INTRODUCTION

Throughout the first half of the twentieth century, labor rights expanded dramatically in Chile, transforming the workplace and workers’ place in society. New laws recognized trade unions, improved safety and working conditions, and banned child labor. To achieve social peace and respond to workers’ growing activism, the state mediated labor conflicts and disputes. The Labor Department sent hundreds of appointed civil servants across the country to inspect working conditions and enforce labor laws. For workers, wage labor and formal employment opened access to other rights, such as health care and social security, symbols of progress and citizenship. In the union hall, workers created new forms of political, social, and cultural participation, which intertwined with a labor tradition dating back to the nineteenth century and the nitrate fields. The institutionalization of labor relations, policy makers and social reformers argued, represented one of the greatest accomplishments of the country. As Moisés Poblete Troncoso, Chile’s most influential and internationally renowned labor lawyer, explained in 1960, “the Chilean labor code is one of the most complete in Latin America.”

Despite its achievements, Chile’s system of modern labor relations suffered from many problems. Legislation discriminated against agricultural workers, nearly 35 percent of the workforce in the 1950s; prohibited public employees from unionizing or bargaining collectively; and barely protected domestic workers, most of whom were women. Considered a milestone in Latin America, the social security fund gave health care benefits to workers and immediate family members but offered few retirement pensions until the 1960s. Because of economic instability and employers’ opposition to labor laws, improving working conditions, negotiating salaries, and enforcing rights remained the most important and challenging union activity. High rates of inflation undermined workers’ economic gains, while political oppression and abusive employers weakened workers’ rights. Unionization also lagged and, until the late 1950s, was found largely in big industrial
and mining plants, leaving other sectors relatively untouched. Workers’
everyday reality was far away from the text of the law. Union leader Luis
Solís noted in 1936 that although “labour laws have always been said to
be advanced” and the country ratified international conventions, “it is a
well-known fact that there is close collaboration between the employers and
public authorities to suppress any too active trade [union].”

Unemployment and job instability illustrate the limits of labor protec-
tions and economic modernization. Most workers could not count on labor
rights or social welfare to ameliorate recurring economic cycles and dis-
missal. None of the labor laws enacted through the 1920s–1940s addressed
unemployment. Approved in 1924, the contract law (Law 4053) offered
little protection and did not guarantee job security. Social security, also
established in 1924, did not cover the risk of unemployment until 1953.
The Great Depression caused havoc in the country. Although over 120,000
people were out of work in 1932, the government responded by setting up
emergency programs and protections for consumers instead of establishing
long-term labor reforms. Social aid expanded in the 1940s but remained
limited and in the hands of charity and religious institutions. The exception
were white-collar employees in the private sector. To protect their middle-
class status, Law 6020 of 1937 established unemployment subsidies and
minimum wage for white-collar workers. However, they made up only a bit
more than 10 percent of the insured workforce and contributed to personal
saving accounts, not traditional social funds. In 1950, most working-class
Chileans remained unprotected against unemployment.

This book examines unemployment and job insecurity to explain labor
tensions in Chile between the 1910s and the 1960s. This is not an economic
analysis but a labor history of how workers, the state, and employers expe-
rrienced, perceived, and defined unemployment and how the views of each
of these groups shaped welfare policy. I argue that while the state adopted
international standards to fight unemployment, local economic, political,
and social forces transformed and limited these reforms.

International actors influenced national public policy, statecraft, and
institutional practices in multiple ways. European political economists
provided Chilean intellectuals with a technical lexicon to understand the
labor market, including new concepts such as classifying the population as
either economically active or inactive. The state also followed the recom-
mendations of the International Labor Organization (ILO) to collect labor
statistics and establish free placement offices. In the post–World War II era,
foreign advisors, such as the Klein-Saks Mission (1955) and ILO experts,
guided social security reforms and reorganized public administration.

International exchanges are only one part of the story. Interactions be-
tween workers, civil servants, and employers reveal a more complex reality.
As labor scholars have demonstrated, countless obstacles, including employers’ vicious opposition to workers’ rights and lack of public funding and commitment to enforcement, undermined labor laws and policies in Chile. In his classic study of textile workers in the Yarur mill plant, Peter Winn demonstrates the enormous difficulties faced by labor to enforce basic rights, form an independent union, and bargain collectively. Similarly, Brian Loveman has shown that rural employers used all kinds of tactics to prevent labor inspectors from entering their properties. These works reaffirm the importance of looking beyond the law and examine the relationship between employers, civil servants, and workers. Civil servants such as social workers and labor inspectors were critical actors who understood and worked to resolve problems of the working class: unemployment, inflation, and employer resistance to unionization. Addressing concrete cases, these professionals interpreted people’s needs and negotiated with employers, workers, and local political actors. Their political loyalties and views about race, class, gender, and family infused public programs and institutions with new meanings.

By contrasting the local and the global, the text and the practice of labor laws, and different definitions of unemployment, this book illustrates the fractures deeply embedded in Chile’s system of industrial relations. Scholars have long pointed out the limits of Chilean democracy. Elizabeth Lira and Brian Loveman have demonstrated how regimes of exceptions, the political and partisan role of the judicial power, and other authoritarian political practices limited democracy between 1925 and 1973. From a labor perspective, the history of unemployment helps us understand the everyday limits to citizenship, social rights, and democracy in twentieth-century Chile.

A HISTORY OF UNEMPLOYMENT

Unemployment, Raymond Williams explains, is a complicated and controversial keyword. Its use and application reflect how societies perceive work and wage labor. The most important aspect of its meaning, Williams explains, “depends upon its separation from the associations of idle; it describes a social situation rather than a personal condition.” In Europe and the United States, the process of separating unemployment from idleness took place between the 1870s and 1910s. To better understand this process, historians have examined how states, political economists, and labor organizations understood unemployment. They have focused on three major changes: definition (semantic/language), measurement (statistics), and legislation (labor laws and social security). Labor scholars have shown how people responded to unemployment at the personal, community, and political levels, including through social mobilization and migration. Work-
ing people, they argue, contested narrow definitions of unemployment and eligibility criteria for direct relief based on race, gender, and political citizenship. While these historical narratives focus only on Europe and the North Atlantic world, they suggest the need to examine how social categories emerged and influenced state policies. Moreover, development in the North Atlantic had a global impact as European social thought and, after 1919, the International Labor Organization (ILO) heavily influenced Latin American labor laws and unemployment policies across the globe.

Changing definitions of unemployment provide the starting point to understand how and why societies began to recognize unemployment as a unique social and economic phenomenon. Traditionally, societies had viewed unemployment as a personal and moral failing and criminalized vagrancy and poverty. Alexander Keyssar, for example, explains that the term unemployed was ambiguous in the United States until the 1870s. It referred both to people “out of work and seeking it” and to those “who were simply ‘not employed,’ who were idle or not working.” Parallel processes took place in other parts of the world. In the late nineteenth century, the words chômage (French) and Arbeitslosigkeit (German) evolved in similar ways to their English counterpart. The transition in Spanish took longer. In the early twentieth century, Spanish-speaking authors could not find a word in their language to define unemployment, preferring chômage. By the 1920s, Spanish words such as paro and desocupación became common. However, arguing that these terms could refer to both the unemployed and people unfit or unwilling to work, experts in Spain and Spanish Latin America added the adjective forzoso (unavoidable or forced).

By placing these semantic discussions in a historical context, scholars have reconstructed the birth of modern unemployment within the context of industrial capitalism, wage labor, and the rise of a regulatory state. Beginning in the late nineteenth century, both state agents and political economists looked to describe a new social and economic experience; wage labor had made unemployment visible. In Capital (1867), Karl Marx argued that capitalism not only caused unemployment but required a “disposable industrial reserve army” to increase production and maintain wages low. Across the globe, economic recessions hit hard in industrial cities and affected thousands of factory workers. Unemployed workers began to protest regularly, demanding food and jobs. In 1886–1887, “unemployed demonstrations . . . caused near panic in London.” When helping the poor, states and charity organizations separated unemployed people from paupers and vagrants, but the differences were not yet clear. To explain the differences, European political economists turned to studying the labor market, demography, and the economic and social causes of unemployment. In 1909, the Italian scholar Manlio Andrea D’Ambrosio published Passività economi-
D'Ambrosio claimed, meant unemployment.21 By identifying and specifying these differences, experts set the stage for two streams of public aid: unemployment insurance for the workforce and social welfare for children, the elderly, and disabled people.

The extent to which people were themselves responsible for losing their jobs sparked continuous political and academic debates, shaping social insurance and aid. In the 1910s, William Beveridge, the author of the UK social security system, studied the impact of industrial production and economic cycles on urban workers. He argued that the “maladjustment between the supply of and the demand for labour” caused unemployment rather than workers’ own failings. So, Beveridge argued, experts should pay attention to unemployment and not the unemployed.22 This view represented a pivotal change both in social analysis and in state practices. If economic problems caused unemployment, personal or moral failures became less relevant. Because unemployment transcended the individual, it required public attention and a state response. Britain’s shift from poor laws to public insurance illustrates these changes. Beginning in the sixteenth century, poor laws gave direct aid to the indigent but also forced people in need to labor in workhouses to redeem themselves. Receiving aid from workhouses and other similar institutions carried a negative moral stigma. Instead, the National Security Act (1911) created compulsory insurance and made unemployment subsidies a social right.23

Early twentieth-century experts also looked for reliable data.24 The history of unemployment as a measurable category intersects with the rise of the field of modern statistics. In the second half of the nineteenth century, experts developed a scientific method to count and systematize economic, social, and demographic data. A symbol of modernity and statecraft, statistics were used by states to understand problems, design solutions, and rule people and territories. In nineteenth-century Italy, statistics “created a particular image of the national space, they gave a body to an abstract entity.”25 Yet despite the scientific claims of the science of statistics, race, gender, and class, as well as politics, influenced their use and shaped who, where, and how census takers counted people. 26 This was the case in early twentieth-century Chile, where census takers omitted women workers. By not recording informal and sporadic occupations such as laundresses, they made women workers invisible.27

Labor statistics made significant strides in the early twentieth century. Influenced by international debates, many Latin American countries opened statistical offices that focused exclusively on labor issues. In Chile, the Labor Department (Oficina del Trabajo), founded in 1907, included a small statistical desk and collected data on salaries, work accidents, and
the number of workers per industry.\textsuperscript{28} Although labor statistics became common worldwide, experts faced several challenges in measuring unemployment. No dependable sources of information existed. Data from trade unions, employers, local governments, and relief services offered incomplete information. Many countries recorded unemployed workers in the census. Conducted every ten years, the census only gave a snapshot of the problem.\textsuperscript{29} While new public institutions, such as social security and unemployment insurance offices, started offering more exact data than previous sources, they only focused on the insured population. In addition, earlier statistical efforts had only counted the absolute number of people unemployed; the new statistics measured the workforce and unemployment rate (the percentage of unemployed people in the total workforce). Similarly, international experts attempted to standardize definitions across countries, using common measurable benchmarks such as age and time unemployed.

Between 1880 and the 1910s, industrial countries and political economists worked to define and measured unemployment. In the following decades, the rise of labor laws and social security consolidated a modern notion of unemployment and the role of the state.\textsuperscript{30} As the state increasingly intervened in the workplace and labor-capital relations, it would also regulate the labor market. During the interwar period, new labor laws, social protections, and social security systems in countries such as Britain (1911), Austria (1920), and Germany (1927) regulated unemployment and increasingly protected workers. Nevertheless, despite ongoing pressures from the labor movement and progressive political sectors, unemployment insurance remained the exception, not the norm. Moreover, the early unemployment funds limited coverage to specific groups of workers (usually highly skilled workers), leaving many unprotected. Most insurance systems made workers present proof of unemployment and accept jobs offers from placement offices prior to receiving subsidies.\textsuperscript{31} In some places, elites feared working-class idleness and vagrancy, views that were reinforced by ideas of race and gender, and opposed state intervention in the labor market. How to finance this new benefit also divided experts and politicians. The Great Depression and World War II accelerated the movement to implement universal insurance. In the Americas, the United States approved the Social Security Act in 1935, and Canada’s Employment and Social Security Act faced many legal and political battles until it came into effect in 1941.

In contrast, we know very little about unemployment in Latin America during the first half of the twentieth century. Economic modernization, the rise of export-oriented sectors, industrialization, and rapid urbanization transformed people’s lives and work habits. Wage and industrial labor became symbols of progress. State agencies, such as social security offices, provided benefits to working families and, along with industrial managers,
attempted to transform workers into modern citizens. Historians of social welfare have analyzed medical and family benefits, mothers and children programs, and food policies. They have underscored the inner workings of welfare institutions; the influence of race, gender, and class on state formation; the role played by women as both targets of social policy as well as their work as welfare professionals; and the continuities and ruptures between early forms of philanthropy and modern welfare practices. By looking at unemployment and the limits of unemployment policies, this book expands our understanding of social welfare in the region. While welfare systems provided rights and benefits to working families based on their status as formal workers, they failed to protect people from the risk of unemployment. Unemployment, underemployment, job instability, and, in later decades, informality limited the impact of social welfare in Latin America.

A TRANSNATIONAL HISTORY OF UNEMPLOYMENT

In 1923, Carlos Contreras Labarca, the future secretary general of Chile’s Communist Party, published his law thesis, titled *La defensa del proletariado contra el riesgo profesional de la desocupación* (The defense of the proletarian against the professional risk of unemployment). Writing in the aftermath of the 1921 economic crisis, he considered involuntary unemployment the “cruelest and most dreadful social risk threatening the stability” of working-class families. Like many of his contemporaries, he turned to European political economists to define, understand, and explain Chile’s social and economic problems. He cited French authors such as Charles Gide, Leon Bourgeois, and Philippe de Las Cases. His work built on the conventions and the publications of the ILO; he was familiar with different European models of unemployment insurance. Although he belonged to the Communist Party, argued that wage labor and capitalism caused unemployment, and adopted a leftist lexicon as his thesis title, he did not cite any radical intellectuals and made only scattered references to Chile’s labor movement. Like many other leftist writers at the time, in the short run, he endorsed reformist and regulatory approaches to labor problems.

Unemployment, the young communist lawyer concluded, was a modern, complex, and chronic problem, requiring the immediate and systematic attention of the state. He believed modern statistics and state intervention in the labor market could prevent unemployment. He also argued that public work projects, rather than in-kind aid, could better help the unemployed. Immigration, trade, and finances had tied workers’ livelihood to the world economy, he concluded, making Chilean unemployment a reflection of a global phenomenon. His writing shows how growing international awareness about unemployment and the rise of state regulatory and technical approaches prompted interventions into the labor market, and it
reminds us of the importance of placing labor history into a transnational framework.

Influenced by the transnational turn in labor history, scholars have studied how different countries came to share a similar regulatory approach to labor problems. Argentine historian Juan Manuel Palacio called this a “global process of development of social rights.” From Europe to the Western Hemisphere, experts and state agents confronted similar labor and economic problems: industrialization, urbanization, and the rise of labor conflicts. Despite significant national and regional differences, they enacted labor laws and created institutions and state bureaucracies, including labor departments, labor courts, and social security and professional welfare offices. At conferences and international exhibits, they exchanged ideas and created “networks of experts.” These meetings became a “transnational sphere” or “space where encounters across national borders took place.”

One of these spaces was the ILO. Founded in 1919, the ILO sponsored conferences, publications, and technical missions, as well as facilitated the exchange of ideas about work and labor legislation. Despite divergent views on how to achieve social justice, ILO conventions incorporated the essential demands of the labor movement and helped create universal labor standards. The ILO was not the only transnational space for evolving approaches to government and modern industrial relations. Underneath this global exchange lay the circulation of alternative ideas such as anarchism, anarcho-syndicalism, and communism, which deeply influenced radical writers and many sectors of the labor movement. The Communist International and communist labor movements around the world challenged the ILO’s exclusive emphasis on legislation and, instead, advocated to dismantle the entire capitalist system. Concerned about the growing influence of communism on the Latin American labor movement, Albert Thomas, director of the ILO, traveled to South America in 1925 to promote a regulatory approach to labor relations.

Debates about unemployment also circulated in the transnational sphere. During the 1910s–1920s, several conferences, publications, and experts’ exchanges focused on unemployment. In 1910, the First International Conference on Unemployment in Paris brought together academics and public servants from all over the world, including small delegations from Argentina, Chile, and Mexico. In October 1919, the ILO convened in Washington, DC, and approved its constitution and six conventions. After endorsing the eight-hour workday for industrial workers, the most emblematic workers’ demand, ILO representatives turned to the second item on the agenda: “preventing or providing against unemployment.” Parallel to the ILO meetings and conventions, the Comintern, the Third International Organization of Communist Parties, addressed unemployment in its meet-
ings and reports, encouraging communist parties around the world to fight against capitalism. Relatively untouched by the capitalist crises of the 1920s and 1930s, the Soviet Union offered a different road to fight unemployment. At the local level, the ideas of the Comintern intersected with more concrete demands, such as protections for the unemployed, better jobs, and social insurance.

While Latin American states and experts intently followed these debates, they also balanced the conflicting influences of the foreign and the local. Recent scholarship on transnational history has demonstrated that national and local actors not only received and implemented foreign recommendations, but they also contested, adapted, shaped, and transformed them. In other instances, some ideas and legislative responses emerged simultaneously in Europe and the Americas. Although local actors often had only a marginal influence on global debates, they took part in the transnational sphere as selective and critical readers, translators, and intermediaries. As Paulo Drinot argues for the case of labor laws in Peru, “the legislative response to the labor question Peru was subject to a local translation.” Labor laws, then, expressed both international influences as well as “local assumptions about the character of Peruvian population.” Not a literal translation, but an adaptation to local reality.

The debate about unemployment shows the complex interaction between the global and the local. Latin Americans writing about unemployment at the time, such as Carlos Contreras Labarca in Chile and the Argentine Manuel Gálvez, used a Western European analytical framework but pointed out the specific political, economic, and social conditions of their countries. They redefined unemployment within the context of economies dependent on commodity production and exports, the reality of rural labor, and what they saw as the unique social, cultural, and racial characteristics of Latin American workers. In doing so, they challenged a Eurocentric view of labor issues that had focused only on industrial workers. By looking at these exchanges and negotiations, this book provides a more complex view of transnational exchanges and dialogues.

**UNEMPLOYMENT IN CHILE**

From the 1910s to the 1960s, Chileans debated how to help, protect, and control the unemployed. Influenced by both global and local actors, the state recognized unemployment as a social and economic problem, created institutions to help people find work, and collected statistics. International agencies, such as the ILO, informed debates in Chile, but local economic, political, and social conditions also shaped unemployment policies. Most of these policies, including placement services, did little to resolve workers’ immediate problems. Chilean working families continued experiencing job
instability and had few means to survive cycles of unemployment. By the mid-twentieth century, the ILO described Chile’s unemployment policy as rudimentary and outdated. To explain the shortcomings of unemployment policy, I turn to the history of the national and global debates about labor and social laws, state responses to economic crises, the lived experience of social workers and labor inspectors, and workers’ demands for job security. Throughout this period, four key elements influenced how state, expert networks, employers, and workers conceptualized unemployment.

First, massive unemployment, or chômage, attracted widespread attention, sparked a wave of social protests and labor activism, and frightened local elites, persuading the state to legislate basic work protections and welfare rights. The country witnessed three massive unemployment crises (1914, 1921–1922, and 1930–1933), and the state implemented measures that had become common in the global fight against unemployment. In 1914, the Labor Department estimated that 30,000 people lost their jobs in the nitrate fields. In response, the government opened placement services in railroad stations to register and place workers in construction and agricultural jobs. In 1921, 70,000 people were out of work. Many of them moved from the nitrate fields to the south of the country, and the government housed and fed unemployed miners and their families in public shelters. Displaced nitrate families occupied public spaces, frightening state authorities and local elites who associated unemployment and poverty with social and political turmoil. During the worst years of the Great Depression, between 1931 and 1932, at least 120,000 people were unemployed. Unlike earlier crises, not only did nitrate and mine workers lose their jobs but also blue-collar workers and white-collar employees lined up at soup kitchens and scrambled to find temporary work in emergency programs. The government rationalized social aid, sponsored an ambitious program of public works, and set price ceilings for food and essential consumer products.

Second, in contrast to public policies adopted to meet short-term economic downturns, workers’ own views about unemployment were broader than these visible crises, bringing together demands for job security and unemployment insurance. Urban workers underwent long periods of frictional unemployment (the time a worker is unemployed between jobs), and employment for agricultural and construction workers was seasonal and unstable. Sectorial crises, shortage of raw materials, or production restructuring affected many industrial laborers. Legislation and policy ignored these kinds of problems caused by seasonal and frictional unemployment, job insecurity, and informality. In response, the labor movement pressed the state to regulate and enforce work contracts. At the local level, unions included severance payments in collective agreements and protected their members. Reforms came slowly. Employers feverishly attacked the expan-
sion of labor laws, arguing that employers’ contributions to social security and contract stability crippled business and economic freedom. Moreover, they never recognized unemployment as a problem. Instead, they talked about labor shortages and workers’ lack of work habits. Following the extensive reform of the country’s social security system in 1953, blue-collar workers earned the right to unemployment benefits. Only in 1966 did the labor movement achieve its most crucial work victory: contract stability and stricter limits to arbitrary firing.

Third, while the Chilean state established a modern bureaucratic framework to counter unemployment, low public budgets and poor labor infrastructure limited the impact of these policies. Civil servants lamented the lack of funding and resources to enforce labor laws and improve working conditions. The inspectors of the Labor Department faced enormous obstacles to reach people employed outside the main urban areas, including lack of transportation, no funding to pay for gas (or for horses and saddles in the rural sector before the 1950s), and employers’ antilabor practices. Lack of personnel also hindered the collection of statistics and the operation of placement offices. Furthermore, state agents’ social, cultural, and political views determined how the state applied and carried out these reforms. Traditional fears of working men’s vagrancy; ideas and expectations about class, gender, and family; and landowners’ opposition to improving working conditions and labor relations in the countryside dissuaded government leaders from establishing long-term protections such as unemployment insurance. Journalists and politicians frequently argued that unemployment benefits would dissuade workers from finding employment.

Finally, Chileans believed that the state should create industrial jobs. In Europe, the modern concept of unemployment emerged, French historian Yves Zoberman argued, “linked to industrial society.” In contrast, Latin Americans understood unemployment in conjunction with the contradictions and vulnerabilities of export economies, peripheral industrialization, the poor development of labor markets, and their demographic and cultural problems. The face of unemployment in Latin America was not industrial workers displaced by technology and automation but rather workers in the export sector who lost their jobs because of changes in the international market. Because the instability of the export market, local experts argued, caused unemployment, only a national industry could offer stable jobs.

In the 1930s, diverse groups including leftist political parties and labor organizations demanded that the state develop new industries, support production, and open new land for “colonization.” By the 1940s, the fight against unemployment became intertwined with the broader political agenda of industrialization and import substitution. When President Gabriel González Videla inaugurated the steel plant of Huachipato (1950), the sym-
bol of the country’s industrialization effort, he promised Chilean citizens more wealth, higher salaries, jobs, and a “more dignified and decent life.” By the 1960s, economists questioned whether national industry would in fact offer decent jobs to all Chilean working people. Rapid demographic growth, massive rural-urban migration, mechanization, and automation made unemployment a persistent condition.

Fighting Unemployment in Twentieth-Century Chile relies on a wide range of archival and periodical sources. Most of these sources, such as the reports of labor inspectors and social workers, echoed the perspective of the state and professional experts. However, these reports also include many details and observations, shedding light on the daily lives, views, and demands of the unemployed and their families. From this perspective, the Department of Labor holds invaluable documents to study labor issues from both a top-down and bottom-up perspective in twentieth-century Chile. Founded in 1907, the Department of Labor enforced labor laws and oversaw labor unions, including supervising board elections and collective bargaining. The department appointed labor inspectors to work and travel throughout the entire country, leaving behind a paper trail of reports, letters, and telegrams about local working conditions. In addition, the archival collection of the Ministry of Development (Ministerio de Fomento) includes information on public work projects and gold mining sites in the early 1930s. The records of regional governments (called intendencias) address urban issues such as public shelters and consumer rights. In memoirs, theses, and periodicals, lawyers, social workers, and medical doctors thought about unemployment and reflected on how public policies both accomplished and fell short of their goals. To place Chilean history in a transnational framework, I turn to the digitized collection of the ILO and its physical archives in Geneva, Switzerland.

Despite the efforts of statisticians to record unemployment, numbers are unreliable and scattered. The census of 1920, 1930, 1940, and 1952 measured the size of the workforce and broke down information by economic activity. However, categories and terms changed regularly on the census, making it difficult to compare unemployment across time. A more reliable source of statistical information is Estadística chilena, a monthly publication of the Dirección General de Estadística de Chile. The journal included data from the Bolsa de Trabajo (the work placement service maintained by the Labor Department) and estimated the unemployment rate. Beginning in 1958, the University of Chile has regularly published unemployment surveys, the most accurate source of unemployment data to the present. Rationalizing these diverse statistical sources requires a methodology beyond the scope of this book. I relied on the outstanding work
of economic historians who reconstructed salary and price series, inflation, and, especially for the 1960s–1980s, the unemployment rate. This book presents a chronological account of Chilean labor history to underscore the changes, breaks, and continuities in the history of unemployment. The first two chapters focus on how local and international actors discussed and responded to unemployment in the 1910s and 1920s. Chapter 1 examines the global and Latin American debates about unemployment in those years. The First International Conference on Unemployment held in Paris in 1910 and the conventions of the International Labor Organization (ILO) created a global framework to understand and cope with unemployment. International conferences and publications influenced Chile and Argentina, the first countries in Latin America to set up free placement services and statistical offices. By looking at these influences, this chapter demonstrates the connections and disconnections between global forces and local practices. Chapter 2 turns to Chile and the first policies to confront unemployment. Looking at the nitrate crises of 1914 and 1921, it shows how the instability of the export sector shaped public perceptions of unemployment and led to the first policies to protect workers. It contrasts workers’ and social reformers’ views about unemployment. While the labor movement focused on job security and contract protections, social reformers turned to the social consequences of large economic crises or chômage.

The second part of the book, chapters 3 through 5, focuses on the era of the Great Depression (1930–1938). The Great Depression unleashed political, economic, and social changes. General Carlos Ibáñez del Campo, known for his authoritarian political style and support for labor laws, governed Chile between 1927 and 1931. During the first year of his government, he had carried an ambitious agenda of economic and social modernization including public infrastructure. However, the international crisis quickly destabilized the government. The fall of exports reduced state revenues, and by 1931 the country defaulted on its foreign debt. Social discontent forced Ibáñez to resign. After his departure, President Juan Esteban Montero, a member of the Radical Party, governed as interim president and as elected president until June 1932. The crisis worsened and unemployment soared. Between June and October 1932, a chain of military and civilian leaders governed the country and proposed various solutions, including the brief but emblematic Socialist Republic. In October 1932, Arturo Alessandri, who had governed the country between 1920 and 1924 and briefly in 1925, won the presidential election and governed until 1938. He restored political order and stability, sought to implement the 1931 Labor Code, and encouraged legal unions, but also imposed unpopular economic stabilization policies.
Chapters 3 to 5 focus on this intense political and economic period. They analyze how despite political instability, the state implemented many different work and direct relief programs, such as public shelters and soup kitchens, as well as consumer protections. In these spaces, these chapters argue, unemployed families, welfare professionals, labor inspectors, and law enforcement agents negotiated on-the-ground definitions of unemployment, poverty, and need. Chapter 3 analyzes work programs during the Depression. It focuses on how the Labor Department worked to regulate internal migration, organize work relief programs, and enforce labor rights. These measures focused exclusively on working-class men, reinforcing views that unemployed men threatened the nation’s political and social stability. Chapter 4 turns to social provisions and unemployed families. It discusses the professionalization of aid, showing the intersections between moralistic and modern notions of welfare and private charity and public social services. Chapter 5 analyzes protections for consumers and renters such as price and rent controls and minimum wages. These were some of the most emblematic reforms enacted during the Depression, suggesting the critical importance of consumer rights in the construction of a system of social welfare.

The last section of the book examines unemployment policies in the 1940s and 1960s. In 1938, the victory of the Popular Front opened a new political era in Chile. The social and economic role of the state expanded. President Pedro Aguirre Cerda committed to advance social justice and incorporated labor into the political system, but after his death in 1942, the Popular Front quickly disintegrated and became a center-right coalition. From WWII into the late 1950s, the country industrialized and modernized, while the politics of the Cold War and monetary instability undermined labor rights. Chapter 6 studies how the state-led industrialization efforts and a growing international consensus about social security impacted unemployment and social welfare policies in Chile. Despite some reforms, jobs remained unstable. Chapter 7 focuses on the long 1960s and the intersections between development, labor reforms, and employment policies. In 1966, the labor movement achieved its longest and most crucial work victory: contract stability and stricter limits on arbitrary firing, and in 1971, for the first time in the history of Chile, the country achieved full employment. However, the Pinochet dictatorship that came to power in 1973 dismantled workplace protections, returning workers to a state of persistent job insecurity. The epilogue notes that under the dictatorship, right-wing political leaders emulated conservative attacks on welfare around the western world, and a new generation of economists, the “Chicago Boys,” eagerly implemented a neoliberal agenda that deepened economic inequality and job insecurity.
In the early 1980s, Chilean sociologist and playwriter David Benavente interviewed unemployed men and women in Santiago. The unemployment rate was over 20 percent, and nearly 260,000 people worked in emergency programs. In shantytowns, community organizations and the Catholic Church organized soup kitchens. This collection of oral stories vividly illustrates the drama of unemployment, the dismantlement of social welfare, and the rise of informality in the 1980s. A shoemaker, for example, reflects on his life and employment history. Originally from Valdivia, he learned his trade from his father and other older workers. He moved to Santiago in the early 1960s and, in 1963, started working in the J.C. factory. He became a union leader. One of his fondest memories was approval of the 1966 contract stability law, our “most important union victory.” Working conditions deteriorated after the military coup, and he was arrested during a wildcat strike. After being released, the company alleged that his job position was obsolete and fired him. He unsuccessfully filed a grievance at the Labor Department. Searching for work became a frustrating experience. Although he received an unemployment subsidy, he explained, it “was miserable comparing to the salary I received in the plant.” He had some savings and opened a family business. Working along his wife, children, and mother-in-law was challenging, and he missed his days as a factory worker: “this family job is the worst, the most unpleasant [job] . . . when one works in a factory, one has real coworkers . . . one can talk, one can argue.”52 His and other similar stories in this book reveal how Chileans navigated the transnational crisis of capitalism and political liberalism during the interwar years, the limits and contradictions of development and industrialization projects during the Cold War era, and the devastating impact of deindustrialization and neoliberal reforms in the 1980s.