



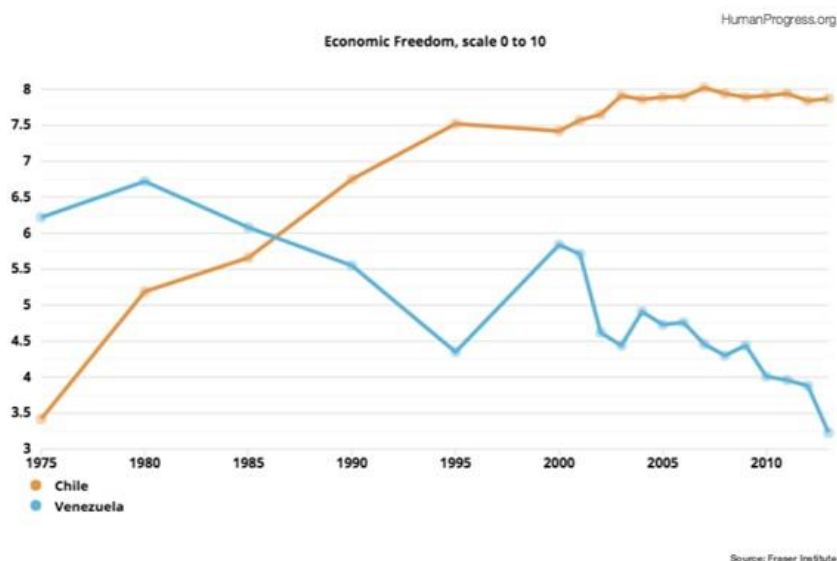
## 5 Ways Capitalist Chile is Much Better Than Socialist Venezuela

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The story of Chile's success starts in the mid-1970s, when Chile's military government abandoned socialism and started to implement economic reforms. In 2013, Chile was the world's 10th freest economy. Venezuela, in the meantime, declined from being the world's 10th freest economy in 1975 to being the world's least free economy in 2013 (Human Progress does not have data for the notoriously unfree North Korea).

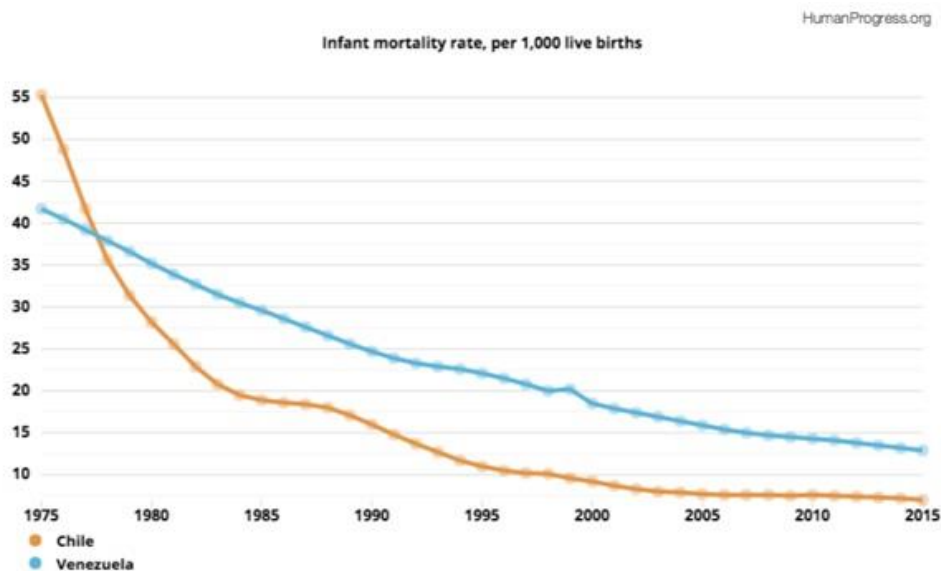


1. As economic freedom increased, so did income per capita (adjusted for inflation and purchasing power parity), which rose from being 31 percent of that in Venezuela to being 138 percent of that in Venezuela. Between 1975 and 2015, the Chilean economy grew by 287 percent. Venezuela's shrunk by 12 percent.



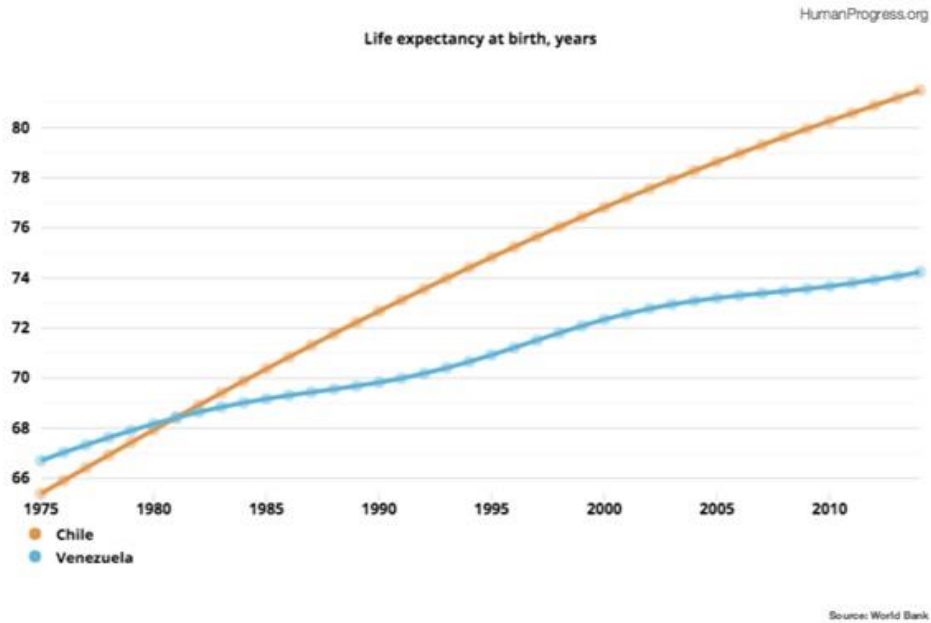
Source: Conference Board

2. As its economy expanded, so did Chile's ability to provide good health care for its people. In 1975, Chile's infant mortality rate was 33 percent higher than Venezuela's. In 2015, almost twice as many infants died in Venezuela as those who died in Chile.

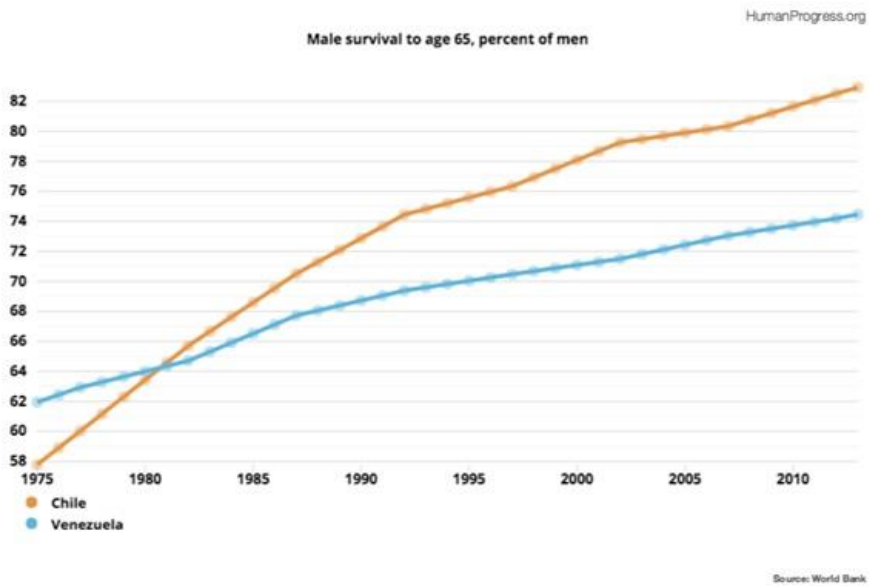


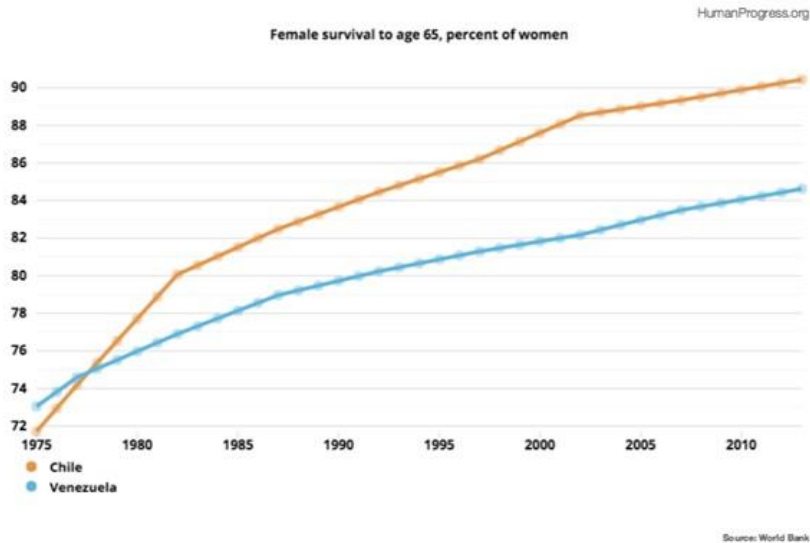
Source: World Bank

3. With declining infant mortality and improving standard of living came a steady increase in life expectancy. In 1975, Venezuelans lived longer than Chileans. In 2014, a typical Chilean lived over 7 years longer than the average citizen of the Bolivarian Republic.

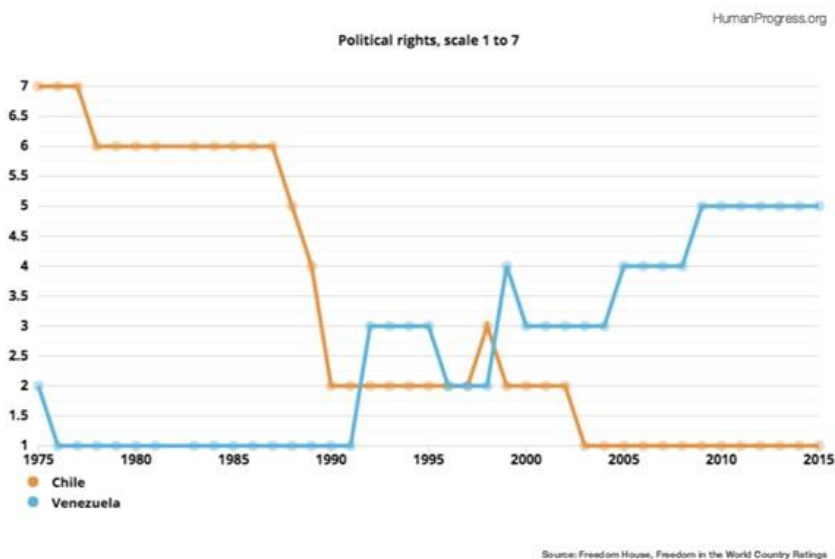


4. Moreover, more Chileans of both sexes survive to old age than they do in Venezuela. As they enter their retirement, the people of Chile enjoy a private social security system that was put into place by Cato's distinguished senior fellow Jose Pinera. The system generates an average return of 10 percent per year (rather than the paltry 2 percent generated by the state-run social security system in the United States).





5. Last, but not least, as the people of Chile grew richer, they started demanding more say in the running of their country. Starting in the late 1980s, the military gradually and peacefully handed power over to democratically-elected representatives. In Venezuela, the opposite has happened. As failure of socialism became more apparent, the government had to resort to ever more repressive measures in order to keep itself in power—just as Friedrich Hayek predicted.



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