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President Michelle Bachelet receives Crown Prince Haakon of Norway.

Security for all

In a groundbreaking advance on law and order issues, the government and the leaders of the Concertación coalition parties, as well as the opposition Alliance for Chile, have signed a National Public Safety Agreement. The accord presents a blueprint for the implementation of a series of institutional, legislative and operational measures in the area of public order and crime prevention.



Under the terms of the agreement, authority for the Carabineros uniformed police and detective services will be transferred from the Ministry of Defense to the Ministry of the Interior and Public Safety. The document also outlines a legislative agenda on topics such as illicit trafficking, public order, gun control and alternative sentencing.

The agreement affirms a constitutional right to legal representation for crime victims, establishing a new institutional authority to carry out this task. It also calls for the submission to Congress of a bill aimed at enhancing and strengthening the National Youth Service, as well as the creation of a public institution focusing on drug and alcohol abuse prevention.

According to President Bachelet, the agreement is “a triumph of good faith, of the good will to move ahead with an idea of the highest importance: the social compact as something tangible and possible”. She further noted that the agreement “means guaranteeing and protecting citizens’ social rights and liberties in a context of security, by establishing a commitment on the part of all political groups to make progress on specific measures within clearly defined time periods.”

Aging with dignity

Starting on July 1 of this year, thousands of Chileans will be able to live out their retirement years under more dignified conditions. This is true thanks to the unanimous approval in the National Congress of the pension reform bill, which was the central commitment of President Michelle Bachelet’s campaign, reflecting her administration’s key focus on social protection.

As of July 2008, the new system – solidarity-based and financed with State contributions – will provide a basic “solidarity” pension of 120 dollars per

DID YOU KNOW?

- ★ From the temperate rain forests of Valdivia (Los Ríos Region) to the Atacama Desert, and from the Antarctic ice to the palm trees of Easter Island, Chile offers some of the most diverse environments on Earth.
- ★ For the first time, in 2008 the Chilean Air Force’s Specialties School will enroll female students. The permanent Air Force staff currently includes over 200 women, who work in areas such as health and administration.
- ★ Chilean and U.S. scientists collaborated on the discovery of the fossil remains of a primitive mammal related to present-day armadillos.

The ancient animal lived some 18 million years ago on the altiplano of the

Tarapacá Region. Weighing 90 kilos and measuring 76 centimeters in length, it was a member of the so-called glyptodont family.



QUOTES FROM PRESIDENT BACHELET

“During these years, the economy has stabilized, we have achieved significant growth rates, and we have made progress in one of the tasks we have established as fundamental: advancing toward greater social integration. I feel satisfaction in seeing that we are already harvesting the fruits of our efforts during these two years.”

In the Cabinet Council.
Cerro Castillo Palace, Viña del Mar, January
21, 2008.

“Thanks to this legacy, happily recovered by Chile and for all Chileans, our greatest woman poet is beginning to reveal herself to us as an unexplored geography, a territory in which we still have much to learn and write about. We can learn much that is profound from her work: from her testimony of life, from her commitment as an educator, as a woman of this land.”

At a ceremony symbolically presenting part
of Gabriela Mistral's
legacy to the museum bearing her name.
Vicuña, Coquimbo Region, December 26, 2007

“The Corridor which will unite Chile, Bolivia and Brazil is a project containing a vision about the future of our region, articulated around an integration process which we also understand to be open to the world. Integration will also allow our governments, which want the best for our peoples, to fulfill the tasks our citizens have entrusted to us.”

At the signing of the La Paz Declaration,
formalizing
the creation of the Bioceanic Corridor.
La Paz, December 17, 2007.

“Chile has recognized the contributions of many men and women who, although not born within our territory, have been instrumental in the country's construction. Throughout our history, many naturalized Chileans have contributed to forging our identity, enriching our culture, and advancing and expanding our scientific frontiers, our businesses and our educational system – that is, making Chile a better country – and they have helped forge its future by contributing to the construction of a shared homeland.”

At a ceremony granting Chilean citizenship
to 109 immigrants.
Santiago, December 7, 2007.

month, which will rise to \$150 in July 2009. The program's benefits and protection will extend across the social scale, since it includes men and women, self-employed workers and traditional employees, retirees, housewives, and young workers, from both middle-class and lower-income backgrounds. It will directly benefit more than 800,000 individuals, expanding to 1,300,000 by 2012.

For those who have made payments into the retirement system but whose pensions will be low, a new State contribution will increase their retirement benefits. Mothers will also receive special support, in the form of a bonus for each child added to their pension funds. For the self-employed and workers without a contract, provisions will be made to gradually bring them into the system. Young people will also receive a special subsidy equal to 50% of their assessed retirement contributions – encouraging them to participate in the system while easing the burden of payments during their first years on the job.



“This historic step we are taking will continue to increase in significance over time, as we have seen with the other great reforms which have marked our life as a republic,” asserted the President. “What is concrete here is that Chile is truly moving forward on the path to full development. And it is doing so in the most important sphere: that of human dignity.”

Strong support for small business

Señora Marta, who operates a weaving business in the township of La Ligua, Valparaíso Region, will be among the beneficiaries of the government's efforts to support small and medium-sized enterprises, through a new bill defining a statute for these firms. Forming part of the program “Chile Emprende” (Chile Gets Down to Business), unveiled by President Michelle Bachelet in May 2007, the initiative is the result of intense discussions and consultations among the committees involved.

The bill calls for measures to facilitate business startups, while also addressing areas such as the promotion of good regulatory practices, transparency for supervisory bodies, special standards for the assessment of fines in labor cases, protection against job-related risks, protection for microenterprises and small businesses in their role as consumers, the promotion of clean production agreements, tax benefits for investment, and support during the restructuring and/or closing of a business.



President Bachelet stressed that the initiative marks “an additional step forward in constructing a better environment for entrepreneurs and small enterprises.” She noted that “this is also the view taken by the Equity Commission, which is examining the country's globalization process to see how it can continue being competitive while achieving better working conditions and fairer pay scales.”



FACTS

According to the Global Mining Project Registry, Chile accounts for the greatest number of these initiatives: 26 out of a total of 166 to be undertaken during the 2006-2015 period.

For the first time, a woman has been chosen as Chile's Treasurer General of the Republic. President Michelle Bachelet appointed Pamela Cuzmar to the post, ending a 466-year tradition of male officeholders.

Chile obtained Latin America's best results on the science test administered in 2006 by the Program for International Student Assessment (PISA). On the world level, Chile placed 40th among 57 countries tested. The study, sponsored by the OECD, evaluates students in most of the world's developed countries.

The Valenciano Infertility Institute (IVI) has opened a sperm bank in Chile, the first in South America. The clinic, which already offers 150 samples from Spanish donors, will begin accepting donations from Chileans in mid-2008. The center aims to provide solutions to men with severe infertility or hereditary diseases, as well as single women wishing to bear a child.

Thanks to efforts by various wineries to export their products to non-traditional destinations, Chilean wine can now be enjoyed on the Cook Islands, in Oman and in the Chagos Archipelago, among other places.

Economic advances in 2007

Statistics, measurements and reports from a range of specialized institutions reflected the Chilean economy's notable achievements during 2007.

Statistics from the year's first three quarters showed economic activity expanding by 5.4%, producing a per-capita GDP level of more than 13,000 dollars. Fiscal accounts remained solid, with an estimated surplus exceeding 8% of GDP.

In its annual report, the International Monetary Fund (IMF) projected a growth rate for the Chilean economy of 5% to 5.7%, thanks to "a combination of good fiscal and monetary policies, growing internal demand and stable global market conditions."

The Inter-American Development Bank (IDB) pointed to Chile as a leader in regulatory quality, entrepreneurial conditions, and the labor market, noting additionally that the country enjoys the lowest level of corruption in the region.

The list of favorable rankings is long. According to the World Economic Forum, Chile leads Latin America for investments in infrastructure, while also standing out for its economic stability, market size and prospects for growth.

Chile ranks first in the region for the development of both venture capital and human capital, according to the Latin American Venture Capital Association (LAVCA).

The strategic consulting firm A.T. Kearney places the country seventh in the world for its attractiveness to multinational corporations. In addition, Chile ranks 17th internationally for its level of entrepreneurship, in the view of the Global Entrepreneurship Monitor (GEM).

On December 18 of last year, the risk assessment firm Standard & Poor's raised Chile's category to "A+", a classification which places it among the world's top 30 economies. This reflects an advance with respect to other emerging economies, consolidating Chile's position as the lowest-risk economy in the entire region. According to the report, "the Chilean economy is more solid today than at any other time in its history."

Finally, in the Heritage Foundation's annual report on economic freedom, Chile was ranked first in Latin America and 11th in the world.

The Time Bank: priceless solidarity

Work and time are currencies that can be exchanged only at the Time Bank (Banco del Tiempo), a unique initiative within South America which is currently in full operation in the Santiago township of Peñalolén. At this institution, "accountholders" offer their own services in exchange for others that they need.





Pipe installation, electrical work, dressmaking, sewing and even astronomy are among the services registered at the two branches currently operated by this singular institution. Payment comes in the form of credits for services taking the equivalent amount of time.

The Time Bank gives people access to services they could not otherwise afford, making it an effective cost-saving system. In addition, it is governed by the principle of equality: all types of work have the same value. The idea is to improve relationships within the community while promoting solidarity and civic participation, since it is the neighbors themselves who organize and carry out the project.

Under various names, the initiative is currently operating in several different parts of the world. Active in Chile since 2006, it was introduced by the non-governmental organization Civica from the United States, where it is called the "Time Dollar Network." In turn, the original inspiration came from a project in Spain, which was launched in 1998 and has already accumulated 10,000 users.

OVERHEARD

"Chile has shown phenomenal development. In just a few years, it went from nothing to having a highly dynamic forest industry. This is truly admirable. Another notable aspect is the forestry sector's weight within the country's GDP. This is not often seen in other countries."

Teresa Presas, president of the International Council of Forest and Paper Associations.
Santiago, January 22, 2008.

"Chile is a Latin American nation which enjoys great prestige in the United States. It continues to be one of the most attractive countries for foreign investment. Our relationship with Chile is among the best of the hemisphere. Chile shares with the United States the vision of a prosperous and democratic hemisphere."

Paul Simons, the new U.S. ambassador to Chile.
Santiago, January 8, 2008.

"Chile is the most important market in Latin America, along with Brazil, where we have recently acquired a gas facility. Chile is one of the most powerful economies in the Americas, with the best guarantees in the region."

María Dolores Serrano, vice president of Katry, a Spanish industrial group.
December 31, 2007.

"Chile is the mirror in which (the other countries of the region) need to look, because of its fiscal solidity and its effective use of social spending."

Guillermo Perry, former head economist at the World Bank.
Santiago, December 27, 2007.

"It is the first time for us to do something like this with another country, and we thought of Chile because we are not starting from zero there. Thousands of Chilean students have come to study in Belgium's Francophone community, especially during the country's most difficult periods."

Marie-Dominique Simonet, Minister of Higher Education, Research and Foreign Relations for Belgium's Wallonia Region.

(At the signing of an agreement to establish degrees valid in both Chile and Belgium).
Santiago, December 3, 2007.

A focus of cultural celebration

The streets, funicular railways, overlooks and public plazas of Valparaíso will be the setting of the Third Universal Forum of Cultures, planned for the first three months of 2010. The international event, featuring artistic expressions from around the world, will help consolidate the port city's status as a UNESCO World Heritage Site.



At its meeting in Barcelona last November, the Forum Foundation

unanimously approved the Chilean city's application, choosing it over other candidates such as Naples, Istanbul and Chicago. In announcing its decision, the committee pointed to Valparaíso's proposed urban reforms, such as the transformation of the city's old jail into a cultural center, as well as its "clear commitment to sustainable development, peace and the fight against poverty."

The exhibition will coincide with the celebration of the country's bicentennial, providing the opportunity to make Valparaíso a focus of festivities for Chile and other Latin American countries. It is also expected to give a significant boost to tourism, since the previous event, held in Monterrey from October to December 2007, was attended by 2.5 million people.

CHILEANS AROUND THE WORLD

The Inter-American Human Rights Court has chosen Cecilia Medina Quiroga as its president for the 2008-2009 period. An academic at the University of Chile, she has served as a magistrate for the organization and has extensive experience in teaching and research in the human rights field of international law.

The Organization of American States (OAS) has designated Carol Pinto, head of the Training and Human Resources Department of the International Cooperation Agency of Chile (AGCI), as a member of the Special Non-Permanent Commission on Scientific Development and Exchange and the Transfer of Technology.

The book *The Savage Detectives*, by Chilean author Roberto Bolaño, was chosen by *The Washington Post* and *The New York Times* as one of the five most outstanding works of fiction of 2007. The novel, recipient of the Heralde award in 1998 and the Rómulo Gallegos prize in 1999, was published in English last year in the United States.

For his book *Bosque quemado*, journalist, script writer and author Roberto Brodsky was honored with the 2007 Jaén Prize for the Novel.

Water ski athlete Felipe Miranda won the men's overall gold medal at the Third Under-21 Water Ski World Championships, held on Los Morros Lake in San Bernardo, near Santiago. He also placed fifth in the world in the Open Overall ranking.

AGENDA

- ★ **January 23-26:** Official Visit of the Crown Prince of the Kingdom of Norway, Haakon.
- ★ **February 24-26:** Official Visit of the President of the United Nations Assembly, Srgjan Kerim.

Expedition to the end of the world

Touring by kayak in the same waters navigated in the past by the Kaweskar indigenous people is the mission currently being pursued by four daring Chilean adventurers. Their project, called the "Transpatagonia Expedition," has already been honored with the Rolex Award for Enterprise, which seeks to reward the visionary spirit of men and women around the world.



The expedition is led by Cristián Donoso, who has conducted research for the past 14 years in this zone, which extends from the Gulf of Penas to the western mouth of the Magellan Straits. It is an imposing and desolate landscape of ice-covered islands, canals, mountains and fjords, with continuous storms, hurricane winds and annual precipitation levels reaching 375.7 millimeters.



The voyage began in September and will last for five months, during which the explorers will travel 2,039 kilometers, mostly over lakes, rivers and the open sea. They will also cover 150 kilometers on land, scaling mountains that have never before been climbed.



The project is aimed at promoting adventure tourism in the region and inspiring the descendants of Southern Chile's indigenous groups to recover their ancestors' navigation skills. The explorers will also collect scientific data and samples to help expand knowledge about this territory and contribute to research on climate change.



SPECIES OF CHILE

Protecting the giants of the sea

Imposing in their physiology – but defenseless against modern hunters – the great whales have now returned to Chilean waters, reconquering territories they had abandoned in earlier decades. Profoundly moved by the renewed presence of these majestic creatures, Chileans are demanding their effective protection.



This citizen consciousness was reflected in the rejection by the country's environmental authorities and organizations of the new hunting program launched by Japan in late 2007 – purportedly for research purposes, which are questioned by the international scientific community. Disregarding the mandate of the International Whaling Commission – which banned commercial whale hunting in 1986 – the Japanese fleet proposed to capture more than a thousand specimens of various types, including 50 humpbacked whales, considered a vulnerable species.

Chile prohibits the capture of whales in its jurisdictional waters by law, in an effort to protect these species which form an irreplaceable part of its natural heritage. In further support

of this objective, the Senate Environmental Commission is examining proposals to apply criminal penalties against whale hunters and to declare whales a natural monument, thus providing additional legal protection.

Other noteworthy initiatives include the listing of cetacean species within the regulatory classification maintained by the National Environmental Commission, Conama. The list includes the blue whale, Commerson's dolphin, the Chilean dolphin, the southern right whale, the humpback whale and the bottlenose dolphin. In addition, a regulatory system governing whale observation has been established for the Francisco Coloane protected coastal marine area and the marine park of the same name, located south of Punta Arenas, in the Magellan Straits. A research plan has also been developed for the area, aimed at protecting the whales' feeding grounds.

In June 2008, the International Whaling Commission will hold its annual meeting in Chile, presenting a common agenda which is expected to gain support among the majority of member countries. The Chilean government plans to declare a new protection area for the blue whale in the Gulf of Corcovado, Los Lagos Region, within a perimeter of 50,000 square kilometers – an initiative which will serve as an international example, since only 1% of the

world's oceans are currently protected.

In Chile, whales are chiefly observed in oceanic areas of the Humboldt Penguin National Park – between the Atacama and Coquimbo regions, in the country's north – in the Francisco Coloane Marine Park, and in the Gulf of Corcovado, south of the Great Island of Chiloé, in the south.

In this last area, the whales' typical routes range from only three to ten kilometers offshore – an exceptionally close approach, according to specialists. Especially noteworthy is the blue whale, the largest species in the animal kingdom, reaching lengths of up to 33 meters. Only about 2,000 individuals of this species are estimated to remain on the planet; some 200 have been observed in the Corcovado area, where they linger between December and April.

In the new spirit of closer relationships with nature, Chiloé is positioning itself as one of the world's leading destinations for whale observation tourism. According to ecologists, whale viewing is a profitable, sustainable and non-lethal enterprise – and one which helps increase environmental awareness, which Chile is currently putting into practice.



EDITOR IN CHIEF: Juan Carvajal, Director Communication Secretariat / **EDITOR:** María Paz del Río, Chief, International Analysis and Press Department / **TEXT:** Natalia Phillips, International Analysis and Press Department / **PHOTOGRAPHS:** Presidencia de la República, www.transpatagonia.blogspot.com/
TRANSLATION: Patricia Linderman
COMMUNICATION SECRETARIAT / LA MONEDA PALACE
depreint@msgg.gov.cl / www.msgg.gov.cl / www.gobiernodechile.cl