

The Neoliberal Ghost of Pinochet Is Finally Being Exorcised from Chile

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More than 46 years of initially military imposed neoliberalism has finally exploded into widespread frustration, protest and violence. This neoliberalism culminated in 2017 with twelve businessmen, among them Chilean President Sebastián Piñera, monopolizing at least 17% of the national GDP, demonstrating the huge gap in wealth equity. There is little doubt why the latest protests have exploded violently, with 18 dead so far – Piñera had [declared war on his own people to protect his lucrative monopoly racket](#).

It is without surprise he had declared war. The aggressive neoliberalism that has dominated Chile since the 1973 Chilean coup d'état when socialist President Salvador Allende was killed and eventually replaced by neoliberal Augusto Pinochet, with the backing and blessing of U.S. President Richard Nixon, Henry Kissinger, the CIA and the so-called “Chicago Boys” neoliberal economic team.

Although the so-called communist threat was defeated in Chile, it was not until 1990 for the kinder face of neoliberalism to return to the country, with the first democratic election taking place since the coup. The return to democracy had not meant any differences to the economic system.

The appearance of GDP growth in the South American country created the mythology of the Chilean miracle, ‘thanks’ to the Chicago Boys, the group of young Chilean economists who studied at the University of Chicago under the adviser to U.S. President Ronald Reagan and British Prime Minister Margaret Thatcher, professor Milton Friedman. They were the so-called economic liberators and advised Pinochet on applying complete free-market policies, essentially to privatize state-owned industries and companies, and to open the economy.

The pernicious globalist model was applied and deemed a miracle because of significant GDP growth. However, this is only to the benefit of shareholders and private companies and does not reflect on the average Chilean experience. According to the Organization for Economic Cooperation and Development (OECD), the Gini coefficient value, a method to measure wealth distribution, stood at a record 0.50 in 2017, one of the highest inequality coefficients in the world.

This is because the incomes of the richest 10 percent of Chile are 26 times higher than the incomes of the poorest 10 percent of the population. This is partly also due because the of an unfair taxation system that creates a massive tax burden on [the poor](#) as Chile’s government earns less from income taxes than any other country in the 35-member OECD. Despite praises of the supposed fantastic economic performance, almost a third of Chilean workers are employed in part-time jobs, with one in two Chileans having low literacy skills, [according](#) to the OECD.

And now as Chile literally burns and 18 people are dead, we cannot forget that former president [Michelle Bachelet](#) grotesquely dedicated lessons on “human rights” against Venezuelan President Nicolás Maduro. Although Piñera apologized, it was not for his declaration of war against the people, but rather for the decades of unresolved problems, followed by an announcement for a new social and economic program.

A reversal of the crippling neoliberal economic system? Highly doubtful and probably more a Band-Aid option.

Neoliberal propagandist Enrique Krauze Kleinbort – accused of the coup attempt to overthrow Mexican President López Obrador – proclaimed that Chile was ‘the role model’ for Latin American economic growth. If the inequality is considered a ‘role model,’ it shows that the oligarchs of Latin America have not realized a growing trend of violent opposition to neoliberalism, as the recent case in Ecuador demonstrates.

The very fact that Piñera attempted to increase transportation and energy costs in Chile demonstrates his lack of knowledge on international outrage to neoliberalism. The French Gilets Jaunes (Yellow Vests) in France began their actions 12 months ago, which also spread across Europe, when neoliberal President Emmanuel Macron attempted to increase gasoline taxes. In 2018, Brazilian truck drivers blocked roads in a demand for a decrease in diesel prices. Mexico in 2017 saw a 20% rise in fuel prices that exploded into riots.

However, the attempted increase in transportation and energy costs was only the spark that lit the fire. As Piñera, the man part of a monopoly over the Chilean economy, was forced to admit this is an explosion after decades worth of frustration, neglect and abuse. Candida Cecilia Morel, the wife of the billionaire Piñera, sent a WhatsApp message that was leaked in the media, in which she comments on the violence and the protests shaking her country – and it certainly does show the disconnect that the elite of Chile have with the common Chilean. The message [said](#) that “we are absolutely overwhelmed, it is like a foreign invasion, alien,” and that “we will have to decrease our privileges and share with others.” Her suggestion to decrease “privileges and shares” is a stark reminder of Charles Dickens 1800’s Britain.

With such elitist comments and referring to Chileans as aliens, there is little wonder that there has been little calm despite Piñera’s half-done apology and promises of more neoliberalism with a softer punch. Although circles close to the Chilean Presidency affirm that the disturbances and destabilization are orchestrated from abroad, it is unlikely to be true. We can of course expect that Venezuela will be the scape goat by some Chilean oligarchs, just as the oligarchs in Ecuador and Colombia do, but there remains little evidence that this is the case.

Rather, as Piñera has had to attest, decades of neoliberalism is the cause of this. However, perhaps inspired by events in Ecuador, it appears that the Chilean people are finally exercising the neoliberal ghost of Pinochet from its country. It appears that the violence will not end unless the Chilean president makes drastic changes to the Chilean economy. Whether he does this or not remains to be seen.

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