

200,000 March Against For-Profit Pensions in Chile



Santiago de Chile, July 26 (RHC)-- A massive demonstration of approximately 200,000 people wound its way through the streets of the Chilean capital of Santiago de Chile, with participants calling for an end to the country's private pension system.

The rally was organized by trade unions and received support from the country's secondary and post-secondary students, who have organized their own large-scale mobilizations against the government of Michelle Bachelet in recent months. Smaller rallies were also held in a dozen other cities and towns.

The Bachelet government expressed a willingness to review the country's pension system, which is dominated by private providers known as AFPs. The system was created in 1981 during Chile's right-wing dictatorship.

However, the government abandoned its proposal to create a state-backed public pension system, withdrawing it from Congress earlier this month. A state-owned pension provider would have provided workers with the option of plans with lower administrative costs than the for-profit providers. Just three companies currently dominate Chile's market for retirement plans, providing coverage to 80 percent of workers with pensions.

The pension funds, which are invested in the market and vary according to conditions, have suffered a hit with the recent slow down in the Chilean economy.

Instead of providing a public alternative, Chile's Congress has established a bicameral commission to analyze the pension problem and propose reforms. But workers' representatives do not expect anything significant from the lawmakers.

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