

Chile on the World Stage: A Marxist Reading from the Material Base to Imperialist Rivalry

From Precarious Labour to the Capitalist World-System: A Dialectical Reconstruction of Chile's Insertion in the Periphery and the Prospects for Socialist Refoundation

Published in: International Analysis Review

Level: Essay — Political Economy, Geopolitics and Socialist Theory

Date: 28th May 2026 ©CopyLeft



I. The Micro: Immediate Relations of Production

The Labour Form in Neoliberal Chile

Every materialist analysis must depart from the **material base** of society: the relations of production, that is, the form in which human beings organise themselves to produce and reproduce their existence. In Chile, this base has been profoundly altered by four decades of neoliberalism.

Precarious wage labour is the dominant form of labour power. Law No. 20,940 (2016), which "modernised" labour relations, in fact deepened flexibility: more than 30% of the labour force operates in informal, subcontracted or digital platform conditions (Uber, Rappi, Cornershop). The worker does not sell their labour power to a stable employer, but rather becomes an "entrepreneur" of themselves, assuming all risks whilst capital captures the surplus value.

In mining—a strategic sector representing 10% of GDP and 50% of exports—surplus value is extracted through **absolute surplus value** (extension of the working day, rotating shift work in extreme desert conditions) and **relative surplus value** (automation, reduction of the labour force, intensification of labour). The real wage of the miner has grown less than productivity, generating a rising rate of exploitation.

In agriculture, the export model (grapes, blueberries, cherries, hazelnuts) is sustained by the **super-exploitation** of migrant labour (Peruvian, Bolivian, Haitian) and the destruction of traditional peasant labour. The large agribusinesses (Subsole, Hortifrut, Copefrut) control the value chain, whilst workers receive minimum wages and live in overcrowded conditions.

In services, **tertiarisation** has generated a mass of call centre, retail, logistics and hospitality workers, whose working conditions are characteristic of **structural precarity**: fixed-term contracts, without social rights, without trade unions, with rotating schedules and algorithmically measured performance.

The Extended Reproduction of Capital

Marx's general formula for capital —M-C...P...C'-M'— is reproduced in Chile with particular intensity. Money (M) becomes commodities (C): labour power, raw materials, machinery. The productive process (P) generates surplus value. The resulting commodity (C') is sold for more money than the initial amount (M'). The difference is surplus value, appropriated by the capitalist.

In Chile, this reproduction has been **extended** through:

- **The privatisation of the reproduction of labour power:** education, health, pensions, housing, transport are commodities that the worker must purchase with their wage, reducing the real value of labour power.
 - **Debt as discipline:** educational credit (CAE), mortgages, consumer credit convert the worker into a permanent debtor, subject to a financial discipline that neutralises conflict.
 - **The destruction of decent work:** trade unionisation fell from 35% in 1973 to 15% in 2025, and existing trade unions are, for the most part, corporatist, without capacity to articulate class struggle.
-

II. The Meso: Economic Structure and Accumulation

Oligopoly and Concentration of Capital

The Chilean economy is dominated by **oligopolies** that control strategic sectors:

- **Pension system:** 6 AFPs (Habitat, Provida, Capital, Cuprum, Planvital, Modelo) administer US\$200 billion in pension funds, charging commissions that absorb 25% of contributions. The system, privatised in 1981, delivers average pensions of \$300,000 CLP (less than US\$400), insufficient for subsistence. Financial surplus value appropriates the productive surplus value of the worker throughout their entire working life.
- **Health system:** 3 Isapre groups (Banmédica, Colmena, Vida Tres) control 60% of the private health market. Competition does not reduce prices, but rather selects risks (excluding the sick and elderly) and generates profit through the denial of benefits.
- **Retail and supermarkets:** Cencosud and Falabella control 70% of retail trade. Their profit margins are sustained by the labour precarity of cashiers, shelf-stockers and salespeople, and by the extraction of rent from small suppliers.
- **Mining:** Codelco (state-owned) competes with transnationals (BHP, Anglo American) in a market logic that obliges the state enterprise to behave as private: reducing labour costs, outsourcing services, increasing productivity. The transnationals (Albemarle, SQM) control

lithium through concessions in the Salar de Atacama, extracting surplus value from a natural resource that ought to be the property of the nation.

Extractivism and the Falling Rate of Profit

The **falling rate of profit** —a tendency law described by Marx in Capital, Volume III— operates in Chile with particular clarity. Investment in manufacturing and technology is risky and slow to return; investment in natural resource extraction is profitable and quick to return. Capital shifts from industrial production towards mining rent and financialisation.

Extractivism is not an economic policy, but a **form of accumulation** that:

- Depletes non-renewable resources (lithium, copper, water).
- Destroys ecosystems (Salar de Atacama, glaciers, native forests).
- Excludes local communities from decision-making.
- Generates structural dependency: when international prices fall, the economy enters recession.

Financialisation complements extractivism: capital is not invested in production, but in financial speculation (bonds, shares, derivatives). The Santiago Stock Exchange and capital markets become mechanisms for appropriating surplus value without passing through production.

III. The National: State, Hegemony and Political Superstructure

The Subsidiary State as Class Apparatus

The 1980 Constitution, drafted by Jaime Guzmán and the gremialistas, enshrines the **subsidiary State**: the State does not guarantee social rights, but rather "subsidises" those who cannot access the market. This logic, far from being neutral, is the **legal recognition of the supremacy of private capital over social welfare**.

The Chilean State, in its repressive function, guarantees surplus value through:

- Carabineros and Armed Forces that protect private property and repress social protest.
- Courts that criminalise poverty and migration.
- A prison system that disciplines the surplus population.

In its ideological function, the State reproduces hegemony through:

- An educational system that selects by social class (élite schools, traditional universities vs. municipal schools and CFTs).
- Concentrated media (El Mercurio, Copesa, TVN, Mega) that naturalise the neoliberal order.
- Think tanks (Libertad y Desarrollo, Centro de Estudios Públicos) that produce "knowledge" functional to capital.

The Hegemony of the Transnational Oligarchy

The Chilean ruling class is not an autonomous national bourgeoisie, but a **transnational oligarchy** articulated with global capital. The Edwards, Matte, Yarur, Luksic, Angelini, Claro families control conglomerates that operate in multiple countries and sectors, with capital in tax havens and corporate governance structures that escape state control.

This oligarchy exercises hegemony not only through coercion, but through **consensus**: the idea that Chile is a "country of owners", that individual merit determines success, that entrepreneurship is the path to emancipation, that poverty is the poor person's fault. This ideology, disseminated by the media, the school, the evangelical church and social media, constitutes the **ideological apparatus** that neutralises class consciousness.

The Crisis of Hegemony Post-2019 Estallido

The social explosion of October 2019 represented the **crisis of hegemony** of the neoliberal model. The slogan "*It's not 30 pesos, it's 30 years*" revealed that the legitimacy of the system had been exhausted. State violence —30 dead, 400 with permanent eye damage, thousands detained— demonstrated that consensus was ultimately sustained by coercion.

The response of the ruling class was dual:

- **Reform:** the Agreement for Social Peace and the New Constitution (November 2019), which promised a Magna Carta to replace that of 1980.
- **Restoration:** the victory of Kast in 2025, which represents the attempt to recompose hegemony through repression, nationalist exclusion and total surrender to capital.

The Kastist Restoration: Return to the Penal State

The government of José Antonio Kast (2026-) deepens the logic of the subsidiary State, but adds a repressive dimension that the transition had softened:

- **Militarisation of the Wallmapu:** the Mapuche conflict is redefined as "terrorism", justifying military presence in ancestral territories.
 - **Migration control:** the expulsion of 330,000 migrants (majority Venezuelan) functions as a mechanism of labour discipline and construction of an internal enemy.
 - **Mega-prison in Atacama:** the promise of mass imprisonment responds to the logic of the penal state that manages the surplus population through prison, not through social integration.
-

IV. The Regional: Integration and International Division of Labour

Chile as Rich Periphery

In the international division of labour, Chile occupies an ambiguous position: it is **periphery** (exports raw materials, imports technology), but **rich** (high incomes from mining exports, relatively high standard of living for the region). This ambiguity is functional to capital: Chile is the "**model**" that demonstrates that the periphery can prosper if it submits to the global market.

The reality is different:

- **Export of raw materials:** copper (50% of exports), lithium (growing), cellulose, salmon, wine, fruit. All with low value added.
- **Import of capital goods:** machinery, technology, fuels, processed foods. All with high value added.
- **Deteriorated terms of trade:** the price of primary exports grows less than the price of technological imports. The apparent wealth is **transfer of surplus value** towards the centres.

The Lithium Triangle Trap

Chile, Argentina and Bolivia concentrate 65% of world lithium reserves. This concentration ought to be a negotiating advantage; in practice, it is a **trap**:

- The three countries compete with each other to attract foreign investment, offering concessions, tax exemptions and labour flexibility.
- The transnationals (Albemarle, SQM, Ganfeng, Tianqi) play with this competition to obtain the best conditions.
- None of the three countries processes lithium at industrial level (batteries, electric vehicles). The value added is captured in China, the US and Europe.

The "cooperation" of the Lithium Triangle, rhetorically announced, is **impossible under capitalism**: competition between nation states for foreign capital prevents any sovereign coordination.

BRICS+, CELAC and the Fiction of Multipolarity

Integration into BRICS+ and CELAC offers, in theory, an **alternative to unilateral dependence** on the US. In practice:

- Chile is not a BRICS+ member, only an observer. The right and centre-left have blocked accession, fearing Washington's reaction.
- CELAC is a diplomatic forum without binding economic capacity. Regional trade agreements (ALBA, MERCOSUR) exclude Chile or keep it in a marginal position.
- "Multipolarity" is, for the periphery, more **imperialist rivalry** than emancipatory opportunity. China does not offer anti-imperialist alliance, but conditioned investment and purchase of raw materials.

Juridical Subordination: ICSID, TPP and the End of Sovereignty

The free trade agreements signed by Chile (more than 60) include **international arbitration clauses** that allow transnationals to sue the State for policies affecting their profits. ICSID (International Centre for Settlement of Investment Disputes, of the World Bank) has been used by mining companies to block tax and environmental reforms.

The TPP (Trans-Pacific Partnership, 2016) deepens this subordination: extended patents for medicines (making public health more expensive), protection of foreign investment above national legislation, and dispute resolution mechanisms where corporations are judge and jury. Chilean "sovereignty" is, in practice, a **legal fiction**.

V. The International: The Capitalist World-System and Imperialist Rivalry

The Transition from Unipolarity to Multipolarity

The 21st century is characterised by the **transition from a unipolar order (dominated by the US) to a multipolar system** where China, Russia, India and regional blocs compete for influence. This transition is not peaceful: it expresses itself in trade wars, economic sanctions, technological disputes and proxy conflicts.

For Latin America, this configuration presents **risks and opportunities**:

- **Risk:** the region becomes the "backyard" of imperialist rivalry again, with the US pressuring for total alignment and China offering conditioned infrastructure and credits.
- **Opportunity:** multipolarity creates **spaces for manoeuvre** that did not exist during the Cold War, where neutrality was impossible.

The Trump II administration has made explicit a "**New Security Strategy**" that redefines US foreign policy with a "hard power" focus: containment of China, migration control, combating cartels, and strengthening allies. In this scheme, "neutrality is the privilege of the few and alignment becomes the currency for economic stability". Chile, with its far-right government since December 2025, is particularly exposed to this pressure.

Chile as Strategic Territory

Chile is, for imperialist rivalry, a **strategic territory** for multiple reasons:

- **Lithium:** a critical resource for the global energy transition. Without Chilean lithium, there are no batteries for electric vehicles or renewable energy storage.
- **Copper:** indispensable for the electrification of the economy (cables, grids, turbines).
- **Atacama Desert:** solar and wind potential for green hydrogen, which could supply global industry.

- **Clear skies:** astronomy and space control (observatories, satellites, communications).
- **Strait of Magellan:** passage between Atlantic and Pacific, controlled by the US Southern Command.

The "competition" for these resources does not benefit Chile: it converts it into a **scenario of dispute** where both powers pressure for concessions, whilst the local state loses sovereignty.

VI. The Structural Contradiction and the Socialist Perspective

The Principal Contradiction

The principal contradiction of contemporary Chile is that which Marx identified in Capital: between the **productive forces** (the potential for sovereign development, natural wealth, technological capacity, qualified labour power) and the **capitalist relations of production** (private property of the means of production, extraction of surplus value, subordination to the global market).

This contradiction expresses itself in:

- **Crisis of overproduction and underconsumption:** Chile produces more than its population can consume (exports), whilst its population cannot consume what it needs (poverty, inequality).
- **Ecological crisis:** unlimited accumulation collides with planetary limits. The Salar de Atacama is being depleted, glaciers are disappearing, native forests are being replaced by pine and eucalyptus plantations.
- **Crisis of legitimacy:** formal democracy cannot resolve the material contradictions, generating disaffection, protest and, eventually, authoritarian restoration.

Task: Socialisation of the Means of Production

Socialist refoundation requires the **socialisation of the means of production**, not as bureaucratic nationalisation, but as **community and democratic management**:

- **Nationalisation of lithium, copper and water**: not to generate state rent, but to plan their use according to social and ecological needs.
- **Socialisation of the AFPs**: pension funds become collective property, democratically administered, with social rather than financial profitability.
- **Democratic municipalisation of health and education**: not recentralisation by the state, but autonomy of communities in service management.
- **Ecological planning**: the economy does not grow for growth's sake, but is oriented towards satisfying needs within planetary limits.

The Historical Subject

The historical subject of transformation is not a party vanguard, but a **class alliance** that articulates:

- The **working class** (formal and informal wage workers, miners, agricultural workers, service workers).
 - The **indigenous peoples** (Mapuche, Aymara, Atacameño, Rapa Nui), whose territorial struggle is also struggle against extractivism.
 - The **popular sectors** (shantytown dwellers, students, debtors, migrants), whose precarity is an expression of the structural contradiction.
 - The **anti-imperialist currents**, who understand that national sovereignty is inseparable from social transformation.
-

VII. Social Organisation and Political Vehicles: The Case of the PC(AP)

Marxist-Leninist Theoretical Bases

Marx, in the Provisional Rules of the First International (1864):

"That the emancipation of the working classes must be conquered by the working classes themselves."

However, this thesis does not imply the abandonment of the party. Marx himself, in the same International, fought against the English trade unionists and French Proudhonists who rejected political action. "Proletarian autonomy" meant having **"a political instrument of their own based on their consciousness and their programme"**.

Lenin, in *What Is To Be Done?* (1903):

"It seems that nobody has hitherto doubted that the strength of the contemporary movement lies in the awakening of the masses (chiefly, of the industrial proletariat), and its weakness in the lack of consciousness and initiative among the revolutionary leaders."

Lenin developed the conception of the party as **"organised vanguard"** that **"marches at the head"** of the class. The final objective is the **"mass party, of hundreds of thousands and millions, present in all mass organisations"**. The party is a **"living organism"** that grows with the movement, not a static structure.

Stalin, in *The Foundations of Leninism* (1924):

"The Party is the vanguard detachment of the working class... The Party must march at the head of the working class, it must see further than the working class, it must lead the proletariat behind it and not drag at the tail of the spontaneous movement."

But Stalin also specified:

"The Party is not only the highest form of class union of the proletarians, but it is, at the same time, an instrument of the proletariat for the conquest of its dictatorship."

The key is: the party is an **instrument**, not an end in itself. It is the **highest form of organisation**, not a substitute for the class. It is **vanguard that leads**, not élite that replaces.

The PC(AP): Cadre Party Without Mass Party

The **Chilean Communist Party (Proletarian Action)** —founded on 8 November 1979, in the midst of the dictatorship, from the split of the Maoist Revolutionary Communist Party— defines itself as **anti-revisionist**, reclaiming Marx, Engels, Lenin and Stalin, and rejecting Eurocommunism. It is organised according to **democratic centralism**, with cells, communal, regional and central committees. It publishes *Acción Proletaria* (theoretical review) and *Remolino Popular* (mass newspaper). Its slogan is *"To the patriotic and revolutionary struggle, Communist Party (Proletarian Action)!"*.

However:

- It is not legally constituted before the Servel; it operates as a **legal** (not illegal) party.
- Electoral results: 0.11% in 2005 parliamentary elections; 0.02% in 2004 municipal elections.
- Eduardo Artés, general secretary since 1979, has been a presidential candidate in 2017, 2021 and 2025.
- Without insertion in mass trade unions: it does not control the CUT or sectoral federations.
- Without territorial insertion: without organised presence in shantytowns, neighbourhoods, Mapuche territories.

According to Leninist theory, the revolutionary party passes through stages:

1. **Cadre party**: hundreds/thousands of members, vertical structure, intensive ideological formation.

2. **Mass party:** hundreds of thousands/millions, present in trade unions, territories, social movements.
3. **Effective leadership:** the party is "at the head" of the mass organisations, not absent from them.

The PC(AP) has been at stage 1 since 1979, without transitioning to stage 2. This constitutes, objectively, a **deviation from the Leninist model** of party construction.

The Dichotomy of the Chilean Left

- **PCCh:** mass party with social base (trade unions, territories, voters). But it has abandoned the revolutionary perspective; integrated into the institutional system (Apruebo Dignidad, historical Concertación).
- **PC(AP):** maintains revolutionary perspective (anti-revisionism). But it is a cadre party without organised social base; without transition to mass party.
- **Frente Amplio:** born from the 2011 student movement, it became institutionalised. But it replicated Concertación logics; lost mobilisation capacity.
- **MIR/FPMR:** armed organisations without sustained construction of popular power. But disarticulated or integrated into the system.

According to Lenin, overcoming this dichotomy requires: **building the vanguard FROM and FOR the class, not OVER and WITHOUT the class.**

The Leninist Task

According to Lenin (*What Is To Be Done?*, 1903) and Stalin (*Foundations of Leninism*, 1924):

- The party must be "**at the head of the trade unions, factories, schools, neighbourhood associations**".
- The objective: "**mass party, of hundreds of thousands and millions, present in all mass organisations**".

- The party is a "**living organism**" that grows with the movement; not a static structure.
- Democratic centralism is a **method of organisation**, not an immutable dogma.
- Tactics must be **flexible**: alliances, electoral participation, insurrection, according to the correlation of forces.
- Party leadership must **emanate from the base**, not be imposed from the summit.

For the PC(AP), this objectively implies: **transitioning from cadre party to mass party, maintaining the revolutionary perspective.**

VIII. Conclusion: Towards Refoundation

The victory of Kast in 2025 closes a political cycle and opens a new phase of the contradiction. The neoliberal model, imposed by the dictatorship and administered by the transition, has exhausted its capacity for legitimation. The far right does not offer solution, but **repressive escalation**. The institutional left, represented by Boric's failure, has demonstrated its structural incapacity to transform the model from the State.

Socialist refoundation is not utopia, but **historical necessity** derived from the contradictions of Chilean capitalism: structural dependency, resource extraction, extreme inequality, ecological crisis, loss of sovereignty. The objective conditions exist; what is lacking is the subjective articulation.

The task that opens is that of **building a new social majority** that articulates the popular sectors, indigenous peoples, feminism, ecologism, trade unionism and anti-imperialist currents, in a project that combines:

1. **Social organisation** (working class + indigenous peoples + organised popular sectors).
2. **Political vehicle** (vanguard party that articulates, coordinates, represents, but does **NOT** substitute).
3. **Historical project** (socialisation of means of production, democratic planning, sovereignty, plurinationality, political ecology).

According to historical materialism:

- Without social organisation, the vehicle is bureaucracy or sect.
- Without political vehicle, organisation disperses and is co-opted.
- Without historical project, both become reformist management.

The PC(AP) is, objectively, a **cadre party that has not transitioned to mass party**, according to the Leninist model of party construction. This constitutes a **deviation from Leninism**, not its application.

Socialist refoundation requires that the vanguard party exercise leadership **FROM and FOR the class**, not **OVER and WITHOUT the class**. The party must be the instrument of the class, the class must be the motor of the party.

Revolution is not punctual insurrection, but **long-term construction of power**.

Chile, laboratory of neoliberalism, can become —if the peoples so decide— **laboratory of the transition to 21st-century socialism**. Not as a replica of past models, but as an original experience that combines sovereignty over resources, radical democracy, plurinationality and political ecology, in a regional articulation that breaks with structural dependency and builds a civilisational alternative for Latin America and the world.

The socialist revolution of the 21st century is, above all, **a revolution of the productive forces liberated from the chains of capital**. And that liberation begins, not in the central committees of parties, but in the assemblies of workers, in the territories of indigenous peoples, in the schools of students, in the factories of the working class. The party —any party— will only be useful when it is the instrument of that liberation, not its obstacle.

References

- Marx, Karl (1864). *Provisional Rules of the International Workingmen's Association*.
 - Marx, Karl (1867). *Capital*. Volumes I, II and III.
 - Lenin, Vladimir (1903). *What Is To Be Done?*.
 - Stalin, J. (1924). *The Foundations of Leninism*.
 - Gramsci, Antonio (1929-1935). *Prison Notebooks*.
 - Mariátegui, José Carlos (1928). *Seven Interpretive Essays on Peruvian Reality*.
 - Wikipedia (2025). "Partido Comunista Chileno (Acción Proletaria)".
 - Wikipedia (2005). "Chilean Communist Party (Proletarian Action)".
 - Comunistas Revolucionarios (2024). "Lenin and the Construction of the Communist Party".
 - Revista EDM (2024). "The Leninist Party: The Validity of a Legacy".
 - CEDEMA. "On the Construction of the Party".
 - LeftCom (2024). "Class Consciousness and Revolutionary Organisation".
 - Diálogo Político (2026). "The Map of the Aligned".
 - LlyC Global (2025). "Trump II: Impact on Latin America".
 - OECD (2025). *Economic Studies of Chile*.
 - CAPIREMOV (2024). "The Journey of the Peoples of the Americas Towards Socialism".
 - Diálogo Américas (2023). "China and South American Lithium".
 - Voice of America (2023). "Competition for Latin American Lithium".
-