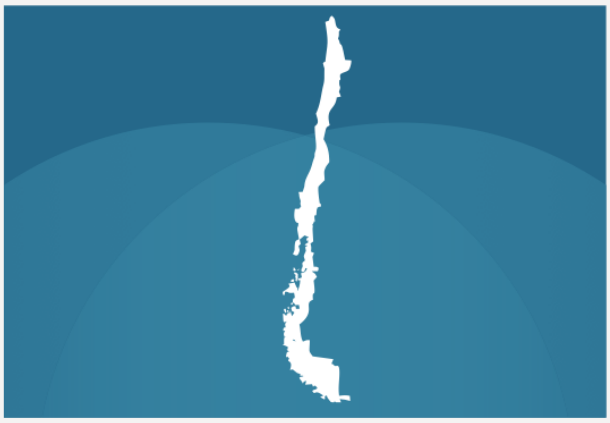
CHILE

(POP. 19,212,000 (2021))



Extreme income inequality in Chile

In Chile, the average national income of the adult population is €PPP22,100 (or CLP14,083,780).[6] While the bottom 50% earns €PPP4,500 (CLP2,866,570), the top 10% earns almost 30 times more (€PPP130,200 or CLP82,966,190). The bottom 50% in Chile earn only 10% of total income, while the top 10% share is equal to almost 60%. The country is one of the most unequal in Latin America. These levels are comparable with inequalities in Brazil, where the bottom 50% share is also close to 10%.

Income inequality in the long run

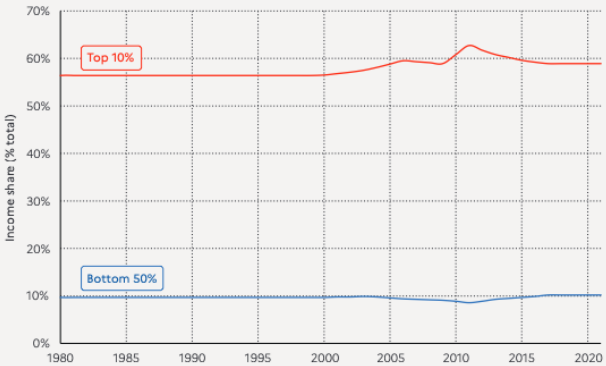
Available estimates suggest that inequality in Chile has been extreme over the past 120 years, with a top 10% income share constantly around 55%-60% and a bottom 50% income share around 9-10%. The persistence of extreme inequality in Chile, even after the end of the military dictatorship (1973-1990), has recently triggered a wave of social protests. In 2019-2020, Chileans went to the streets to protest against a dual economy system characterized by an economic elite living according to wealthy North American standards on the one hand, and a very poor working class and increasingly pauperized middle class on the other.

Table 1: *Inequality outlook*

	Income		Wealth	
	Avg. Income (PPP €)	Share of total (%)	Avg. Wealth (PPP €)	Share of total (%)
Full population	22 100	100%	53 900	100%
Bottom 50%	4 500	10.2%	-600	-0.6%
Middle 40%	17 100	30.9%	27 100	20.1%
Top 10%	130 200	58.9%	433 400	80.4%
Top 1%	585 100	26.5%	2 670 300	49.6%
Top 10% to Bot. 50% Income gap			1 to 29	
Female labor share			38%	
GHG footprint			6,3 tCO2 / pers.	
Transparency index			8 / 20	

Interpretation: *See glossary for definitions of concepts and indicators.*
Sources and series: *wir2022.wid.world/methodology*

Figure 1: ***Top 10% and bottom 50% income shares in Chile, 1980-2021***



Interpretation: *The Top 10% income share is equal to 59% in 2021. Income is measured after the operation of pensions and unemployment insurance systems and before income tax.*
Sources and series: *see wir2022.wid.world/methodology, and Chancel and Piketty (2021).*

6: €1 PPP = $PPP 1.4 = 637.2

The poorest half owns no wealth, the richest 1% owns half of it

Today, the average wealth for the bottom 50% in Chile is negative, with a high number of Chilean in debt. On the other hand, the top 10% and top 1% of the population respectively hold 80% of the total (€PPP433,000 on average, CLP276,160,350) and 50% of the total (€PPP2,670,000 on average, CLP1,701,429,350). In the last 25 years, these extreme levels of inequalities have continuously increased. Between 1995 and today, the average wealth of the bottom 50% has remained around zero. Simultaneously, the shares of the top 10% and top 1% have more than doubled.

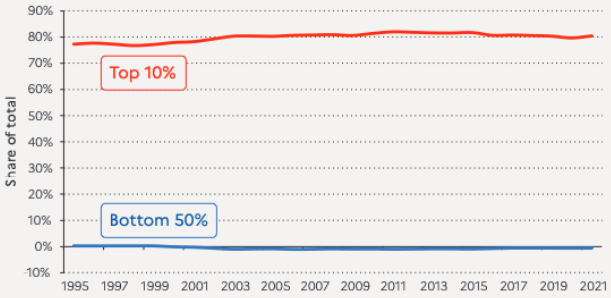
Gender inequality

In Chile, the female labor income share is equal to 38%. This is very close to other Latin American countries, including Argentina (37%) and Brazil (38%). Similar to Brazil, the decrease in gender inequality in Chile has been significant in the last 30 years. Between 1991 and today, female labor income share has increased by 14 points.

Carbon inequality

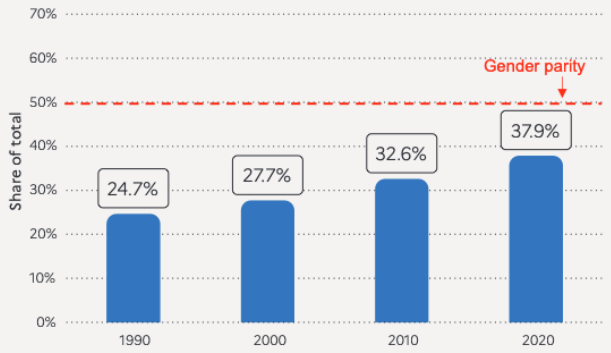
Unsurprisingly, carbon inequalities in the country are also very high. The average carbon consumption is around 6 tCO2e/capita. While the top 10% emit on average 26 tonnes every year, the bottom 50% and middle 40% emit respectively three and six tonnes. Between 1990 and 2011, the average carbon footprint in Chile went from 3.7 tonnes to 6.3 tonnes. Since then, it has stabilized.

Figure 2: *Wealth distribution in Chile*



Interpretation: *In 2021, the wealthiest 10% of the population own 80% of total household wealth. Household wealth is the sum of all financial assets (e.g. stock, bonds) and non-financial assets (e.g. housing), net of debts.*
Sources and series: *wir2022.wid.world/methodology.*

Figure 3: *Female labor income share in Chile, 1990-2020*



Interpretation: *The share of total labor income accruing to women in 2020 is close to 38%.*
Source and series: *wir2022.wid.world/methodology.*

Table 2: *Carbon table*

	Avg. GHG footprint (tCO2e/capita)
Full population	6.3
Top 1%	108.2
Top 10%	26.1
Middle 40%	5.8
Bottom 50%	2.7

Interpretation: *The table presents average CO2 emissions of different groups of the population in 2019. Emissions take into account carbon embedded in consumption and investment portfolios.*
Sources and series: *wir2022.wid.world/methodology.*