

Letter from the President

Dear Readers of the *Chile News*:

This is issue 100 of the Chile News, which has been prepared and distributed electronically since 2000. Its aim is to inform readers about what is happening in Chile, as well as the work of President Michelle Bachelet's government to make it a more developed, integrated and inclusive country, richer in opportunities for all, and advancing with confident strides toward its Bicentennial in 2010.



Our readers represent a diverse spectrum which is broadening day by day. The Chile News reaches all of our embassies, consulates and missions, along with professionals, businesspeople and officials working outside our borders; Chileans and their family members living abroad; foreign friends who appreciate our progress; people interested in getting to know us better; and the international press.

In previous years, this bulletin appeared in print, with versions in Spanish, English, French and German. However, the digital era transformed it into the Chile News you know today, distributed once a month. Through it, we hope you will learn more about who we are, our customs, our progress, and the splendors of our natural environment.

With this 100th issue, we would like to invite you to review a short summary of Chile's accomplishments during 2008, in areas ranging from social protection to sports, from steps to confront the world economic crisis to advances in women's equality.

Michelle Bachelet Jeria



More social protection

The hallmark of President Bachelet's administration is clearly defined: creating and strengthening laws, programs and infrastructure to provide basic standards of well-being for all Chileans, from the prenatal period to old age. Toward this aim, numerous initiatives have been launched and existing programs have been expanded, with excellent results.

One of the most important of these is the Pension Reform, which includes "solidarity" measures to guarantee all citizens peace of mind during their retirement years. Considered the most significant change to the country's pension system in the past three decades, it entered into force on July 1, 2008. During its first stage, it has benefited 600,000 men and women over age 65 from households among the nation's lower 40% by income, who lacked sufficient retirement savings. In 2009, its benefits will reach 800,000 people.

CITAS DE LA PRESIDENTA

"Chile will become a better country to the extent that it increases participation, listens more closely to its people, and achieves greater gender equality; that its authorities are held by its citizens to the strictest transparency standards, and its policies are implemented both efficiently and effectively."

Upon receiving the UNDP 2009 Human Development Report
Santiago, January 19, 2009.

"Let us not lose confidence in ourselves. In 2009, we will see the positive results of our prudent decisions and actions. It will be the year in which, in spite of external adversity, the efforts we have undertaken as a society to construct a better Chile will bear fruit."

In her end-of-the-year message.
Santiago, December 31, 2008.

"In 2005, 172 young Chileans received scholarships to study abroad. This year it will be more than a thousand; next year it will be 2,500, and in 2010 we will reach 3,300. Thus, over the course of a decade we will have contributed to the specialized education and training of more than 30,000 people."

At the presentation of the Chile Bicentennial Scholarships.
Santiago, October 23, 2008.

"As an administration, we will continue on the course we have defined, which is always to place the people's interests above any other consideration in our public policies."

In response to the international financial situation.
Santiago, October 21, 2008.

"This is a historic step, and as President of the Republic, I feel extremely proud to be able to guarantee a higher quality of life for people of all ages, and certainly for senior citizens. The idea behind this effort is the kind of country we want to live in – and we want a country that guarantees rights to each one of its inhabitants."

On the entry into force of the Pension Reform.
Santiago, July 2, 2008.

"The Chamber of Deputies' approval of the General Education Law is an important step forward for the improvement of education. This has been a historic day, because this vote will allow us to replace the old LOCE developed by the military regime with a law conceived in democracy."

On the approval of the General Education Law.
Santiago, June 20, 2008.

Under the new system, the amount of basic pensions will gradually increase. In addition, it offers a subsidy to young people between 18 and 35 entering the labor market for the first time, providing incentives for hiring these workers while adding capital to their first years of contributions. One of the reform's guarantees is that assistance remains individual: for instance, a married couple can combine their pensions, which continue for life.



Another area which has been significantly reinforced is health care. Users of the public system surpassed 11,740,000 in 2008. Thanks to the AUGE program (Universal Access with Explicit Guarantees) – a broad-based health care system which guarantees

treatment for a range of medical conditions – more than five and a half million people have received care, either free or at minimal cost. Since its creation in 2002, the program has gradually been expanded to cover more conditions. The total reached 56 in 2007 and is expected to expand to 80 in the next years.

The administration's emphasis on protecting infants and children is reflected in the program "Chile Crece Contigo" (Chile Grows With You), aimed at designing and implementing support mechanisms for children within the family environment, from the prenatal period to their entry into preschool, to provide greater equality of conditions for their development. At the same time, the government has moved ahead with the construction of new cost-free nursery schools and day care centers, with 900 built in 2008 – bringing the total during the administration's first years to 2,700 – and 900 more planned for 2009.



Other areas exhibiting important advances include housing, where higher-quality homes with more living space are being constructed; and education, which is experiencing a profound transformation to ensure quality instruction for all students. With its bill for a new General Education Law, the administration seeks to ensure that equity and quality in education are no longer mere aspirations, but guarantees backed by legal mechanisms. Chile has also created a Bicentennial Scholarship Program, in which some six billion dollars will

be spent in the next decade to finance postgraduate studies abroad for 30,000 professionals, teachers and advanced technical students.

VISITS

In 2008, visits were paid to Chile by the Presidents of Ecuador, Italy, Panama, India, Mozambique, Paraguay, Lithuania, Mexico, Argentina, Guatemala, and Switzerland. Prime Ministers of Poland, Norway, Hungary and Singapore. And the King and Queen of Jordan; the U.S. Secretary of State; the vice president of Guatemala; the Federal Chancellor of Austria; the president of the Russian Senate; the Palestinian Foreign Minister; and the President of the UN General Assembly.

Nations (Unasur) was signed, she was elected the body's first President *pro tempore*. Unasur experienced a trial by fire in September, due to the tense political situation in Bolivia; in her capacity as President *pro tempore*, President Bachelet called an extraordinary meeting on September 15. Within less than 48 hours, nine of the twelve member countries' Presidents arrived at La Moneda Palace, to "defend Bolivia's democracy, its autonomy and its institutions."

In contact with the world

The hallmark of social protection established by President Bachelet's administration has also been reflected in her international agenda. During 2008, the President paid Official and State Visits to countries in Latin America, Europe and the Asia-Pacific region, where she discussed today's enormous concerns about the international economic situation. Speaking before the UN General Assembly in September, for example, she issued a vehement call to protect "our people, and especially the poorest, from ruin." In October, at the 28th Ibero-American Summit in El Salvador, she reiterated: "Let us not stand by in the face of the stock collapse; let us work energetically to avoid a social collapse,"

Defending and promoting democracy is another key objective of President Bachelet's foreign policy. On May 23, at the meeting where the Constitutive Treaty for the Union of South American



With respect to human rights, the President has asserted that they "have become part of the soul of my country, and thus Chile has an unshakable commitment to the defense of life and human dignity, wherever they may be threatened." On October 29, during her State Visit to Costa Rica, she visited the San José headquarters of the Inter-American Court of Human Rights. Noting that 2008 marked the 60th anniversary of the Universal Declaration of Human Rights, she praised the Court's contributions in this area, observing that "many of its cases and advisory opinions have marked true milestones in the legal culture of our region and are cited by other regional bodies."



One of the President's most significant journeys during her time in office has been her State Visit to the People's Republic of China in April. The visit took place at a key political moment: the 30-year anniversary of the opening of China's economy, along with the start of President Hu Jintao's second term. During her stay, the President met with the country's three highest authorities: President Hu Jintao; Prime Minister Wen Jiabao; and the Chairman of the National Assembly, Wu Bangguo.

While in China, she became the first Latin American Head of State to be invited to the Boao Forum for Asia, whose main topics were global warming and the Doha Round.

In April, Queen Elizabeth II of Great Britain received the President in a private audience at Windsor Castle, where the two leaders noted the "splendid historical relations" between their countries.



In September, to fulfill Millennium Goals 4 and 5 – reducing maternal and infant mortality by 2015 and improving maternal health – in Latin America and the Caribbean, which currently lag in these indicators, the President and the Prime Minister of Norway, Jens Stoltenberg, jointly launched the campaign "Actuemos ya por las Madres y los Hijos" (Let's Act Now for Mothers and Children). As part of the initiative, teams composed of doctors, nurses, midwives and specialists in maternal and infant health will be dispatched to Bolivia, Ecuador and other countries of the region.

TRADE AGREEMENTS

Chile has signed trade agreements with 55 countries, giving it preferential access to 85.5% of global GDP and 60.4% of the world's population.

The accords include free trade agreements, economic complementation agreements, investment promotion and protection accords, double taxation agreements, social security accords and open skies agreements.

Currently, Free Trade Agreements are being negotiated with Malaysia, Thailand, Turkey and Vietnam.



Economic strength

In 2008, world markets were hit hard by an unforeseen economic crisis, but Chile had the tools available to take effective action. Thanks to the country's savings and the administration's prudence during its first years in office, President Bachelet had access to funds for a series of measures announced in January, aimed at mitigating the effects of the crisis.

"Extraordinary moments require extraordinary solutions," she declared, announcing a fiscal stimulus plan costing nearly 4 billion dollars. Its aim: promoting investment and growth, supporting small and medium-sized businesses and defending the country's most vulnerable families. The plan also includes tax reductions, job protection measures and a stimulus package for private investment.



In order to implement the plan, Congress approved its funding bill rapidly and expeditiously, without opposition votes. The funds derive from the savings accumulated by the country thanks to the high prices for copper – Chile's leading export – experienced up to a few months ago.

The current plan reinforces measures announced in October, when 850 million dollars were budgeted to maintain an adequate flow of liquidity in the financial system, in support of small and medium-sized enterprises (SMEs). In November, a 1.15-billion-dollar package was added to expand resources for SMEs, provide guarantees and protect the jobs they generate, as well as to stimulate demand and support financing for home purchases by middle-income families.

More advances for women

There was much good news for Chilean women in 2008. Since the implementation of the Pension Reform, with a special benefit aimed at women, there have also been initiatives seeking equal pay for men and women and promoting greater representation of women in political posts. Numerous laws affecting women have been proposed and enacted, such as a measure to facilitate the payment of subsistence pensions. The country's Domestic Violence Law, which dates from 2005, has also been strengthened.

The reform entered into force in July, including a new benefit for all mothers calculated for each biological or adopted child. The measure is designed to increase mothers' pensions regardless of their current social condition or whether they have been able to make retirement contributions in the past. Thus, it recognizes those who have dedicated their lives to caring for their families, while increasing equity between men and women in the pension system.

Equal pay for equal work: this is the principle behind the ("Iguala") "Equalize" program, which seeks salary equity between men and women in both public and private organizations. It further aims to ensure that hiring and promotion decisions will no longer be affected by any form of discrimination. In short, the program aspires to create a new labor culture in Chile, as part of a universal spectrum of rights for all women.



OVERHEARD

"First, I would like to stress President Michelle Bachelet's unreserved support for this competition. The government and its investments provide the foundation for launching any initiative (...) When you have a good organization, it is because you have good people, and this country has both. Because of this, the outlook for women's soccer and for the country in general is magnificent."

Chuck Blazer, FIFA Executive Committee member and president of the Organizing Committee for the Women's U-20 and U-17 World Championships. Coquimbo, December 6, 2008.

"I would like to emphasize something that seems marvelous to me and serves as an example for me: the ability to forgive. For me, this is what Michelle Bachelet represents: the capacity to forgive in spite of the pain (...) to look toward the future and say that this is what we all must do."

Ingrid Betancourt, former FARC hostage. Santiago, December 3, 2008.

"Chile is a key leader in the American hemisphere, demonstrating to the smaller countries that the only path to development is integration with the international economy."

Oscar Arias, President of Costa Rica. San José, October 28, 2008.

"She (President Michelle Bachelet) is an admirable woman. I know that she works very hard to assure that everyone in Chile has opportunities."

Barack Obama, then U.S. presidential candidate. Miami, October 21, 2008.

"Chile is a thriving democracy. It is a shining example for the region and for the world. It is a strong and reliable friend of the United States in Latin America, and it plays a critical role on the world stage."

Senator Edward Kennedy, expressing his gratitude for the Order of Merit of Chile, presented by President Bachelet. Hyannis Port, Massachusetts, September 23, 2008.

"I met a warm person and a close friend. I availed of the opportunity to compliment Bachelet on the distinction of being the first executive woman President of this great country."

Pratibha Devisingh Patil, President of the Republic of India. Santiago, April 21, 2008.

"If the plans of the Chile Crece Contigo program, coordinated by the Ministries of Education, Health and Planning, are maintained over time, I would venture to say that ten years from now, Chile will be among the countries in the world with the most favorable levels of child development."

Clyde Hertzman, WHO expert in early childhood development. Santiago, January 29, 2008.

Meanwhile, the proposed "Balanced Participation" bill calls for the establishment of a 30% minimum threshold for women candidates on the electoral slates of political parties. It would also lengthen the campaign period for female candidates



running for public office for the first time. The measure's fundamental aim is to reduce the gap between the country's commitment to equality and the unequal opportunities persisting among Chilean men and women in the political sphere.

The fact that over 50% of the country's women have been the targets of

violence is no source of pride for the Chilean government.

In response, in addition to enforcing and further strengthening the country's Domestic Violence Law, the government will increase the number of women's shelters and assistance centers from 58 to 90



throughout the country in 2009, since one of the most common problems faced by domestic violence victims is that they are separated from their usual support networks. The training program for police officers and officials of the justice system will also be continued and expanded, preparing these personnel to address domestic violence cases more effectively.

Sports in Chile



SPORT IN CHILE

By the time of its Bicentennial in 2010, Chile will present a new face to the world in the area of sports. During 2008, the country made its most significant investment in sporting infrastructure in the past 50 years: 110 million dollars for four new world-class stadiums. In addition, Chile inaugurated an Olympic Training Center to support the development of top-level athletes, and the country was confirmed as the host of the 2014 Odesur Games.

In 2009, in a second phase of the Bicentennial stadium project, some 100 million dollars will be invested to enhance sporting infrastructure in eleven cities around the country. This not only represents a financial investment in Chile's regions, but also a stimulus for athletic activity and enhanced quality of life. As the President noted, these projects "will say to Chile and the world that there was a day on which the country decided to make sports a true national priority."

During the past year, Chile also hosted two great international sporting events: the FIFA Under-20 Women's Soccer World Cup and the Dakar Rally.

Women on the field

"Like a great party" was the fans' reaction to the 2008 FIFA Under-20 Women's Soccer World Cup, which took place in Chile from November 19 to December 7. Never before held in South America, the competition attracted 351,000 spectators.

The Chilean players, "Las Rojitas," welcomed their counterparts from Nigeria, Japan, China, England, Germany, Canada, Mexico, New Zealand, Argentina, the Congo, North Korea, France, Norway, the United States and Brazil.

The tournament was marked by the extreme enthusiasm and talent displayed on the field by the young competitors. After 32 matches, the championship went to the United States squad, which defeated the North Korean national team, a strong favorite.

Yet as President Bachelet noted, the most memorable goal was scored by the host country itself, with its new stadiums in Coquimbo, in the north; La Florida (Santiago) in central Chile; and Chillán and Temuco in the south. The FIFA authorities praised the tournament's impeccable organization and the government's commitment to the event, holding open the possibility of staging future world championships in Chile.



Desert crossing

From January 12 to 15, the arid landscapes of the Atacama desert – the world's driest – resounded with the roar of motors from competitors in the 30th Dakar Series, the leading event in international rally sports. The competition was held in Argentina and Chile this year, after the North African rally was canceled in 2008 due to security concerns.

In Chile alone, the grueling race attracted 250,000 fanatical spectators, who followed the path of the massive caravan of participants: 544 competitors driving motorcycles, four-wheelers, cars and trucks. Along with their support crews, they formed a convoy of 2,500 vehicles, protected by rigorous security measures.

All of the competitors agreed that the Atacama desert crossing was one of the most arduous challenges in the race's history. For the President, the balance was positive: "The results show the world that we are in a position to host the most important events." She added, "I reiterate to the organizers that we are quite willing to repeat the experience."



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