johnson's), home improvement stores (Easy), shopping centers (Costanera Center, Florida Center, Alto Las Condes, Portales La Dehesa, La Reina, Viña, Rancagua, Temuco, Valparaíso and Ñuñoa) and financial retail (More Paris, More Jumbo and More Easy).
Bethia Group (Solari-Heller)	Its companies are present in the areas of retail (Falabella, Homecenter, Imperial, Tottus and Mall Plaza), communications (Mega, etc. TV and five radio stations), real estate (Torre Titanium), transportation (Latam, Grupo de Empresas Navieras gen, Sotraser, Blue Express, Aeroandina), wine (Viña Indómita, Santa Alicia and Viña Dos Andes), agriculture (Ancali, Agrimaq), horse riding (Haras Don Alberto and Club Hípico) and health (Isapre Colmena and Clínica Las Condes).
Saieh Group	Its main investment axis is Corpgroup, which controls the financial companies of the conglomerate: CorpBanca, Banco Condell and Corpbanca Colombia. In addition, it has a stake in the real estate area (Mall vivo and Hotel Hyatt) and controls the retail holding company smu (Unimarc); in addition to controlling the journalistic group Copesa.

Source: (Pizarro Hofer, 2020)

---

## Estates

The members of the State apparatus are differentiated by the degree of power, both within the State apparatus and exercised towards society. They apply power externally and maintain the existing social system by favoring the dominant groups. They continually act in favor of the dominant groups in society. They are called Estates. A numerically important sector of those who participate in the State are civil servants, who provide services. Sometimes they have a high qualification. It should be remembered, as we pointed out above, that public officials in Chile increased from 200,000 in 2006 to more than 420,000 in 2020 (DIPRES, 2021). Among the public officials, we find different categories of both contractual relationships and also political appointees. The distribution of contracted and politically appointed employees varies with the type of ministry. Also, ministries such as Health and Education, for example, outsource many employees.

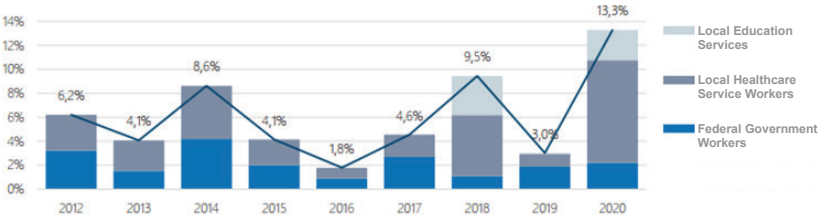
## Types of Employment in the Chilean State

In the following paragraph, we review some key data on the workers of the Chilean State. There are public officials who are contracted and who are subject to the Labor Code. Then, there are fee for service employees. In the period 2006-2014, the number of workers hired by the Central Government went from approximately 201,000 to slightly over 275,000. About 138,000 of the central government workers received traditional contracts (Valdebenito, 2017). However, in the same period the number of fee for service workers increased in the Ministry of Health by over 21,000, and in the Ministry of Education by approximately 4,000 with a fee for services contract. Despite this, it should be noted that in percentage terms, the Ministry of Sport has the highest rate of fee for service contracts (77%), which is consistent with the fact that the year 2014 had been recently created.

Data on services is shown in Chart 2 (*next page*):



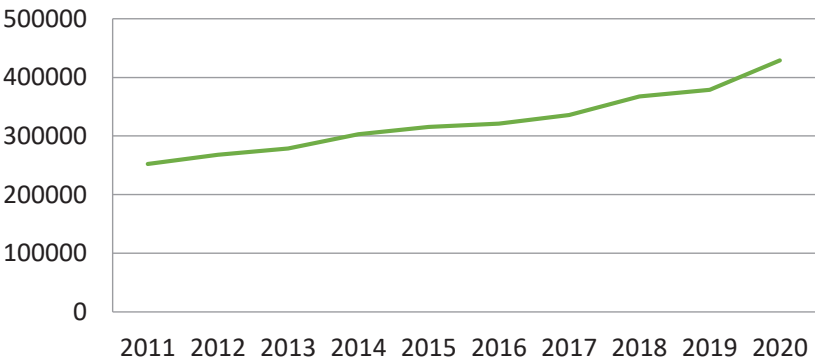
**Chart 2: Distribution of Government Workers by Type of Service**



From this table, we see that the Ministries of Health and Education are the ones with the largest number of personnel in 2020: 220,714 and 47,082, respectively. Then, the Ministry of Justice and Human Rights with 30,850 would be the one that occupies the third place in terms of public personnel. Specifically, the Health services employ over 50% of all public officials. And between the three mentioned ministries they correspond to more than 70% of employees of the Chilean State.

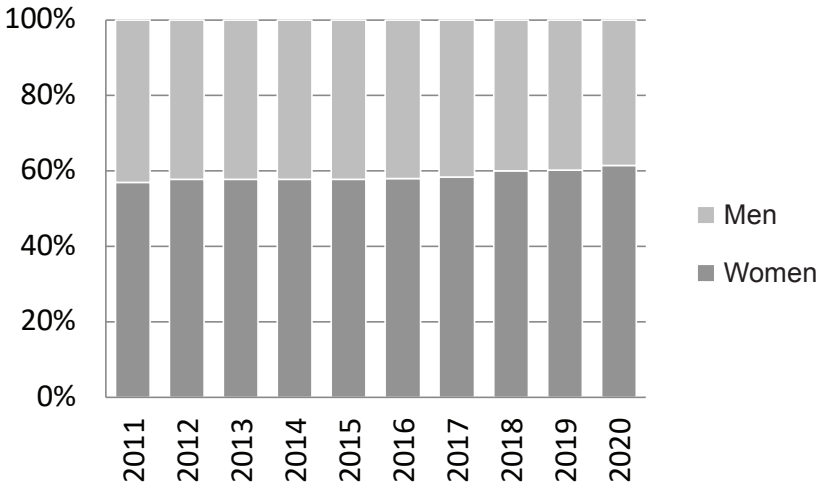
Chart 3 (*below*) shows a substantial increase in the number of employees of the State of Chile during the last decade. The number of State employees increased from 252,345 (2011) to 428,964 (2020) (DIPRES, 2021).

**Chart 3: Employees of the Central Government**



Further, as part of this trend, it is worth emphasizing that there was a slight increase in the rate of women in public functions during the same period: 57% in 2011, going to 58% in 2017 and to 62% during 2020. This is shown in the Chart 4 (*below*). However, if we focus on the female participation in the different ministries, we see that women are concentrated in Education and Health (being 80% and 68% of the workforce in 2020). We also note that these ministries have more workers who have fee for service contracts. Finally, it is important to note that while females hold forty-two percent of the managerial positions in the education and health ministries, sixty-two percent of the total positions in the health and education ministries are occupied by women.

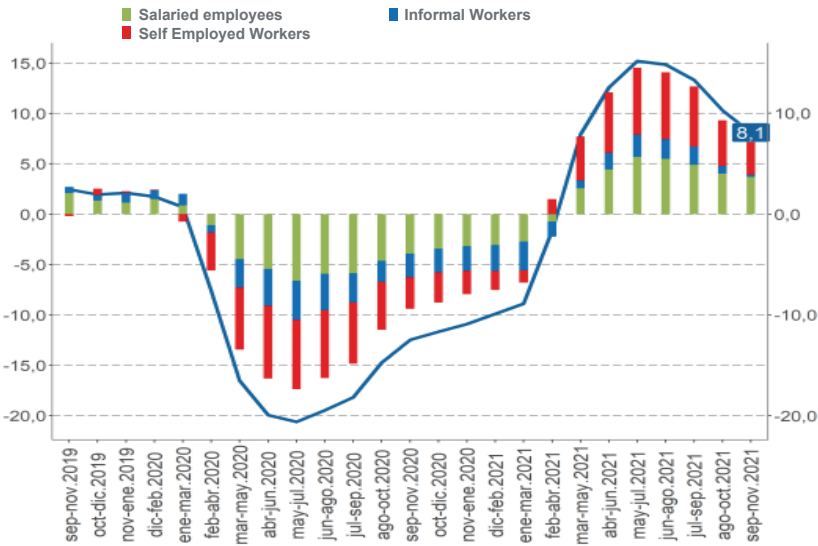
**Chart 4: Distribution of Men and Women in Federal Public Sector**



# About Employment in Chile

In September 2020, total employment had dropped 19.4% (INE, September 30, 2020), mainly due to the health (COVID-19) situation. In December of 2021 the unemployment rate was 7.9%. It had been in clear decline since April-May 2020. However unemployment increased significantly, exceeding 13% in 2021. From the INE (December 31, 2021) it is possible to discern that the main sectors that had experienced a substantial growth in unemployment were: construction, commerce, accommodation, and food service. All of these sectors had experienced a sharp decrease due to the pandemic. Across all sectors, unemployment fell 27%. Finally, informal employment increased 14.3%, reaching 28.2% (INE, 2021). See Chart 5 (below).

**Chart 5: Variation in Employment Over 2 Years by Type of Employment**



---

The Statistical Bulletin: Informal Labor (August 2021) shows that informal workers grew by 30.8% during the April-June 2021 quarter compared to the same period in the previous year, reaching 491,207 employees. This large gain was mainly due to an increase in commerce (32.9%) and in construction (53.4%). It should be noted that in the case of women, the growth was due, primarily, to an increase in accommodation and food service activities (84.3%). Finally, the increase in informal work was influenced, particularly, by the increase in self-employed workers (43%) and private wage earners (19.8%), who represent 53.2% and 31.9 % of the total number of informal workers in the country in the April-June 2021 quarter, respectively.

In any case, based on data from the OECD (2018), we can conclude that the level of income in Chile (2015) is one of the lowest among the member countries. In general terms, the performance chart of the Chilean labor market shows that it is compensated below average in all aspects. However, in both the employment rate and the unemployment rate (2017), Chile is close to the average of the OECD countries: 69.1% over 72.1% and 7.0% over 5.9 %, respectively.

## References

- DIPRES [Budget Directorate]. (2021). *Statistical Yearbook of Public Employment in the Central Government 2011-2020*. July 30, 2021.
- DIPRES [Budget Directorate]. (2020). *Annual Public Employment Report 2019*. December 2020.
- GfK. (2019). *Lifestyles of Socioeconomic Groups in Chile*. GfK Chile.
- Kozyr-Kowalski, Stanisław. (2002). *The Classes of Society and the Economic-Sociological Conception of Property. Classes and Modes of Material Production*. (Unpublished).
- INE [National Statistics Institute]. (2021). *Statistical Bulletin: Quarterly Employment*. Edition no. 278, December 31, 2021.
- INE [National Statistics Institute]. (2021b). *Statistical Bulletin: Labor Informality*. Edition no. 15, August 04.
- INE [National Statistics Institute]. (2020). *Statistical Bulletin: Quarterly Employment*. Edition no. 263, September 30, 2020.
- INE [National Statistics Institute]. (2020b). *Results VI EME 2019. Microenterprise Survey*.
- INE [National Statistics Institute]. (2016). *Synthesis of Results IV EME 2015. Microenterprise Survey*.
- Ministry of Economy, Development and Tourism. (2020). *Results Report. The Feminine Microentrepreneurship in Chile*. Studies Unit. Commercial and Industrial Policy Division. December 2020.
- Ministry of Economy, Development and Tourism. (2019). *Bulletin ELE-5: Main Results*. Studies Unit, Trade and Industrial Policy Division. January 2019.
- Ministry of Economy, Development and Tourism. (2018). *Results Report: Employment. Fourth Longitudinal Survey of Companies*. Studies Unit. March 2018.
- Ministry of Economy, Development and Tourism. (2017). *Results Report: Companies in Chile*. Fourth Longitudinal Survey of Companies. Studies Unit. August 2017.
- OECD. (2018). *The New OECD Employment Strategy*.
- Pizarro Hofer, Roberto (2020) Chile: Rebellion Against the Subsidiary State. *The Economic Quarter*, 87(346). <https://doi.org/10.20430/ete.v87i346.1055>



---

# Social Classes in Chile Today

*Dr. Jorge Chuaqui K.*

Why study social classes? Is the reason to design measures or actions that contribute to social justice? According to how social classes and their situation are conceived, public and social policies will be formulated to benefit one group or another. By emphasizing economic development measured in monetary terms through market intervention without considering the socio-economic complexity, the conclusion is reached that development in Chile is relatively high because poverty has been reduced. When one regulates development with an income level greater than poverty there is no consideration of the informality and precarity of employment. A well developed economy is well structured and provides secure living wages to all of those who need employment. It does not disguise the failures of the economy by focusing on the segment of the workforce with an income level above poverty. This shows the insufficiency of the monetarist measures and their way of measuring, which is how to hide “under the rug” the deep deficiencies of our society, which is very far from having solved crucial problems of our socio-economic structure. Following the criteria that is applied in Chile even a drug trafficker would be a successful businessman. Their economic solvency would not benefit the neighborhood.

According to this criterion of “middle class,” those who are not “poor” are middle class, including as middle class popular sectors who have precarious situations different from what is traditionally understood as middle class. According to this analysis, even the working class would be middle class. All people like the term middle class: “I am not poor, I have a secure situation; nor am I rich and exploit others”. But that does not justify using that concept to refer to the working classes. Social reality is much more complex than the monetarist oversimplification. For Anthony Giddens, the middle class supposes a high qualification or technical-professional training that leaves them in an advantageous position in the labor market as related to non-manual occupations. Individuals in these circumstances, sometimes are described as vulnerable middle classes which

---

include people without technical education. They have only secondary education or less in the Chilean school system, are low-income and their main concern is the problem of accessing a good job. They are therefore not middle classes as such.

We have defined the class position in a previous work (Chuaqui, 2019) as the position that is occupied in the organization of the production, distribution and appropriation of the economic surplus and the exchange, financing and consumption of the goods and services of society. Social classes would be constituted by groups of similar class positions, mainly in terms of having common and/or collective interests derived from such positions. Objective interests were defined as the set of objects (material and social, real and symbolic) to which a subject would have access by occupying a position, if from this position he/she executed the most appropriate sequence of acts to achieve them. The manifest interests are the interests as they are conceptualized or perceived by the subjects. Regarding the interests of a plurality of people, these can be common interests, when the interests that derive from the positions of the subjects are similar to each other. We speak of collective interests when the common interests can only be achieved by people organizing themselves in a community, not individually.

If we consider the economic organization, according to what we have observed in the capitalist class are the owners of companies that produce goods and services, both from the economic-material structure, as well as from the ideational complex (education, mass media, etc.), and services (health, professional sports, etc.). On the other hand, there are the financial capitalists (banks and other companies and people in the business) and the commercial capitalists. Then there are the workers of these companies, in all their varieties. In some cases, such as commerce, there are sellers who work alone. Here we must refer to the petty bourgeoisie. The petty bourgeoisie<sup>4</sup> is

---

<sup>4</sup> Regarding the petty bourgeoisie there is a series of prejudices. People who are described as petty bourgeois are awarded a comfortable life without social sensitivity. Here we use a scientific definition, defining them according to their small capital, differentiating them from medium and large capitalists who accumulate an appreciable mass of surplus value. It is not a political, ethical or moral concept, they are defined according to their class position, not according to their social values and in this sense in Chile there are precarious sectors of the petty bourgeoisie, due to the weakness of our development.



---

made up of small organizations including those made up of one person, also family businesses, small repair or production companies, and groups of professionals such as consultancies. In our neoliberal economy, the first two types of petty bourgeoisie are highly precarious, working in a high percentage in the informal sector. Given the situation in Chile, the size of the companies is very varied, in terms of number of employed. We have large, medium, and small companies. On the other hand, there are the State organizations, with all the State bureaucracy and State education and health companies. In some cases, State workers are called strata and not social classes, but regardless of this, we will consider them as strata even though they share elements of social classes. As can be inferred from the foregoing, there exist within the great classes, capitalists, workers and high officials of the State. Therefore, there is a multitude of class fractions, both owners and workers. Now the question arises: to determine the interests of class and class fractions, is it enough to locate them in the structure of production, trade, finance and bureaucracy? The answer is no.

In addition, we have the specific sector of the class fractions in which the organizations to which they belong operate, the classes they serve, the educational level required, the complexity of the tasks performed, and the size of the companies and organizations that employ them. Further we consider the historical-social content of individual interests. Finally, in the case of Chile and Latin American countries, the interests that occur at the territorial level are stronger than others.

According to the position in the class fractions, level of the economic sector in which they work, education and complexity of the task required (especially in this time of accelerated technological changes), determine the monetary incomes obtained. There are very low-income social sectors, on which their standard of living depends. When this situation continues for a long time, and given that housing construction and the price of land in quality urbanized sectors are onerous, the lower-income sectors settle in depressed urban areas, without all the services, with less commerce, with less green areas and are stigmatized by the rest of the population. Young people from these neighborhoods do not see good life prospects, there is ed-

---

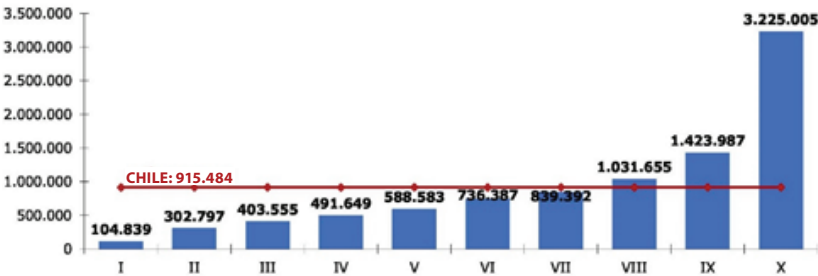
educational drop out. Drug trafficking and organized crime frequently proliferate in these sectors. Young people who do not see real prospects of overcoming their situation are recruited into criminal activity. Drug trafficking is not a majority sector in these neighborhoods, but it creates insecurity for residents and the new generations feel abandoned and do not share many positive values of society<sup>5</sup>. This is because many young people in these sectors do not see opportunities for personal fulfillment according to socially valued goals. They feel outside the social system and they turn their anger into manifestations of violence. The solution is not only repression but a deep transformation of these environments, with real financing leadership provided by the local population. This opens the hope that causes changes in attitudes. We all have the right to live in a good environment. The population of these sectors may even have stronger territorial interests than with more favored sectors of their social class. In these situations, income readjustments are not enough; a multi-dimensional social transformation with empowered populations is required. Class interests are always specified and solidified according to the local and multidimensional socio-historical reality. The social classes that are formed as a result of these economic-material structures include a small number of large export capitalists and some nationals that produce about 85% of the product and employ less than 5%-10% of the population as direct workers, or seasonal workers from the commerce of large stores and supermarkets. Next to these

---

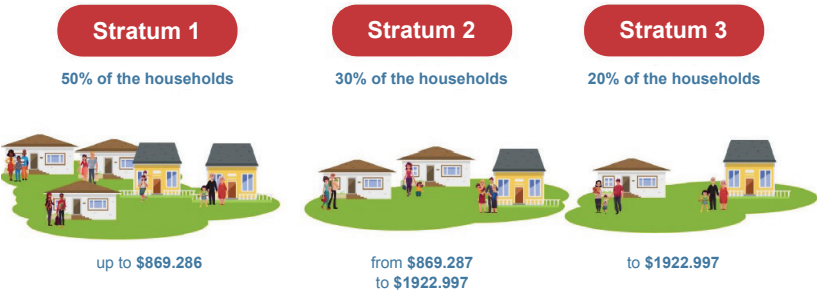
<sup>5</sup> Money, especially in capitalist society, gives power. The power of drug trafficking and organized crime derives not only from violence but also from the money they manage to co-opt, which helps them to have servants, including "soldiers" in the youth of the towns, and also sympathizers in these towns. The objective on which this "community" is based is personal enrichment obtained by immoral means, such as violence against people without empathy for the minimum respect for others, not to transform society into a better, more supportive and democratic one. The values of organized crime are to violate the norms for individual benefit or enrichment. From the point of view of revolutionary movements they are a cancer because they generate, by their very nature, corruption. Revolutionary activity must be altruistic, it must improve a class, not individual members of the class. It does not matter what the "means" are to achieve the revolutionary ends. We are concerned that organized crime is shown to be "revolutionary" when it is a cancer for transformation and social improvement. Support for the cause must be voluntary, achieving consensus among those who support it, and organized crime creates a barrier that excludes all those who are for a minimum of ethics and who are really valuable.

businesses is the myriad of medium-sized and small commercial companies, which would correspond in the classical sense to a large and small commercial and service bourgeoisie, in total about 60%-75%. In formal micro-enterprises, including the self-employed there is 37.3% and in informal ones 28%. In total 65% in microenterprises. In addition to this, in formal jobs in the economy, including large companies, there are many precarious contracts, for fees or fixed-term contracts. On the other hand, within the active population, a significant 20% of mainly informal own-account merchants (mostly what is conceptualized as street and service vendors), which with the pandemic would have reached 28% of the people who actively participate in the economy in this informal sector. It is worth asking: is it a healthy economy in which 28% is in the informal sector, selling non-certified products, without provision or social security, etc.? The distribution of income in Chile is very unequal, with a majority of low income, as shown in Charts 6-8 (*below and on next page*).

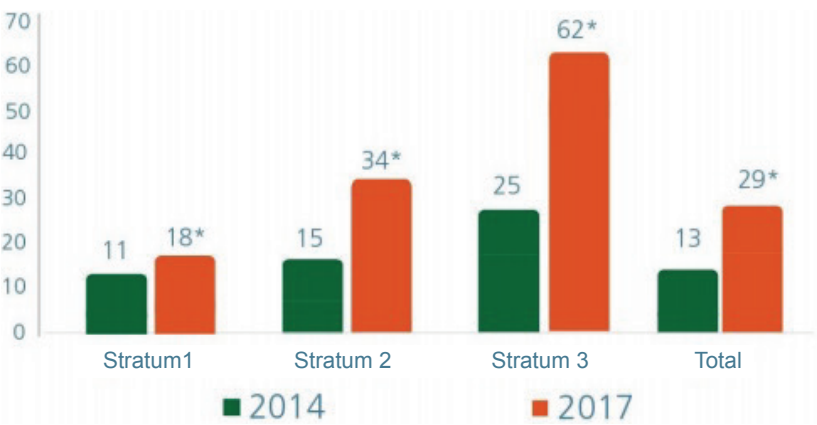
**Chart 6: Average Annual Household Income by Household Wealth in Chile, 2017**



**Chart 7: Distribution of Household Monthly Income in Economic Strata in Chile**



**Chart 8: The Total Debt of the Average Household Equals 29% of the Annual Income of the Household**



---

Education is perceived globally as one of the main sources of social mobility. As shown in the distribution of income and debt in the most precarious class sectors, it is obvious that an education policy based on the market, which assumes rising income and prosperity, is failing because in Chile it only contributes to reinforced class inequality. The State has not introduced an education policy which promotes a more equal distribution of income.

As for the consumption of culture linked to leisure, there are large class differences with the exception of television, which is consumed by all social classes.

In healthcare there is also a powerful private sector that, in addition to income discrimination, discriminates against women and the elderly. The State or government provided sector has the greatest coverage, serving 77% of the population with proportionally a much smaller amount of financing than the private sector.

Preferences for professional soccer in general, are found in all social classes and it is an “industry” that moves significant economic resources, regardless of whether the preferences for one or another club may be associated with certain social classes.

Class interests are also reflected in access and use of basic services (such as health and education) and housing in a territory, in addition to monthly income. The economic resources that are available in the long term condition the standard of living and available life opportunities.

As in all class structures of capitalist societies, there are great social differences in Chile. Let us reiterate, in our country there are a few exporting companies that concentrate an important part of the value produced and a large number of medium and small companies that are commercial and services that concentrate the majority of the value produced by the population. Social inequalities are very clear in the distribution of income. Given this situation, it is to be expected that there will be differences in the ideational (education) and non-ideational (health) services Chileans receive, but what is not “natural” is that these systems are designed in such a way that the public policies are not focused on mitigating these differences. On the contrary, they support private systems which are legalized

---

by the State, to accentuate these inequalities in education and health services even more.

In Chile, there are 33 families at the top of the economic elite linked to a fraction of the class that manages the country's economy with whom they share part of the wealth produced within the highest income decile. To effectively reduce inequality, there must be a redistribution of wealth from this highest income decile rather than focusing on middle income sectors as the primary source of wealth / income redistribution for poverty reduction.

But there are other aspects of the problem. As we argue elsewhere, there are mainly three forms of societal control: physical coercion (threat or use of physical violence), economic coercion through money (access or denial of access to goods that satisfy social needs), and moral control (normative and values pressures). Control through physical coercion, when used indiscriminately, is not effective and tends to provoke resistance if it is not accompanied by other forms of control. Moral control depends on internalized common values. In contrast to violence and moral control, economic control works in almost all circumstances, including at the international level.

In this sense, the concentration of economic power that occurs in capitalist economies, in elite economic groups or family branches, due to the vast differences with the rest of society, gives these groups great advantages. This is exercised through ownership or advertising in the mass media, publication from universities and research centers, financing of political campaigns, recruitment of politicians (even from the "left") in their organizations and command posts, and other successful actions of political dominance over subordinated classes. This level of control guarantees the survival of the current inequitable system, but also results in **direct control of the leadership of the State**. The capitalist elite in Chile are the owners of the copper companies whose profits overshadow those of the rest of the economic elite. They profit as rentiers from the natural riches of copper. They act directly by controlling the leadership of the State. The control of the State by the capitalist elites varies from society to society but we think that it occurs to a certain degree in the various capitalist societies, and obviously it occurs in Chile.

---

Together with this elite and linked to it, are the various positions of the entire State apparatus and large companies that operate and control the economy with great social inequality. In this sense, the average income of the top 10% is 251 times that of the bottom 10%. Regarding the lower income sectors, as we see in the distribution of income, this is not only unequal, but a wide sector of lower class strata/groups has precarious income. Since solvent demand depends on income, a common feature of large class fractions is their precarious solvency. Demand depends not only on income but also on what individuals prefer to buy or pay for goods and services. There are differences according to the specific class situations. These variables include the educational level and cultural characteristics of the class fractions; although since everyone must survive, there is always primary needs spending shared by the various sectors.

For the problem of precarious living conditions, it is not enough to consider only income. In this regard, the latest characterization of socioeconomic groups by the Association of Market Researchers is very useful. (AIM, 2019). It considers not only income but also occupation and education in a multidimensional way. There are three socioeconomic groups whose occupations do not require formal or higher technical education. These are the three groups with the lowest average household incomes. The organization Gfk Chile explored some characteristics of the socioeconomic groups of the AIM study.

The income groups E and D, with average household income of \$324,000 and \$562,000 respectively, are in very precarious life situations. According to the research, the main concern (of group D) is to have a job. Therefore both groups are very vulnerable. In other words, apart from their low income, they do not have the security of having a source of income. Quantitatively, group E is 12.6% of households and group D is 36.9% of households. In total about 50% of Chileans are living in very precarious conditions. To call them “middle class” is to disguise the reality of these sectors, which correspond more realistically as popular classes or groups. A large part of these groups are dedicated to precarious commerce, and jobs with low formal qualifications. They are heterogeneous groups. It is not appropriate to call them the working class, although they include

fractions of the working class among other sectors. But they are united by their precariousness.

The face of precariousness is more complex. It is not just that the popular classes have a precarious job throughout their labor activity over an extended period. A recent study of the information from the Association of Market Researchers carried out by the prominent economist Manuel Riesco, vice president of the National Center for Alternative Development, concludes that workers at various times have a formal job and at other times the same workers fall into informality or informal activities. Minors have great instability and precariousness of life. Quoting one of his analyses:

*“The records of AFP affiliates cover nearly 13 million people. This includes almost the entire population over 16 years of age. They grow at the rate of a quarter of a million per year, including 277 thousand people in the last 12 months to February 2022, which is the latest official information just published. They include 11.4 million active members and 1.4 million pensioners.”*

*“Almost all of these people, 94 percent, define themselves as dependent affiliates, that is, they receive remuneration from an employer and appear on the respective payroll every time they get a job. This does not happen every month, far from it, but almost all affiliated people, close to 90 percent of men and 80 percent of women, have registered contributions in the last five years.”*

*“All the working people, almost all the people affiliated with the AFP system, men and women, constantly enter and leave these occupations, which are generally precarious and of short duration. In the meantime, people are self-employed or unemployed. In the case of women, they often stop looking for work in the meantime, which is why the statistics take them out of the category “labor force”. There is no Chinese*



---

*wall between formal and informal jobs, the people who are in these positions are all temporary. This is a major sociological finding, which has been recognized by the ILO magazine. It seems important to recognize it when analyzing the social structure.”*

*“It is important to note that the overwhelming majority of the working people of Chile, 11.4 million people, obtain most of their income from the modest and precarious wages they receive when they manage to access the 6.5 million jobs where they generate income. most of the value that is measured in GDP.”*

In this sense, precariousness has two faces: low income, a high percentage of informality and habitability in depressed neighborhoods or camps, and also instability due to being in formal employment at a certain moment and in informality or deprivation at other times.

---

## References

- Adimark. (2000). *Socioeconomic Level ESOMAR, Application Manual*. 1-8. <http://www.microweb.cl/idm/documentos/ESOMAR.pdf>
- AIM. (2019). *Update GSE Aim Classification and Application Manual Chile 2019*.
- Celeux, G., & Govaert, G. (1991). Clustering Criteria for Discrete Data and Latent Class Models. *Journal of Classification*, 8, 157-176.
- Chuaqui, J. (2019). *Social Structure, Power, and Person: A Tribute to Karl Marx's Capital*. Ril Publishers.
- London School of Economics. (nd). *Professor Mike Savage*. Retrieved June 5, 2022, from <https://www.lse.ac.uk/sociology/people/mike-savage>
- Nylund-Gibson, K., & Choi, A. Y. (2018). Ten Frequently Asked Questions About Latent Class Analysis. *Translational Issues in Psychological Science*, 4(4), 440-461. <https://doi.org/10.1037/tps0000176>
- Savage, M., Devine, F., Cunningham, N., Taylor, M., Li, Y., Hjellbrekke, J., Le Roux, B., Friedman, S., & Miles, A. (2013). A New Model of Social Class? Findings from the BBC's Great British Class Survey Experiment. *Sociology*, 47(2), 219-250. <https://doi.org/10.1177/0038038513481128>
- Weller, B. E., Bowen, N. K., & Faubert, S. J. (2020). Latent Class Analysis: A Guide to Best Practice. *Journal of Black Psychology*, 46(4), 287-311. <https://doi.org/10.1177/0095798420930932>



Chile is known as one of the most economically developed and, until recently, politically stable countries in Latin America. It is also renowned for the high quality and wide coverage of its healthcare, mental health services, and preventive programs. However, these global indicators for Chile mask great economic and social inequality. When we examine Chile's Gini Index, a measure of wealth distribution, it is over 0.50, which is one of the world's highest – greater than Mexico, Turkey, United States, and Great Britain (OECD, 2019).

In this book, Professor Jorge Chuaqui and co-authors provide a theoretical perspective, which accurately describes that complexity of social classes in Chile and the economic precarity that a majority of Chileans experience. This recent publication connects with earlier works of Professor Chuaqui, which are both theoretical and empirical.

*James G. Linn, PhD (United States)*  
*Javier Molina-Johannes, PhD (Chile)*

Copyright © 2022  
ISBN: 978-956-410-715-8

**GARTH UNIVERSITY CONSORTIUM PUBLISHERS, TORONTO**