

**Rodríguez:** Only on this question of the workers who are handicapped, the new law doesn't deal with this at all. Here, there's no delimitation, no reduction of benefits under the previous law. So, that's what I would say at the moment. I wouldn't want to say anything further, because I understand there are other presentations that need to be made.

**Moncayo:** Thank you, very much.

Now we are going to hear from Yasmir Fariña Morales. She is currently the Vice President of the FENAFUCH, the National Federation of University of Chile Employees. She has a very long history of fighting for social causes and for the defense of the interests of university workers, and workers in general in Chile. As you know, Chile was the first country where the policies of social security privatization were implemented. This was done by force, by violence under the Pinochet regime, and from that time to the present, we see some of the results. Please go right ahead.

---

## Yasmir Fariña: Chile's Fight Against Social Security Privatization

---

I am speaking from Chile, and I want to speak about the damage caused by the privatization laws. I want to thank the Lyndon LaRouche organization and also congratulate Agustín Rodríguez for having undertaken this tremendous battle. We have been fighting for about ten years now in this university to expose the privatized social security pension system in Chile.

The pension system was changed during a dark period of our history, which began on Sept. 11, 1973 with a military coup. What was imposed in Chile at that time was an economic system, and political and social system of globalization and neoliberalism. Chile became the first country, the first laboratory for the neoliberal system, to an extreme. And today, we see how the concentration of economic power through the AFP system [Pension Fund Administrators, or the private pension funds—ed.], has made employment more precarious—that is, through “flexible” jobs. Young people don't have any future in the labor force. They are hired on a daily basis, for specific projects, and paid a daily stipend. People who reach a certain age are considered to be “too expensive,” not efficient enough, and their years of work are not recognized.

In this model, which has been imposed on us and which, unfortunately, in the four years of the *Concertación* (Coalition) government, we've been unable to change, 50% of the labor force does not pay into the system. This is a very significant number of people who, because of their low wages, will not be able to obtain any kind of a dignified pension when they retire. We find that this model doesn't permit people to



Courtesy of Yasmir Fariña

*Yasmir Fariña is the Vice President of the National Federation of University of Chile Employees, and is a leader in the fight against privatization of essential services, including social security.*

move freely to the “pay as you go” system. So we have become slaves to a system with no possibility of improving it, since the [government's] current proposed reform confers legitimacy on what was imposed on us under the dictatorship. So this is the brutality of neoliberalism imposed on us here in Chile.

We've reached the extreme of privatizing everything basic—electricity, communications, potable water, education. The state is less and less involved in financing public universities. Today, at our university, only 17% of our budget comes from the government, and the rest has to come from “self-financing”; that is, from outside sources. There are a whole number of private universities that have been created, where education has been commercialized, and the gap between the poor and the rich is more brutal day by day. As for public education today, students don't have access to it, and can't get into the public universities because the system is very bad.

Our public health system was also privatized. Today we



CREDIT TK

*Yasmir Fariña describes her speech as a “wakeup call” to Chilean President Michelle Bachelet (shown here). “We call on her to truly reform this neoliberal economic system.”*

have tremendous technologies available in terms of communications and health, but it gets to only a very small minority of the population who have the economic resources to pay. The public health system is poor, indeed. It lacks the most basic things you can think of, and even health-care workers are being privatized as well. Things like nutrition and nursing are being outsourced to private companies. Auxiliary workers and guards are now employed by private companies as well.

Another aspect of this AFP system is that it opened up a market for a group of economists, who were progressive at the time, and who have sold all of these companies to the multinationals. Now the Chilean AFPs no longer belong to Chileans! They are owned by multinational companies, oligopolies, and the resources are being invested abroad with great risk to us, especially based on what Mr. LaRouche has just told us. We’re running a great risk with the investment of our pension funds outside the country. And even more serious is the draft legislation that our President, Michelle Bachelet, has sent to the Congress, increasing to 43% the percentage that pension funds are allowed to invest abroad. All of the losses are absorbed by the workers under this private pension system, but these companies have had the most incredibly high profits.

So, today, there is no real concern about protecting social security in Chile.

Public sector workers are among the first victims. Public workers under the old system who moved into this new privatized system, because they were forced to switch over—they were forced because the system’s leaders were named by the military, and they were forced by propaganda, told otherwise

they would lose their job—these people are finding that their pensions today are not even 30% of the wage they were earning. So, what they’re going to get is less than 30%. We have the specific case of architects, for example, who earn 1,600,000 pesos. Their pensions are less than 400,000. This is the situation for the middle class, or for the middle and lower-income levels of public employees, as is the case with auxiliary administrative workers, who earn 500,000, and whose pensions under the privatized system don’t exceed 92,000 pesos. It is shameful that we are exporting to the world a system which is impoverishing workers, and yet economic power is being concentrated in fewer and fewer hands.

## Looting by Foreign Companies

Another thing which is of great concern to us is how Chile has been opening its market, importing foreign products. And this has forced numbers of large companies into bankruptcy. We had companies that employed thousands of people and yet today are bankrupt, and no longer exist. Our entire textile industry has disappeared. And in this process of exportation, we’re being robbed of all our natural resources. Our forests are being stripped; our seas, our agriculture are exporting raw materials, and what comes into Chile are finished products which are purchased by Chileans. Look at how they’re stealing our natural resources!

So this neoliberal economic system is not helping the Chilean population. The image presented of us abroad, is not what we are experiencing here in Chile. It is not what we have seen or know, when we try to get health care, when we talk to the trade union leaders and see the terribly impoverished conditions under which technicians, professionals, nurses and doctors, are trying to function; when at the state-run universities, professors get pensions that are 30% of what they were earning, and become poor, and current employees end up living in poverty, because a pension of 90,000 today in Chile is really miserable. And when we see how our national industries have been shutting down, we think the time has come when we have to denounce this internationally.

We have had a large number of seminars, and in this regard, I really want to thank the LaRouche organization for allowing us to present to the world the reality of Chile, which is otherwise hidden, and which the politicians themselves hide and cover up, and the government of the *Concertación* has not been able to improve this situation, to humanize it.

## Drugs, Crime, Unemployment

We are today facing a reality which is really quite terrible, due to the introduction of drugs in the country. The drug problem among the poorest layers of the population in particular is striking, and there are no words to describe how a market has just sprung up in this sector of the population. People can’t imagine what we are living through. And then there’s the crime wave existing because of the large number of unemployed. There’s a large number of people who are of working

age, but who don't have jobs, and end up getting involved in criminal activity.

I would also like to say that we have been involved in these battles for a very long time, denouncing this fascist system which Pinochet left us under Decree 3,500, which is robbing our youth of their future. We despair of the fact that while there has been a proposed health-care reform, it doesn't focus on improving the quality of health care. Nor does the proposed educational reform improve the quality of public education. And today, we have a situation where students are occupying schools, and we can not allow people to be driven into poverty as far as education is concerned. Today, students from the Student Federation have occupied the main building at the University of Chile, because they have such huge debts that they can't get a decent education. The high cost of public education in Chile has created an intolerable situation. Professors have been forced to work at private universities to get a decent income.

So I think this has reached the breaking point in this country. They have privatized public transportation, and the state is refusing to take a responsible role in the area of public services, in public transportation. So, they've truly taken us to a situation which I would say is one of despair. We despair, when our colleagues have terrible pensions, when they can't get adequate health care they can afford. Today, anyone who doesn't have money doesn't have good health. Anyone who doesn't have money or doesn't go into debt, can not educate his children.

So, I think that Chile truly is not what people say about it abroad. It has grown significantly economically, but the wealth is concentrated in a political group, in an economic group, and unfortunately, they are the ones who control communications and are financing political campaigns in Chile. And I'm talking not only about the politicians of the *Concertación* group but also of the right wing. Today, the right wing in this country, seems more leftist than the parties of the *Concertación*. When some of the *Concertación* politicians come out and denounce these policies, and denounce how our raw materials are being stolen, without paying taxes, they are labeled as radicals who are against the *Concertación* even though they belong to it.

## A Wake-Up Call

So, I would say this should be a wakeup call to our President, who is a Socialist and in whom we placed all our hopes as leaders who belong to the parties of the *Concertación*. We call on her to truly reform this neoliberal economic system, which today doesn't favor the great majority of our people, and which in the short term will lead us to the kind of social movements that we had in the past, that we do not wish to recall. We've had lots of strikes. We've had workers in the south who have gone out on strike, where people are facing a terrible crisis and have had to take to the streets. Less than a month ago, a worker from a forestry company died because the com-

pany refused to negotiate appropriately with the workers, so he was killed by law enforcement officers. This worker was in such despair that he went kind of crazy, and he was killed by the police.

Then we have the situation that our fishermen face as well. It's really dramatic how the oil companies, their ships have dumped their oil in the ocean and have contaminated the fish, the birds, the fauna and everything on which the fishermen depend to make a living. All of the fishermen are today without work. This is not known in the world. This is not known anywhere. Today, all reality, all communication of the reality of Chile has been blocked out, and you today have given us an important space and a significant opportunity to talk about this.

We asked President Bachelet, how is it possible that we have 157,000 state-sector workers who are about to go into retirement without adequate pensions? These are university professors, workers, engineers, lawyers, upper class, middle class, lower class, from all layers, who work for the public sector, and they deserve a more dignified solution, not with 30% of their income, because they have worked and contributed for 40 years to the old system, and then they were forcibly switched over under a de facto government into the privatized system which didn't recognize the *real value* of all of their earlier contributions, and which continued to deduct minimal contributions calculated on a base salary.

Today, [under the old system] we would have been able to hire young educated people, who are now unemployed but hoping for a job. But older people who still work in the state sector don't want to leave, and with good reason. Because they'll be 70 years old, like a good architect friend of mine, María Teresa, who I always use as an example. She worked for 11 years more than the cutoff retirement age of 60, and yet she retired with only 40% of her salary, after having contributed until she was 70 years old. So, I think we have to let our reality be known internationally, and our politicians have to put their hands on their hearts and say, "Okay, it's okay for the rich to make good money, but we also must show solidarity with our people."

We need a refounding of the social security system in Chile, which will allow our national companies to receive money from workers in order to grow, so that our natural resources are not stolen through international trade. Why should we have to buy furniture purchased abroad from Japan and Asian countries with wood coming from our forest? We can have a large national fishing industry of our own, where we can produce canned goods and export them.

We need to be able to produce our own goods internally, to provide dignified work with a decent salary for our people....

**Moncayo:** Excuse me, Yasmir, I would like to interrupt you briefly, and then continue with what you're saying about Chile during the discussion period.



We have on the phone line, the Secretary General of the CGT of Argentina, Mr. Hugo Moyano. The CGT is the most important labor institution in Argentina, of this ally country, and they have carried out a very important campaign and series of activities to reverse the privatization in social security and other areas. So I would like to ask Mr. Hugo Moyano to speak to us, to greet us and to also make brief remarks on what Mr. LaRouche and Mr. Agustín Rodríguez have been saying, and also Yasmir Fariña. So please proceed, Mr. Moyano.

---

## Hugo Moyano: Labor's Success in Argentina

---

Thank you very much. I'm the Secretary General of the CGT of Argentina, and as you just correctly said, we had a campaign which began when social security was privatized. I've been involved in this for many years, because I'm a trucker, a teamster in Argentina, and from the beginning of the situation that was created with the privatization of social security, we rejected this. Because time showed us that workers were being harmed in a really significant way by this. And this meant not only the worker who is going to retire tomorrow, but the guy who is retired now, because the savings funds which allowed a certain level of pension to be available to retired workers, would be looted.

So, what we have achieved now, after many years of struggle, is we have gotten the government to see that this privatized system which has existed in the country for many years, was totally damaging to the workers. And this led to the modification of the law, which is what we were demanding. We didn't say that there shouldn't be private pension funds. We said that workers should actually have the option of deciding where their savings should be held: if they wanted the state to keep it, or if they wanted it to go into a private fund. That's all that we were asking for. And, fortunately, thank God, this has become a reality, and since then some 600-700,000 workers have, on a voluntary basis, moved back into the state pension system. So now there is a policy where this has been clarified for workers, so workers can see what real benefits they get, either from private pension funds or public pension funds.

So we've achieved a very important objective, and I think that we've managed to salvage the dignity of workers. I don't know whether what's happened in other parts of the world is the same as what was happening here in Argentina.

Here, in Argentina, we used to say, almost as a joke, that people could get divorced if they wanted to, but they couldn't change from a private pension fund to another one. So we said, at least let them have a choice. Don't force them, as unfortunately occurred under this perverse system of privatized social security that existed previously. So that they have a choice, they have an option. They can go to the private sector,

or the public one. They have a free choice. And that's what we have achieved.

And, I reiterate, this has made it possible for what I think is now a million workers to return to the state-run pension system for their retirement funds. . . .

I would like to add that, first, I agree with the remarks of the speaker who referred to Margaret Thatcher and Pinochet: I agree totally with what he said.

And I want to point out that the struggle which we waged for so long, was fundamentally against a destructive power, that of the reigning economic power, the evil economic models that were imposed on us in the decade of the '90s, whose fundamental weapon was the media.

It was hard to come out and contradict what the media was saying, through their spokesmen, who in many cases were journalists or government officials. It was very hard to think anything contrary, because you came off like an extra-terrestrial being. Because it was a whole wave and destructive tendency which neoliberalism was imposing on us, as I said, fundamentally with the lethal weapon of the way the media were used. That's why we had this fight. It was very hard, in many ways it was lonely, and it was against a very powerful enemy.

That's why what we have achieved is truly a very important step. And we say that we only wanted to be given the free choice. We didn't want to be forced, or for workers to be forced, to go to privatized funds. We wanted a free choice; let the worker decide. And that, thank God, we achieved.

But it doesn't end there, because in our country, even though there has been a very, very important change from the economic standpoint, the social standpoint, the political standpoint, there are still after-effects of neoliberalism, which in our country was really very strong. So much so that they practically sold off or handed over all of the state sector companies, which were the patrimony of the people, which the people had obtained through many generations of effort and sacrifice.

**Moncayo:** Thank you very much for your comments. We would like very much to ask you to stay on if you could for the second part of our discussion. Mr. LaRouche is going to have to leave. He will perhaps have some closing remarks to make, and then I would ask Mr. Agustín Rodríguez to also have some closing words.

---

## Conclusion: No More Concessions to Evil!

---

**LaRouche:** The evil that we've been discussing today, so far, is an evil with which I'm quite familiar from a long period of struggle, especially since the developments and changes of 1971, where the United States went in the direction of Lon-