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Born Under Punches: Ryan Social Security Ideas Trace To Brutal Military Dictatorship

By Bruce Wilson - Thu Oct 25, 2012

[image, right: Gen. Augusto Pinochet (bottom) and fellow Chilean military officers whose 1973 coup launched a dictatorship that pioneered both a pension privatization approach favored by Paul Ryan, and also cutting-edge torture techniques later used at Abu Ghraib, in Iraq]



"The victims were humiliated, threatened, and beaten; exposed to extreme cold, to heat and the sun until they became dehydrated; to thirst, hunger, sleep deprivation; they were submerged in water mixed with sewage to the point of asphyxiation; electric shocks were applied to the most sensitive parts of their bodies; they were sexually humiliated, if not raped by men and animals, or forced to witness the rape and torture of their loved ones."

--From the Valech Commission Report, on torture under the regime of Augusto Pinochet

While the Republican Party and its wealthy plutocrat backers have been accused of waging an elitist virtual war against the American majority, both Mitt Romney and Paul Ryan have financial and ideological ties to rich Latin American elites who have waged *real* wars against average citizens in their countries.

The anti-democratic ethos of today's GOP, displayed in Republican presidential candidate Mitt Romney's **apparent contempt** for 47% of U.S. citizens, is reflected in the origins of Mitt Romney's private equity firm Bain Capital, which was **founded** with money from Central American financiers linked to government-backed death squads in El Salvador. Paul Ryan's budgetary ideas have a similarly dark origin, in the paradigmatic case of what author Naomi Klein has dubbed "**The Shock Doctrine**".

In August 2012, Republican political consultant Roger Stone made the **accusation** that the billionaire libertarian Koch Brothers had bought Mitt Romney's selection of Paul Ryan as a running mate, by offering to kick in \$100 million more for "independent expenditures" in the 2012 presidential election.

While the charge may never be substantiated, Paul Ryan is **one of the few** elected officials allowed into the inner sanctum of the Koch brothers and their fellow libertarian big money donor circle.

It is also the case that Paul Ryan's Social Security privatization ideas **closely track** Koch Brother schemes promoted from the Koch-funded libertarian Cato Institute since 1980, over three decades ago - before Ryan had even hit puberty. Cato's website currently features the ringing **endorsement** of Paul Ryan,

"Ryan is an articulate defender of free enterprise, and he consistently argues not just for the practical advantages of smaller government but also about the moral imperative to cut... if the next administration is Republican, and if it decides it wants to push major reforms, Paul Ryan is uniquely qualified to lead the charge."

In 2005 Congressman Paul Ryan led a failed Republican legislative push for a Social Security privatization plan that also later popped up in Ryan's 2010 "Roadmap For America's Future". This **centerpiece** of Ryan's budgetary vision traces back to a vicious war on the poor and middle class that was waged over three decades ago by a South American police state.

The conceptual basis of Ryan's Social Security privatization approach was hatched as the **Piñera plan** that was **implemented** under the radical right-wing Chilean torture regime of 1973 military coup leader Augusto Pinochet.

The Pinochet regime honed many of the techniques later used at the Abu Ghraib prison, in Iraq, was known to dispose of its unwanted citizens by throwing them out helicopters into the sea, and ran a transnational terrorism syndicate that murdered thousands and has been accused of a 1976 car bombing assassination in Washington D.C.

While the Piñera plan sought to eliminate wealth redistribution under the old pre-Pinochet Chilean pension system - by jump-starting a new pension system under which Chileans began investing in private sector pension accounts - by 2006, by

broad Chilean public consensus, the original Piñera Plan was **considered** to be a failure and in 2008 it was substantially **modified** by new legislation.

A **report** on the Chilean pension reform from the U.S. Social Security Administration explained, "The cornerstone of the new law sets up a basic universal pension as a supplement to the individual accounts system." As the the New York Times described in an April 2008 **story**, Chile's new law was a dramatic move *away* from radical libertarian privatization:

"Chile is undertaking its biggest overhaul ever of its pioneering private pension system, adding sweeping public payouts for the low-income elderly.

The new \$2 billion-a-year program will expand public pensions to groups left out by private pensions - the poor and self-employed, homewives, street vendors and farmers who saved little for retirement - granting about a quarter of the nation's work force public pensions by 2012."

Even as political pressure to overhaul the Chilean pension system was building, in 2005 under the George W. Bush Administration Paul Ryan spearheaded an attempt to pass legislation that would have imposed a modified version of the Piñera Plan on Americans.

A Long-Expected Birthday Party

On February 2, 2005, at a Washington, D.C. celebration of the 100th anniversary of libertarian guru Ayn Rand's birthday, **held** by the Rand-devoted Atlas Society, Wisconsin Congressman Paul Ryan declared his fealty to the guiding principles of Rand, founder of a cultic school of thought known as *Objectivism*, which holds up selfishness as the highest moral virtue.

Ryan was introduced by Atlas Society Director of Advocacy Ed Hudgins, who told the audience of Ayn Rand admirers,

"He is best known for his efforts in the fight to reform Social Security by allowing the expanded use of individual retirement accounts. Now, I don't know whether you [Ryan] use the 'privatization' word. We here have no problem with that [Ryan overheard laughing] but sometimes you have to do a little bit of a soft sell up there, because many members of Congress are not quite as as far-thinking as Congressman Ryan."

In his speech to the Atlas Society Ryan **confessed** to the assembled true believers, "The reason I got involved in public service, by and large, if I had to credit one thinker, one person, it would be Ayn Rand." Then he addressed his 2005 attempt to pass legislation privatizing Social Security.

In Ayn Rand's view, the paramount good is *individualism*, the paramount evil *collectivism*. Ryan told his audience,

"The fight we are in here, make no mistake about it, is a fight of individualism versus collectivism... when you look at the fight that we're in here in Capital Hill, it's a tough fight... there is no more fight that is more obvious between the differences of these two conflicts than Social Security. Social Security right now is a collectivist system, it's a welfare transfer system."

Moments later, as he declared, "what's important is if we actually accomplish this goal of personalizing social security", Ryan could be heard *laughing* while the Atlas Society's Ed Hudgins, also laughing, interjected, "personalizing". After the mirthful outburst, Ryan continued, "personalizing social security," (to laughter and applause, this time from the audience,) "think of what we will accomplish. Every worker, every laborer in America will not only be a laborer but a capitalist."

"Personalizing", it was clear, was a thinly veiled code word for "privatizing" and later, during a question-and-answer period, the *specific model* for that project became clear: it was privatization under the vicious, bloody Latin American military dictatorship of General Augusto Pinochet.

As the Atlas Society's Ed Hudgins told the audience, with Paul Ryan enthusiastically interjecting,

"By the way, I just want to add real quickly, and I know the Congressman has I'm sure said this. [General Augusto Pinochet's Secretary of Labor and Social Security] José Piñera, who helped privatize Social Security in Chile, who also was by the way an Ayn Rand fan--José points out the moral revolution that occurs with privatization, that is, people in Chile, you know, who thought of themselves as Marxist suddenly feel that they are owners of property [Ryan "Yeah"] and, you know, they literally get up and they start reading the Chilean equivalent of the Wall Street Journal [Ryan interjects, "That's right"]."

After his talk, during a question-and-answer period, Ryan coached the libertarian audience on how they could best lobby Congress in favor of the 2005 legislative effort, which failed after meeting stiff Democratic Party opposition, to begin privatizing social security along the lines of José Piñera's Chilean Model.

The Chilean Model

There was more to the "moral revolution", that Ed Hudgins and Paul Ryan agreed had followed in the wake of pension privatization in Chile, than *petite bourgeoisie* pension fund investors reading their Chilean "Wall Street Journals".

In 1970, Chilean physicist and politician Salvador Allende, a professed marxist, won Chile's presidency in a close three-way race. Recently declassified **documents** reveal a massive campaign of economic sabotage was soon initiated at the command of U.S. president Richard Nixon, who ordered his operatives to "make the [Chilean] economy scream". By 1973, amidst economic disruption and growing public protest, the Chilean military took action.

On September 11, 1973, in an U.S.-**encouraged** military **coup**, Chilean Air Force warplanes began bombing and strafing the National Palace, Allende's governmental headquarters; amidst a firefight, as coup forces moved in, president Allende committed suicide to avoid capture.

A military junta, led by General Augusto Pinochet - who considered himself to be guided by the hand of God, commenced; over the course of his regime thousands of Chileans suspected of socialist or leftist leanings were rounded up and executed.

And, in over 1,000 secret detention **facilities** across the country, tens of thousands of men, women, and children (by some scholarly estimates between 1.5 and 3 percent of Chile's population) were **subjected** by authorities to brutal beatings, sexual abuses (sometimes involving animals), electroshock, psychological torture, and even **medical** torture, in a pattern that foreshadowed abuses at the American-run prison at Abu Ghraib, in Iraq. It was especially hard on women; years later, a governmental commission would report that female prisoners were routinely, repeatedly, raped*.

Meanwhile, American-trained economists, dominated by the privatization-obsessed "Chicago School" moved in. In Chile after the 1973 coup, the nation would become a forced libertarian experiment, imposed at gunpoint, in neo-liberal, free-market privatization. Leading the charge was José Piñera, now **Co-chairman** of the Project on Social Security Choice at the Libertarian Cato Institute.

The "Chilean model" has been showcased so aggressively by libertarian economists and think tanks such as the Cato Institute, as a shining example of privatization, that it's difficult to find analysis even mildly critical of the torture regime-backed experiment amidst the copious pro-privatization propaganda that populates Internet searches on the subject.

And José Piñera - who has built an international career advising governments, such as **South Korea**, on how to privatize their pension systems - vigorously denies the documented extent of the the shocking human rights abuses that went on in Chile while he treated the nation as a personal privatization laboratory.

In an article posted since 2005 on his website, Piñera **claimed** that General Pinochet's bloody coup - which is now **acknowledged** to have begun with a mass execution of Chileans held at Santiago's national sports stadium - was necessary because President Allende had violated the Chilean constitution, and because, alleges Piñera, socialist and communist factions backing Allende were planning a campaign of political violence.

In a 2005 *Mother Jones* **story**, writer Barbara T. Dreyfuss adds, 'In another piece, he [Piñera] claims that "there was not a systematic policy of eliminating political opponents. Most of the casualties were people using violence to oppose the new government." '

But Piñera's desperate public relations bid was overwhelmed by horrific facts that emerged as Chile sought to wrestle with its dark, recent past. In 2003, Chilean President Patricio Aylwin **established** Chile's National Commission for Truth and Reconciliation, to investigate and document the Pinochet regime's human rights abuses and, in November 2004, the **Valech Commission** released its first 1200-page report, which stated that during the Pinochet regime,

"[torture was] used as a tool for political control through suffering. Irrespective of any possible direct or indirect participation in acts that could be construed as illegal, the State resorted to torture during the entire period of the military regime. Torture sought to instill fear, to force people to submit, to obtain information, to destroy an individual's capacity for moral, physical, psychological, and political resistance and opposition to the military regime. In order to "soften people up"--according to the torturers' slang--they used different forms of torture.... The victims were humiliated, threatened, and beaten; exposed to extreme cold, to heat and the sun until they became dehydrated; to thirst, hunger, sleep deprivation; they were submerged in water mixed with sewage to the point of asphyxiation; electric shocks were applied to the most sensitive parts of their bodies; they were sexually humiliated, if not raped by men and animals, or forced to witness the rape and torture of their loved ones."

Also in 2004, the government of Chile officially announced a policy of paying reparations to victims of the Pinochet regime and a Chilean judge **indicted** Pinochet for crimes that included murder and kidnapping.

A February 7, 2007 *Harvard Crimson* story, **Torture Under Pinochet**, covered more of the horrific details:

The [Chilean governmental] Report of the National Commission on Political Imprisonment and Torture was commissioned in 2003 to create the most comprehensive list possible of those who were imprisoned and tortured for political reasons during the military dictatorship from September 1973 to March 1990...

...The Commission took testimony from 35,868 individuals who were tortured or imprisoned improperly. Of those, 27,255 were verified and included. An unknown number of victims did not come forward to give testimony. Scholars estimate that the real number is between 150,000 and 300,000 victims.

94 per cent of the verified testimonies include incidents of torture. The short list of methods includes repeated kicking or hitting, intentional physical scarring, forcing victims to maintain certain positions, electric shocks to sensitive areas, threats, mock execution, humiliation, forced nudity, sexual assault, witnessing the torture or execution of others, forced Russian roulette, asphyxiation, and imprisonment in inhumane conditions. There are many individuals with permanently distorted limbs or other disfigurements...

For women, it was an especially violent experience. The commission reports that nearly every female prisoner was the victim of repeated rape. The perpetration of this crime took many forms, from military men raping women themselves to the use of foreign objects on victims. Numerous women (and men) report spiders or live rats being implanted into their orifices. One woman wrote, "I was raped and sexually assaulted with trained dogs and with live rats. They forced me to have sex with my father

and brother who were also detained. I also had to listen to my father and brother being tortured.” Her experiences were mirrored by those of many other women who told their stories to the commission.

But the crimes of the Pinochet regime were not limited to the sort of horrific domestic human rights abuses chronicled in the over 27,000 confirmed cases of imprisonment and torture documented in the Valech Commission report; as described in a 2005 **story** by Peter Kornblah, writing for *The Nation*, on December 13, 2004, at a press conference, Chilean judge Juan Guzmán,

"announced that he had ordered Pinochet placed under house arrest and indicted for nine disappearances and one murder relating to Operation Condor--a Chilean-led consortium of secret police agencies that conducted hundreds of acts of state-sponsored terrorism in the Southern Cone and around the world in the mid- and late 1970s. Gasps echoed through the hall, then a ripple of applause, and then the sound of shrieks and tears as those who had lost husbands and wives, fathers and mothers, sons and daughters, during Pinochet's seventeen-year regime reacted."

Within a few years of the initial coup, Pinochet's Chile had launched a United States-assisted transnational terrorism syndicate, operating across Latin America's Southern Cone but with operations on other continents as well, known as **Operation Condor**.

Under Condor, citizens from countries in South America's Central Cone region were abducted, secretly imprisoned, tortured, and murdered or "disappeared" - sometimes by pushing the drugged victims out of planes and helicopters into the ocean. Condor's reach extended even into the domestic United States. The program has been credited with the notorious 1976 car bombing **assassination**, in Washington D.C.'s Sheridan Circle, of former Chilean ambassador Orlando Letelier.

According to an Operation Condor internal document archive discovered in the early 1990s, by its own **accounting** the terrorism syndicate, secretly backed by the United States, may have murdered an many as 50,000 people, "disappeared" 30,000, and imprisoned 400,000 others.

The Piñera Plan

As described in his bio at the website of the Koch brothers-funded Cato Institute, José Piñera "is co-chairman of Cato's Project on Social Security Choice and Founder and President of the International Center for Pension Reform. Formerly Chile's Secretary of Labor and Social Security."

Noisily touted by Cato as the architect of Chile's "successful" pension reform, Piñera has for over a decade and a half been in the forefront of the Koch brothers-backed project of eliminating (privatizing) the American Social Security system. In 2005, under the presidential administration of George W. Bush, Congressman Paul Ryan led a failed push in Congress to legislate a Piñera privatization scheme. [According to](#) a 2005 *Mother Jones* story, that scheme,

"may have had its start on a yacht off the Italian island of Elba in June 1997. As the vessel cruised the Tyrrhenian Sea, José Piñera, once the labor minister for Chilean military dictator Augusto Pinochet, told another passenger--a close friend of Bush's--how he had taken Chile's equivalent of Social Security private. Two months later, Piñera got an invitation to the Texas governor's mansion, where he dined with Bush and Ed Crane, founder and president of the Cato Institute, a libertarian think tank based in Washington, D.C. Afterward, says Crane, they retired to the library for further discussion about privatization."

1997 was the year that José Piñera, backed by the Koch brothers, began ramping up a push for privatizing the U.S. social security system. In a December 17, 1997 *Investor's Business Daily* op-ed ([reprinted](#) at the Cato Institute website, Piñera aired the subject, before a sympathetic audience,

"America's Social Security system will go bust in 2010. As political leaders scramble to save it, they've overlooked an obvious free-market solution that works. They need only look at Chile.

Pay-as-you-go social security systems destroy the link between contributions and benefits, between effort and reward... That's why pay-as-you-go plans are going bankrupt all over the world.

Chile faced that problem in the late '70s. As secretary of labor and social security, I could have postponed the crisis by playing at the edges, increasing payroll taxes a little and slashing benefits a little. But instead of making some cosmetic adjustments, I decided to undertake a structural reform that would solve the problem once and for all...

Could something like this be done in the U.S.? People have said it's utopian and that nobody in the establishment would support privatization, but I believe the situation is changing."

Privatization under Pinochet entailed much more than the Chilean pension system. The first task following the Pinochet coup (besides wholesale imprisonment, execution, and torture of perceived opponents of the regime) was, according to *Mother Jones'* Barbara T. Dreyfuss, labor reform: "Piñera drafted a major labor law that--while touted as finally granting Chile's repressed workers legal rights--severely restricted organizing, striking, and wage negotiating".

Piñera was only one of a gaggle of neo-liberal laissez-faire American-trained economists who descended upon Chile, to turn the nation into a vast experiment in radical privatization.

In 1975, Milton Friedman went to Chile to advise the Pinochet government on "shock treatment" to right the Chilean economy and, as NYU Latin American History professor Greg

Grandin, author of [Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism](#), [describes](#),

"A month after Friedman's visit, the Chilean junta announced that inflation would be stopped "at any cost." The regime cut government spending twenty-seven percent, practically shuttered the national mint, and set fire to bundles of escudos. The state divested from the banking system and deregulated finance, including interest rates. It slashed import tariffs, freed prices on over 2000 products, and removed restrictions against foreign investments. Pinochet pulled Chile out of a number of alliances with neighboring countries intended to promote regional industrialization, turning his country into a gateway for the introduction of cheap goods into Latin America. Tens of thousands of public workers lost their jobs as the government auctioned off, in what amounted to a spectacular transfer of wealth to the private sector, over four hundred state industries. Multinationals were not only granted the right to repatriate one hundred percent of their profits, but were given guaranteed exchange rates to help them do so. In order to build investor confidence, the escudo was fixed to the dollar. Within four years, nearly thirty percent of all property expropriated not just under Allende but under a previous Alliance for Progress land reform was returned to previous owners. New laws treated labor like any other "free" commodity, sweeping away four decades of progressive union legislation. Health care was privatized, as was the public pension fund."

At first, the results of this "shock treatment" were disastrous - "GNP plummeted thirteen percent, industrial production fell 28 percent, and purchasing power collapsed to forty percent of its 1970 level. One national business after another went bankrupt. Unemployment soared", recounts Grandin.

In 1978, the economy had begun to grow again, in a three-year bubble fueled by foreign investment. At the height of the bubble in 1981, Chile adopted Jose Piñera's new pension reform scheme that, according to Barbara Dreyfuss,

"required all new workers to sign up for private pension accounts and offered financial incentives for those in the public retirement system to switch.

The transition was expensive and funded by slashing government programs, selling off state-owned industries, selling bonds to the new pension funds, and raising taxes."

Driving the new growth was a speculative bubble, especially in the newly-deregulated banking sector, driven by massive influx of foreign investment. In 1982, the economy collapsed again. As Greg Grandin describes,

"The crisis forced the state, dusting off laws still on the books from the Allende period, to take over nearly seventy percent of the banking system and reimpose controls on finance, industry, prices and wages. Turning to the IMF for a bailout, Pinochet extended a public guarantee to repay foreign creditors and banks. "

Milton Friedman was far from the only libertarian-leaning economist smitten by the "Chilean model". As Greg Grandin details, the arch-libertarian economist Friedrich Von Hayek, whose 1944 book *Road To Serfdom* claimed that government central planning led to tyranny and enslavement of the common man, was impressed by Pinochet's methods:

[Hayek] visited Pinochet's Chile a number of times. He was so impressed that he held a meeting of his famed Société Mont Pélérin there. He even recommended Chile to Thatcher as a model to complete her free-market revolution. The Prime Minister, at the nadir of Chile's 1982 financial collapse, agreed that Chile represented a "remarkable success" but believed that Britain's "democratic institutions and the need for a high degree of consent" make "some of the measures" taken by Pinochet "quite unacceptable." "

Despite the Chilean economic collapse, rich libertarian American social engineers, apparently untroubled by the [admiration](#) evinced by top libertarian thinkers such as Hayek for savage autocratic regimes, were laying policy groundwork to bring Jose Piñera's Chilean "miracle" to the United States.

Paul Ryan's social security ideas have followed a strategy put forth in 1983 by the Cato Institute (originally founded in 1974 as the Charles Koch Foundation) which advised those who wanted to eliminate social security to think like communist revolutionaries, and neutralize the political opposition; social security privatization schemes would only be politically viable if they grandfathered in retirees already receiving benefits and working adults close to retirement age.

In an [article](#) (*PDF file of article*) published in the Fall 1983 issue of The Cato Journal, 'Achieving a "Leninist" Strategy', Cato members Stuart Butler and Peter Germanis, positing that government programs like Social Security were as doomed in the same manner as Marx and Lenin believed that capitalism as doomed - inevitably fated to collapse under its own inherent contradictions - wrote,

"as we contemplate basic reforms of the Social Security system, we would do well to draw a few lesson from the Leninist strategy... if we are to achieve basic changes in the system, we must first prepare the political ground... we must recognize that there is a firm coalition behind the current Social Security system... before Social Security can be reformed, we must begin to divide this coalition and cast doubt on the picture of reality it presents to the general public."

In a subsection titled *Calming Existing Beneficiaries*, Butler and Germanis wrote, "The sine qua non of any successful Social Security reform strategy must be an assurance to those already retired or nearing retirement that their benefits will be paid in full."

That strategy, of *calming existing beneficiaries* by guaranteeing (grandfathering) their benefits has been a major component of Social Security privatization schemes from Jose Piñera's Chilean plan up to present plans, such as Wisconsin Representative Paul Ryan's budget "roadmap".

Indeed, Paul Ryan's [proposed](#) four-decade budget plan, "The Path To Prosperity", bears a certain overall resemblance to the radical experiment in government privatization in Chile under Pinochet as well -- while it cuts government much more slowly than the Pinochet approach, Ryan's draconian budget plan all-but annihilates non-defense government spending: the 'compassionate' slow road to radical libertarian government under which every citizen, even the poorest, becomes a venture capitalist who can bootstrap out of poverty through the miracle of the marketplace.

Devil in the details

To be fair, as a pension system approach the Piñera plan does not *require* the sort of mass executions, torture, and police-state levels of repression that came with the original plan in Chile. Many democracies have since adopted, without bloodshed, variants of Piñera's approach. But at the minimum, Piñera-style approaches do require political *honesty*. Here's why:

In short, there is no free lunch. The current American social security system is what is known as a "paygo" system: money gets paid in, from employed workers, and it goes out, to retirees.

For advocates of radical, laissez-faire privatization under the sway of Ayn Rand's ideas, such as Piñera and the Chicago School, Paygo systems are anathema, to begin with, because they are moderately redistributive and do not tap the investment potential of the free market.

Piñera's plan set up private investment accounts for Chileans, under a limited number of investment portfolio options. That dramatically reduced the amount of money flowing into Chile's grandfathered "paygo" system. To make up the difference, Chile's government held a massive fire sale of government assets, and dramatically cut all government expenses.

In short, Pinochet's Chile opted to take the national and governmental financial hit that the Piñera plan required all at once, whereas the Ryan social security plan, which would by the fourth decade cut government spending by 90%, would stretch out the financial hit over four decades.

History has shown that, while the Piñera approach can be quite viable, it works best in countries with a broad political consensus and a relatively even level of income distribution -- both of which the United States currently lack.

There's another interesting point too - the original Piñera plan, and the accompanying attempt at radical libertarian economic privatization, didn't work out too well in Chile.

Ironically, privatized pension fund systems tend to cost much more, in administrative overhead, than government-run paygo systems, and the government-approved private pension funds under the Piñera Plan tended to take a substantial bite of investor's money.

Two decades into the "experiment", many retirees on the plan were discovering, to their dismay, that their privatized pension fund investments only paid half of what retirees on the grandfathered government "paygo" system were getting in retirement benefits.

Further, only about half of Chileans were covered under either system. By 2006, Chile's hybrid pension system had become so inequitable and dysfunctional that, by bipartisan Chilean political agreement, the system underwent a major overhaul, to add major subsidies for the poor.

So, the irony is that the radically *laissez faire* privatization scheme favored by Paul Ryan *no longer even exists* in Chile. In its pure libertarian form, the original Chilean pension privatization scheme, which featured no economic redistribution whatsoever, *failed* - at least according to Chilean popular consensus

Moreover, implementing Chilean pension privatization was only possible under a draconian torture regime that, because of its brutal disregard for its own people and democracy, was able to make radical, disruptive structural changes to Chile's economy.

Three decades later, those changes have helped create, despite high rates of economic growth, some of the worst [income inequality](#) in South America. By some accounts, Chile has [bifurcated into two nations](#) - one rich, one poor, with two school systems.

For the past two years Chile has seen [widespread protests](#) over perceived inequality in Chile's education system, that was also partially privatized under Pinochet.

Postscript

In 2008, according to a leaked Wikileaks U.S. diplomatic [cable](#) dated December 18, 2008, Paul Ryan visited Chile. The cable states, "Rep. Ryan noted he was impressed with the Chilean pension system."

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