



ESPACIO  
PÚBLICO

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ANNUAL  
REPORT  
2013

## **ESPACIO PÚBLICO**

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## FROM OUR PRESIDENT

**E**SPACIO PÚBLICO WAS LAUNCHED IN AUGUST 2013 with an inaugural conference by James Robinson, who argued that there can be no sustained development without inclusive institutions.

We made our first public policy proposal only a few weeks later: an ambitious reform for effective consumer protection. The timing couldn't have been better: we had already been working on the project for six months when the issue reached the public agenda after a presidential candidate was accused of mismanaging a consumer rights case. Our proposal received an excellent reception: the programs of the two presidential candidates who finally went on to the runoff election included initiatives that agreed with a many of our proposals.

Meanwhile, in October we released a public policy report to end segregation in our cities: nine concrete policies that we hope will remain on the agenda in the years to come. In a brief period of time, the two projects that we launched in 2013 managed to position us as a point of reference among the country's research centers.

Chile faces major challenges this 2014 and, therefore, so does Espacio Público. We hope to continue contributing to the country with a medium- and long-term perspective and proposals based on evidence, in the context of a change in ruling coalition and a new administration that has a series of profound reforms on its agenda. With a consolidated work team and new research projects under way, we hope to contribute to the construction of a new Chile, one that is more inclusive, with sustainable development policies, equal opportunities and one that is more prosperous and participative.

**Eduardo Engel**

President Espacio Público





# WHY DO WE DO WHAT WE DO?

Espacio Público was born with a clear mission: to help Chile join the list of countries that have successfully made the leap to developed status.

Independent and nonprofit, this research center was created in mid-2012 by 18 distinguished professionals from different areas. They include former government ministers, international academics, award-winning experts and former government advisers – all of them convinced that our country cannot become stuck in a mid-level income category, as others have become, and that it is possible to build a more developed, inclusive and sustainable Chile.

**Thus, after barely a year in existence, Espacio Público has become a hub that attracts and brings together distinguished specialists and opinion leaders. In addition, our board members are truly involved in every project.**

Furthermore, we have actively participated in research projects and have fostered discussions that raised the standard of the debate, design, quality and implementation of public policies in Chile. At the same time, we have been providing valuable guidance to opinion leaders in other emerging economies.

To paraphrase James A. Robinson (professor of the Harvard School of Government and co-author of the book “Why Nations Fail”), we know that countries that have inclusive political institutions and allow their citizens to participate in decisions, have a greater chance to progress. “Virtuous cycles” that lead to greater development are created when power is distributed, when all citizens are treated with justice and when there is pluralism and the rule of law.

**In Espacio Público we are convinced that Chile can become a country with better opportunities for all of its inhabitants and we will continue to contribute to this in our everyday activities.**

“We are a think tank that is trying to promote more progressive ideas in the public debate, from a multidisciplinary perspective and based on evidence. **In addition, the issues we work on are very closely linked to the public discussion the country is holding.**”

- GREGORY ELACQUA

“The development of **research to back public policy decisions** is essential to better administer the state.”

- PABLO SIMONETTI

**“We want Espacio Público to be a research center with a serious approach to issues, for it to be exhaustive in its analysis and knowledgeable of public policies and their true impact on society and markets.** But at the same time, we want to be a close institution, one that understands society’s needs and those of its different components; one that is open to dialogue and presents complex technical issues in a simple way.”

- NICOLE NEHME

**“Espacio Público was born to fill a void in terms of public policy research centers.**

It is a place where we seek to undertake rigorous and in-depth research into issues that can help to foster social inclusion and reconcile it with economic growth.”

- JOSÉ DE GREGORIO





**“Espacio Público was born as an initiative of people deeply concerned about the welfare of the Chilean people; as an attempt to produce information and informed, rigorous, inclusive and productive debate.**

What impressed me and convinced me to become a part of this very diverse group is that it brings together diverse knowledge and specialties, but with a true willingness to learn and engage in productive debate, and to address the main problems that Chile faces today.”

– FLORENCIA TORCHE

**“To think about public and collective affairs...to build up from the center-left, with diverse experiences, knowledge and disciplines: new perspectives for the challenges that Chile faces today.”**

– MARCELA RÍOS

“We founded Espacio Público with the mission to produce medium and long term policies based on rigorous analysis that can help Chile move toward authentic development.

**Espacio Público’s biggest asset is the knowledge of its board members and researchers.”**

– ANDREA REPETTO

## 2013 BOARD

**Our board is comprised of a multidisciplinary group of distinguished academics and experts who are motivated by the goal of contributing to building a developed and inclusive country. Our board members actively participate in each of the projects that we undertake.**



**EDUARDO ENGEL**  
PRESIDENT

A civil engineer from the University of Chile with a PhD in economics from MIT and a PhD in statistics from Stanford University. He is a full professor of economics at the University of Chile and a guest professor at Yale University. He is also an associate researcher for the National Bureau of Economic Research (NBER) and the International Growth Centre. He writes a fortnightly column for La Tercera and was a member of the Presidential Advisory Commission on Labor and Social Equity under Michelle Bachelet's first administration.



**NICOLE NEHME**  
SECRETARY

An attorney from the University of Chile, she is a founding partner of the FerradaNehme law offices, which specialize in issues of economic regulation and competition. In 2011 she was distinguished by the independent international publication Best Lawyers as one of the country's top eight attorneys. She is professor of economic law at the University of Chile and professor of free competition at the Universidad Adolfo Ibáñez and the Catholic University of Chile.



**LUIS FELIPE CÉSPEDES\***  
TREASURER

An economist from the Catholic University of Chile with a PhD from New York University, he was coordinator of economic policies and economic adviser at the Chilean Finance Ministry (2006 and 2009). Previously he was head of economic research at the Chilean Central Bank and has also worked as a professor of macroeconomics and international economics at the University of Chile and the Universidad Adolfo Ibáñez business school. President Michelle Bachelet appointed him economy minister in March 2014.

*\*As part of Espacio Público's policy to maintain its independence, all board members who took full-time positions in government are no longer part of our board.*



**ALEJANDRO ARAVENA**

An architect from the Catholic University of Chile and executive director of Elemental, a “Do Tank” that develops projects involving institutional architecture, infrastructure, transportation, public spaces and housing. He was a guest professor at Harvard University (2000 to 2005) and has taught at the London School of Economics, where he has been a member of the Cities Centre Advisory Commission since 2011. His work has been published in over 30 countries and exhibited in Harvard GSD (2004), the Sao Paulo Biennial (2007), the Milan Triennial y and the Venice Biennial (2008 and 2012), MoMA (2010) and the MA Gallery in Tokyo (2011).



**ALBERTO ARENAS\***

A commercial engineer from the University of Chile with a PhD in economics from the University of Pittsburgh, he was an advisor to the Finance Ministry Budget Department in 1991 and head of that unit’s study department in 1997. He has worked as a professor of the master’s degree program in economics at Ilades/Georgetown University and has been a member of the Codelco and Canal 13 boards of directors. President Michelle Bachelet appointed him finance minister in March 2014.



**EDUARDO BITRÁN\***

A civil industrial engineer from the University of Chile with a PhD in economics from Boston University, he is a professor at the Universidad Adolfo Ibáñez and has advised the World Bank, the Inter-American Development Bank, the IMF, the OECD and Growth Dialogue on issues related to innovation, regulation, finances and private investment in infrastructure. He was general director of Fundación Chile, general manager of CORFO and, between 2006 and 2008, minister of public works. He was then president of the National Innovation Council of Chile. President Michelle Bachelet appointed him executive vice president of CORFO in March 2014.



**NICOLA BORREGAARD\***

B.A. en Economía de la Universidad de Wurzburg (Alemania), M.A. en Economía de SUNY (Estados Unidos) y PhD en Economía de Recursos Naturales de la Universidad de Cambridge de la Universidad de Chile. Fue la encargada del departamento de Energía y Cambio Climático en Fundación Chile. También fue asesora del ministro de Economía y Energía, miembro del Consejo Nacional del Ministerio de Medio Ambiente y formó parte de la Comisión Presidencial de Desarrollo Urbano. Entre 2005 y 2008 fue Directora del Programa de Eficiencia de Energía Nacional de Chile.

En marzo de 2014 fue nombrada Jefa de la División de Desarrollo Sustentable del Ministerio de Energía.



**DANTE CONTRERAS**

A commercial engineer with a master's degree in economics from the University of Chile and a PhD in economics from the University of California, Los Angeles, he was an executive director of the World Bank between 2008 and 2010 and prior to that was a member of the Presidential Commissions on Education and on Labor and social Equity, convened under the first Michelle Bachelet administration. He was also a member of the economy and business group at Fondecyt and was recently elected president of the Chilean Economics Association. He is director of the University of Chile economics department and was appointed to the Codelco board of directors in May 2014.



**JOSÉ DE GREGORIO**

A civil industrial engineer with a master's degree in engineering from the University of Chile and a PhD in economics from MIT, he was triple minister for economics, mining and energy in 2000-2001, after which he was a councilor, vice president and president of the Central Bank (2007 to 2011). He has worked as a consultant to international organizations (IMF, World Bank, IDB and United Nations) and foreign companies. He was a member of the LACEA Executive Committee and has taught undergraduate and postgraduate courses in macroeconomics and international finance at the University of Chile, the Catholic University, MIT and UCLA.



**FRANCISCO JAVIER DÍAZ\***

An attorney from the University of Chile with a master's degree in political science from the London School of Economics, he was a senior researcher at CIEPLAN and a Fulbright scholar in political sciences at the University of Pittsburgh. He was vice president of the Chilean Political Science Association (2008-2010) and has been a professor at the University of Chile, Universidad Diego Portales and ARCIS. He worked as main policy adviser to Michelle Bachelet during her first administration. In addition, he was the labor minister's cabinet chief in 2004-2005. He was appointed undersecretary of labor in March 2014.

*\*As part of Espacio Público's policy to maintain its independence, all board members who took full-time positions in government are no longer part of our board.*



**GREGORY ELACQUA**

He holds a B.A. from Boston University, a master's degree in public affairs from Columbia University and a PhD in political science and public policy from Princeton University, and is director and professor of the Universidad Diego Portales Public Policy Institute. He was chief adviser to the Chilean Education Ministry between 2003 and 2006 and an adviser to the Senate Education Committee. He has also consulted with the World Bank, the IDB, UNICEF and various governments on education policy. He is currently a member of the PISA-OECD Test Questionnaire Expert Group.



**ENRIQUE PARIS\***

An economist with a master's degree in political science from the Catholic University of Chile, he was deputy director of rationalization and public service at the Finance Ministry Budget Department, cabinet chief to President Ricardo Lagos, executive secretary of the Ministerial Committee on Labor and Social Equity and for the Presidential Commission on Modernization of the State. He directed the Universidad Central de Chile's Public Administration School until 2012 and was also secretary of the political science and public administration department. He has been a postgraduate professor at various Chilean universities and has been chief adviser to the Finance Ministry since March 2014.



**IVÁN PODUJE**

An architect with a master's degree in urban development from the Catholic University of Chile, he has over 15 years of experience in urban and territorial issues and has worked on projects like Center-East Santiago Plan, evaluation of Metro lines 3 and 6 and the Bicentenary Cable Car project. In regions he has participated in infrastructure design plans for greater Concepción, Antofagasta, Temuco and greater Valparaíso. He was a member of the Presidential Advisory Commission on the New Urban Development Policy and the Santiago Urban Transportation board. He is a professor at the Catholic University of Chile and Stanford University in Chile.



**MARCELA RÍOS**

She has a BA in sociology from York University in Canada, a master's degree in social sciences from FLACSO Mexico City and a PhD in political science from the University of Wisconsin. In 2006 she was a member of the Boeninger Presidential Commission to produce a proposal to reform the binomial electoral system. She is currently in charge of the governance department of the United Nations Development Program (PNUD) in Chile, coordinator of the gender and power section of the Human Development Report, also by the UNDP, and an adviser to ComunidadMujer. In April 2014 she was appointed to the Presidential Advisory Commission on the Pension System.



**ANDREA REPETTO**

An economist with a master's degree in economics from the Catholic University of Chile, she holds a PhD in economics from MIT. She has been Chairwoman of the Unemployment Insurance Users' Committee and has also sat on the board of the Foundation for Overcoming Poverty, the Presidential Commission for the Measurement of Poverty, the Presidential Advisory Commissions on Pension Reform and on Labor and Social Equity, and the advisory panel on the Ethical Family Income. She is currently director of the Latin American and Caribbean Economic Association, LACEA, and director of the Universidad Adolfo Ibáñez Labor Policy Center. She was appointed to the board of BancoEstado in May 2014.



**PABLO SIMONETTI**

A civil engineer from the Catholic University of Chile with a master's degree in economic engineering from Stanford University. He dedicated his full efforts to literature in 1996 and in 2004 he published his novel "Madre que estás en los Cielos," which has been translated into five languages and has become one of the top three bestselling Chilean novels of the last two decades. His most recent work is "La Barrera del Pudor" and "La soberbia juventud," which have been published in Latin America and Spain and received an enthusiastic response from critics. He was president of the foundation =Iguales, an NGO that promotes sexual equality and nondiscrimination and has published in diverse Chilean media outlets.



**FLORENCIA TORCHE**

She holds a B.A. in sociology from the Catholic University of Chile and a master's degree and PhD in sociology from Columbia University. She is an associate professor of sociology at New York University and has designed and advised diverse surveys undertaken in Chile and other Latin American countries, including the first social mobility survey for Chile and Mexico. In addition, she was a member of the Presidential Commission on Labor and Social Equity and has been a consultant to the World Bank, the UNDP and the OECD.



**ANDRÉS VELASCO**

He is an economist with a master's degree in foreign relations from Yale University and a PhD in economics from Columbia University. He has a postdoctoral degree in political economics from MIT and Harvard University. He was Chilean finance minister (2006-2010) and distinguished as the Latin American Finance Minister of the Year in 2008 by a series of international publications like the Financial Times, The Economist, the Wall Street Journal and Bloomberg. He has been a consultant to the International Monetary Fund, the IDB, the World Bank and ECLAC. He was president of LACEA between 2005 and 2007 and was a presidential candidate in the 2013 elections.



## NEW MEMBERS 2014

**A group of 12 new experts have joined our board after some distinguished members left to join the Michelle Bachelet government.**



**CLAUDIO AGOSTINI**

Economist from the Catholic University of Chile.

Master of Arts and PhD in economics from the University of Michigan. He was executive vice president of Enami and advisor to the finance undersecretary. He is currently a professor at the Universidad Adolfo Ibáñez.



**ANDREA BUTELMANN**

A commercial engineer from the Catholic University of Chile with a PhD in economics from the University of Chicago. She was a principal judge on the Free Competition Defense Court until May 2014 and is currently director of the Universidad Alberto Hurtado master's degree program in Economics Applied to Public Policy.



**PEDRO CAYUQUEO**

A journalist from the Universidad de la Frontera, founder and director of the periodical Azkintuwe and Mapuche Times. He is also author of the books "Solo por ser indios," "La voz de los Lonkos" and "Esa ruca llamada Chile." He was a delegate before the UN Human Rights Commission in Geneva in 1999, at the age of 24, where he gave a presentation on the human rights situation of the Mapuche people in southern Chile.



**LUIS CORDERO**

An attorney with a master's degree in Public Policy from the University of Chile and a PhD from the University of Lleida, Spain.

He works as a professor of administrative law and a senior researcher at the University of Chile's Center for Regulation and Competition (RegCom). He coordinated the reform of the Environmental Institutional Framework, which later became the law that created the Environment Ministry, the Environmental Assessment Service and the Environment Superintendence.



**FABIÁN DUARTE**

A mathematical civil engineer with a master's degree in applied economics from the University of Chile, in addition to a PhD in economics from Yale University. He is currently director of the "Project assessment" diploma program and an assistant professor at the University of Chile.



**VALENTINA DURÁN**

An attorney from the University of Chile with a master's degree in environmental law (DEA) from the Universidad de Paris I Panthéon-Sorbonne. She is currently legal manager of the consulting firm Gescam and professor of environmental law at the University of Chile Law School. She is also lead counsel for the Center for International Law of Sustainable Development (CISDL).





**PATRICIO FERNÁNDEZ**

He studied law at the University of Chile, literature and philosophy at the Catholic University of Chile and a postgraduate program in the history of renaissance art from the University of Florence. He is founder and director of The Clinic and Theclinic.cl. In addition, he is the author of the novels “Ferrantes,” “Los Nenes” and “La calle me distrajo,” in addition to writing pieces for Gatopardo (Mexico), Soho (Colombia), Piaui (Brazil) and El País (Spain).



**ALEJANDRO FERREIRO**

An attorney from the University of Chile with an MA from the University of Notre Dame. He has been in charge of different superintendent’s offices: on Securities and Insurance, Pension Fund Administrators, Electricity and Fuels, and Isapres. In addition, he was economy minister under the first administration of President Michelle Bachelet and is currently a member of the Council for Transparency.



**SEBASTIÁN GRAY**

An architect from the Catholic University of Chile with an MSc in Architecture Studies from MIT. He is a professor at the Catholic University and a partner of the Bresciani Gray architecture studio. In addition, he is currently president of the Chilean Association of Architects.



**ALEJANDRA MIZALA**

An economist from the University of Chile with a PhD in economics from the University of California, Berkeley. She is currently director of the University of Chile Industrial Engineering Department, as well as academic director of its Center for Advanced Education Research. She was president of the Chilean Association of Economists and a member of the presidential advisory councils on Labor and equity, Quality of Education and Pension Reform.



**JORGE NAVARRETE**

An attorney from the Universidad Diego Portales with a master's degree in fundamental rights and a diploma in advanced political philosophy studies from the Universidad Carlos III in Madrid. He has been undersecretary general of the government, chief of the Defense Ministry Advisory Committee, and consulting attorney for the cabinet of the Ministry General Secretariat of the Presidency. He is currently a partner at the law firm Del Rio Izquierdo.



**VERÓNICA UNDURRAGA**

She holds a PhD in law from the University of Chile, the same institution where she obtained her undergraduate degree in legal and social sciences and where she worked until 2010. She is currently a professor at the Universidad Adolfo Ibáñez and judge of ethics for the Bar Association. In addition, she is a founding partner of the Chilean Public Policy Society, sits on the board of the Pro Bono Foundation, and participates in the Latin American Seminar of Constitutional and Political Theory (Yale Law School Project) and the Latin American Networks of Legal Academics.



## MEMBERS OF THE ESPACIO PÚBLICO NETWORK

We have convened experts from diverse disciplines to join a network of associated researchers. This has allowed us to include new perspectives and contribute to a reasoned debate to reach the widest possible consensus. The members of the Network are committed to the development of our projects by personally implementing them and engaging in rigorous research. In addition, they contribute a critical view in the different instances for debate that are an integral part of our work model.

Felipe Agüero  
 María Eliana Arntz  
 Arturo Arriagada  
 Cristián Bellei  
 Álvaro Bello  
 José Miguel Benavente  
 Andrea Bentancor  
 Carola Blazquez  
 Jorge Bofill  
 David Bravo  
 José Joaquín Brunner  
 Esteban Calvo  
 Raúl Campusano  
 Lidia Casas  
 Edmundo Claro  
 León Cohen  
 Jorge Contesse  
 Jorge Correa  
 Alejandra Cortázar  
 Javier Corvalán  
 Javier Couso  
 Pamela Díaz-Romero  
 Lucía Dammert  
 Claudia Dides  
 Mario Drago

Mauricio Duce  
 Juan Pedro Eberhard  
 Rodrigo Egaña  
 Luis Eduardo Escobar  
 Ricardo Escobar  
 Vicente Espinoza  
 Javier Etcheberry  
 Eduardo Fajnzyliber  
 Ana María Farías  
 Rodrigo Ferrada  
 Pamela Figueroa  
 Ronald Fischer  
 Carolina Flores  
 Claudio Fuentes  
 Robert Funk  
 Carlos Furche  
 Jaime Gatica  
 Alex Godoy Faúndez  
 Aldo González  
 Daniela Gorab  
 Clarisa Hardy  
 Claudia Heiss  
 Felipe Heusser  
 Daniel Hojman  
 Cristóbal Huneus

Pablo Jaeger  
 Alfredo Joignant  
 Óscar Landerretche  
 Fernando Larraín  
 Guillermo Larraín  
 Macarena Lobos  
 Jaime Lorenzini  
 Francisca Márquez  
 Igal Magendzo  
 Jorge Manzi  
 Jorge Marshall  
 Sergio Micco  
 Pablo Mir  
 Mariano Montenegro  
 Pía Mora  
 Emilio Moya  
 Ernesto Muñoz  
 Gonzalo Muñoz  
 Arturo Navarro  
 David Noe  
 Andrés Otero  
 César Oyarzo  
 Rodrigo Palma  
 Guillermo Paraje  
 Eric Parrado

David Preiss  
 Pedro Rivera  
 José Roa  
 Jorge Rodríguez  
 Francisco Saffie  
 Claudia Sanhueza  
 Humberto Santos  
 Carolina Segovia  
 Pablo Serra  
 Sol Serrano  
 Juan José Soto  
 Cristóbal Tello  
 Rodrigo Ugalde  
 Rodrigo Valdés  
 Juan Pablo Valenzuela  
 Luis Valenzuela  
 Paulina Veloso  
 Tomás Vial Solar  
 Rodrigo Wagner  
 Mario Waissbluth  
 José Weinstein  
 Javier Wood  
 Andrés Zahler  
 José Zalaquett  
 Fernando Zegers

## EXECUTIVE TEAM 2014

Our executive team is the backbone of the hub that Espacio Público has become: this small group mobilizes all of the actors needed to produce and to disseminate public policy proposals that will allow Chile to move towards inclusive development.



**GUILLERMO GONZÁLEZ**

EXECUTIVE DIRECTOR

[guillermo.gonzalez@espaciopublico.cl](mailto:guillermo.gonzalez@espaciopublico.cl)

A civil industrial engineer from the Catholic University of Chile with a master's degree in public policy (MPP) and a master's degree in environmental engineering from the University of California, Berkeley, where he received the Smolensky Award for the best MPP thesis. He was director of volunteering for Un Techo para Mi País and has taught courses at the Universidad Adolfo Ibáñez, Universidad del Desarrollo and the Catholic University of Chile. He was projects director at Espacio Público prior to taking over as executive director.



**ANTONIA SILVA**

DIRECTOR OF INTERNATIONAL RELATIONS

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She holds a master's degree in public policy from Georgetown University and was previously senior coordinator of international relations at the research center CIPPEC, in Buenos Aires; director of public affairs for ATT Latin America Corp, Miami; and advisor to the director for Chile at the Inter-American Development Bank in Washington, D.C.



**CAROLINA MOSSO**

DIRECTOR OF COMMUNICATIONS

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She is a journalist from the Catholic University of Chile with an international master's degree in publishing from the Universidad Diego Portales and Universidad Pompeu Fabra (Spain). She was deputy director of communications and marketing for Un Techo para Chile and has advised diverse companies from both the public and private sector. She currently teaches at the universities Diego Portales, Finis Terrae and del Desarrollo.



**FRANCISCA GUERRERO**

COMMUNICATIONS ASSISTANT

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A journalist from the Catholic University of Valparaiso. She was a reporter and deputy director of the international economy section at the newspaper Estrategia.



**MARÍA JESÚS LEÓN**

EXECUTIVE COORDINATOR  
 mjesus.leon@espaciopublico.cl

A jeweler with studies in photography, decoration, history and art history, she has worked as an events producer, advertising decorator and an administrator. In Espacio Público she manages and produces the research center's different events and milestones.



**JUAN BOSTELMANN**

RESEARCH COORDINATOR  
 juan.bostelmann@espaciopublico.cl

An anthropologist and sociologist from the University of Toulouse and the University of Barcelona (Erasmus Exchange), he is a member of the Social Conflict Observatory (OCS) of the University of Barcelona and in 2007 was a member of the Presidential Advisory Commission on Educational Quality under President Michelle Bachelet as a representative of students.



**FELIPE JORDÁN**

RESEARCH COORDINATOR  
 felipe.jordan@espaciopublico.cl

A commercial engineer with a minor in economics and a master's degree in economics from the University of Chile, he has cooperated on research for the Office of the National Economic Prosecutor.



**EMILIA RÍOS**

RESEARCH COORDINATOR  
 emilia.rios@espaciopublico.cl

She holds a degree in political science from the Catholic University of Chile and collaborated on research by the same university's Public Policy Center.

# THE WAY WE WORK

Quality public policies that are the product of a rigorous and participative process.

**1**

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**Project Selection**

Members of the Espacio Público Network and Board present projects in the annual application process

Espacio Público Board selects and prioritizes projects

**2**

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**Determination of Project Leadership**

3 or 4 project directors are chosen

- ▶ They define project guidelines and oversee its entire development
- ▶ They must be members of the Network and include (at least one) member of the Espacio Público Board

**3**

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**Determination of Project Scope**

Project directors define: Reference Documents to be commissioned (2-4)

- They seek to fill voids in literature

Researchers to be hired

- They can be external
- They do not necessarily have to share the project directors' vision.



## OPEN CONVERSATION

- Efforts are made to identify problems and needs.
- Relevant stakeholders from the public, interest groups and experts are invited.



4

### Development of Reference Documents

Researchers undertake the studies, supervised by project directors

- Comments are aimed at ensuring rigorous analysis

The researchers sign the work and it is published on the website

5

### Development of Public Policy Report

Directors draft it

- Inputs: Reference Documents and existing evidence
- Objective: To make public policy proposals

Signed by project directors, it is published in print and on the website

6

### Dissemination and Impact

The mass dissemination event is the conference

In addition, other activities are undertaken to disseminate the work and to make an impact

#### EXPANDED MEETING

- Progress reports are presented.
- Network members are invited.

#### WORKSHOP 1

- Final Reports are presented.
- External experts, interest groups and relevant citizen stakeholders are invited, in addition to the Espacio Público board members and Network.

#### WORKSHOP 2

- Preliminary proposals are presented.
  - Researchers, Espacio Público board members and Network are invited.

#### CONFERENCE

- The Public Policy Report is presented.
  - Specialized and mass audiences are invited, including decision-makers, interest groups and relevant citizen stakeholders.
- A media plan is designed and executed.





**Think tank transversal prepara propuestas en educación, salud y energía**

En Espacio Público, el centro de estudios liderado por el economista Eduardo Engel, coordinador de reuniones de los empresarios de Chile, Uruguay y Uruguay.



Eduardo Engel en una reunión de trabajo con empresarios de Chile, Uruguay y Uruguay.

# La elite chilena según el autor de Por qué fracasan los Países

De visita en Chile, James Robinson analiza esta vez la formación del Estado chileno y el rol que ha jugado su desarrollo. Su conclusión es que la asunción de los incentivos impide que el país alcance el éxito total.

"Mi visión del camino al desarrollo de Chile es que a Chile muy bien por una formación de Estado precoz en el siglo XIX, pero que muchos de sus errores de por qué Chile es más pobre que Argentina o Colombia, Uruguay, no tiene nada que ver."

# Investigación de académicos de la U. Diego Portales: Estudio muestra que escuelas son más segregadas que el barrio en que se ubican

Los datos muestran que las escuelas públicas tienen más niños de sectores económicos bajos que los que hay en su entorno.



# Espacio Público afina estudios sobre energía y consumidores

Dois investigaciones para avanzar hacia nuevos modelos de protección al consumidor y de desarrollo energético en el país, además de un estudio que apunta a una reforma al sistema de salud, son parte del dossier que prepara el recién estrenado centro de estudios Espacio Público.



El think tank que preside el economista Eduardo Engel, dará a conocer los textos en seminarios cerrados en las próximas semanas. Así, el primer y se presentará el mes 21, en el seminario "una sociedad sin afines".

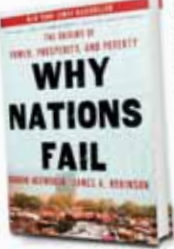
# Seminario "Por qué fracasan los países", organizado por Picton y "El Mercurio", se realizará en septiembre próximo

"Por qué fracasan los países: el origen del poder, la propiedad y la pobreza" es el nombre del seminario que se realizará este año, que organiza el empresario Picton, Adherra y "El Mercurio".

El seminario tiene referencia directa al libro homónimo —del autor de este mes— de The New York Times —escrito por los economistas Daron Acemoglu y James Robinson— que explica de forma sencilla por qué algunos países prosperan en su política económica y por qué otros fallan de forma rotunda.

El libro se anunció como regalo para los lectores el jueves 20 de septiembre en el hotel Ría Carmona.

El seminario se llevará a cabo en presencia del ministro de Hacienda, Felipe Larraín. Posteriormente, explicará el ex presidente del Banco Central y actual jefe del CEP, Vitorino Corbo, sobre el caso chileno de empujones de la elite.



El libro "Why Nations Fail" fue elegido como regalo del año por el periódico estadounidense The New York Times.

EL MINISTRO de Hacienda, Felipe Larraín, y el ex presidente del BC Vitorino Corbo están entre los expositores.

# ENGEL con invitado top

Con todo será el lanzamiento del nuevo think tank liderado por el economista Eduardo Engel. El 8 de agosto será el momento estelar, y para tal evento se traerá un gran economista-político de este momento en Estados Unidos: profesor de la escuela de gobierno de Harvard, James Robinson, autor del libro

El libro "Why Nations Fail" es el más reciente de este autor. En él, Engel y Robinson explican por qué algunos países prosperan y otros fallan, basándose en la calidad de sus instituciones políticas y económicas.

# Fondo SEP sube Simce de alumnos vulnerables

El fondo de estrategia educativa conocido como América Latina de Morgan Stanley Guillermo Pato, se refirió al gobierno de Bachevalar, y al ex economista por el cual el fondo de Banco Santander, Central Finance, Fernando González, se fue al extranjero.

El fondo de este mes volvió a subir a cargo del ex jefe y presidente de Chile, Roberto Ampuero, quien estuvo en el gobierno de Bachevalar.

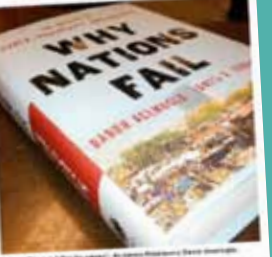
Al respecto, Mattias Eggenstein, jefe de la división de América Latina de Morgan Stanley, dijo que el fondo de Banco Santander, Central Finance, Fernando González, se fue al extranjero.

El fondo de este mes volvió a subir a cargo del ex jefe y presidente de Chile, Roberto Ampuero, quien estuvo en el gobierno de Bachevalar.



# Cinco economistas aterrizan en Chile polémica tesis del libro "Por qué fallan los países"

Los autores afirman que es clave que las instituciones sean "instituciones" y no "estructuras". Las personas promueven la competencia y la creación de riqueza, pero los países que promueven la figura estamental y en su lugar a la social.



El libro "Why Nations Fail" es el más reciente de este autor. En él, Engel y Robinson explican por qué algunos países prosperan y otros fallan, basándose en la calidad de sus instituciones políticas y económicas.

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# Our first year

**In a short time,  
Espacio Público has become a leader  
in the public policy debate, contributing  
in the progress towards truly inclusive  
and sustainable development.**



## DAY ZERO

# OUR LAUNCH

Espacio Público was launched on 5 August 2013 at the Gabriela Mistral Cultural center with over 400 people in attendance, including former government officials and distinguished researchers.

The meeting was marked by a conference by James Robinson, a professor at the Harvard School of Government and co-author of the book “Why nations fail.” It was focused on inclusive development, which motivated the birth of Espacio Público and the way that it works.

Robinson sought to explain why Chile has had fairly solid institutions compared to other countries in the region, which in his opinion is deeply rooted in history. However, he warned that those institutions and their failure to be truly inclusive could ultimately limit the possibility of making further progress toward full development.

The launch was a media success, with a presence in the press for a month prior to the event and for the two weeks following it.

“I believe that the domination of elite high schools, which is deep-rooted, is evidence of the existence of informal institutions that lead Chilean political institutions to be far less inclusive than what they might look like on paper.”

–James Robinson



Our board members Alejandro Aravena, Andrea Repetto and Andrés Velasco with James Robinson.



Espacio Público President Eduardo Engel with James Robinson, shortly before his presentation.



At the launch, Eduardo Engel explained that Espacio Público's work consists in undertaking rigorous and independent research, creating proposals for public policies that are based on evidence, expert analysis, reasoned debate and the greatest degree of consensus possible.



Robinson argued that "for a country to make the transition from poverty to wealth, it also needs to make a transition from extractive institutions to inclusive institutions."

## OUR PROPOSALS

# HOW TO PROVIDE CONSUMERS WITH EFFECTIVE PREVENTION



For Espacio Público the current institutional framework is not enough to guarantee the rights of consumers. The organization in charge of overseeing such matters, the Sernac, is a “toothless lion”: it has significant media presence, which generates major expectations among consumers, but it has very few effective powers to resolve disputes with companies. In fact, the Sernac cannot even sanction those who break the law with a fine.

**The fact is that Chile does not have an inclusive institutional framework for this matter, harming millions of consumers who live with a feeling of abuse that undermines the legitimacy of markets.**

**With this assessment in hand, a conference was held on 23 August to present the study “Toward a society without abuses: Proposals for effective consumer protection,” drafted by the Espacio Público board members Eduardo Engel, Andrea Repetto and researcher Ernesto Muñoz.**

Andrea Repetto presented the study’s main conclusions and proposals. Former Economy Minister Juan Andrés Fontaine, former Sernac Director José Roa and Odecu Consumer Association President Stefan Larenas commented on the report’s results, which included a series of concrete proposals to resolve this situation.

The seminar and the proposals were widely covered in the media, including a report on the Teletrece primetime newscast. In addition, the 2013 presidential candidates from Chile’s two main political coalitions, Michelle Bachelet and Evelyn Matthei, adopted a good number of the proposals.



The conference was the final milestone of a research project lasting over eight months.



## OUR PROPOSALS

# TOWARD MORE INCLUSIVE CITIES

The harsh inequalities of our cities are also an opportunity to generate equity if the zones with the greatest differences can be intervened in. In Espacio Público we believe that cities can generate equity over periods that are compatible with one or two administrations by taking strategic actions that transfer first-world standards and quality to segregated regions.

**The conference “The city as a source of equity” was attended by urban planners, former municipal authorities, former Housing and Urbanism Minister Jaime Ravinet and important social leaders. There the Espacio Público board member Ivan Poduje presented the public policy report he drafted together with fellow board members Alejandro Aravena and José de Gregorio.**

Meanwhile, OECD Deputy Director of Public Governance and Territorial Development Mario Marcel; Pablo Allard, dean of the Universidad del Desarrollo Architecture and Arts department, and Mario Orellana, representative of the “También Somos Chilenos” National Corporation of Shantytown Leaders and Housing Committees, commented on the report.

The activity received broad press coverage, from specific media outlets dedicated to urban planning, to the printed press and national television.



Espacio Público made a series of concrete proposals for the social integration of our cities so all of their inhabitants can enjoy a higher standard of living.



## OUR RESEARCH

# WHAT EXPLAINS OUR HIGH LEVELS OF SCHOOL SEGREGATION?

School segregation is a clear reflection of the segregation that exists in our cities. However, schools are even more segregated than the neighborhoods they are located in, which tells us that there are elements in the education system itself that exacerbate this situation. Espacio Público undertook a research project to understand these elements, which was led by the board members Dante Contreras, Gregory Elacqua and Florencia Torche.

**This project's novel results were presented at a conference attended by researchers, school owners and students, among others. Andrés Hernando, chief of research at Horizontal; Sylvia Eyzaguirre, adviser to the education minister, and Juan Eduardo García-Huidobro, an academic from the Universidad Alberto Hurtado, commented on the results and led an enriching debate.**

The conference was also covered in the press (including a report on the CNN Chile newscast) and it prompted debate in the printed press.







The academic conference revealed new evidence proving that the Chilean school system is highly segregating.



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# OUR PLANS FOR 2014

## **AN ENERGY STRATEGY FOR CHILE**

Chile's energy sector is facing a fast-growing demand while encountering significant constraints such as low competition and public resistance to new projects. This situation has resulted in a sustained upward pressure on prices, a threat to Chile's competitiveness in global markets, and increasing social conflict when determining the location of generation and distribution infrastructure.

This research project seeks to understand this crisis and formulate proposals on how it can be overcome. Espacio Público has commissioned six background papers to address the energy crisis' most critical issues: (a) competition in the electricity market, (b) barriers for renewable energy growth, (c) land use planning for electricity infrastructure, (d) electricity transmission regulation, (e) public participation in the energy sector, and (f) causes and effects of litigation challenges to energy project approvals.

## **TAX AND FISCAL POLICY**

The Chilean tax and fiscal system is under scrutiny. The incoming administration has promised a relevant expansion of social spending to finance an overhaul to the education system and other reforms. This demands higher tax collection -an additional 3% of GDP, as estimated by experts. This project seeks to contribute to the debate around taxes on some specific issues. In particular, this project is examining the following dimensions of the matter: (a) green taxes and (b) the data accuracy, transparency and opportunities for citizen participation in Chile's budget formulation process.



## **IMPROVING CHILE'S WATER RESOURCES MANAGEMENT MODEL**

In Chile, efforts at conciliating economic growth with environmental criteria and the sustainable management of natural resources has proven difficult.

This project will take stock of international best practices and lessons learned to then make policy recommendations aimed at improving Chile's legal instruments and institutional arrangements so that its water resources are managed and protected with sustainability, efficiency and equity in mind. Special consideration will be given to the social and economic impact of alternative policies on the well-being of local communities and small-scale businesses.

## **EFFECTIVE PROTECTION FOR FINANCIAL AND TELECOMS CONSUMERS IN CHILE**

Chile has taken action through competition and regulation to ensure the development of financial and communication markets, creating new structures to enforce consumer rights, and trying to set the right incentives for firms. However, Espacio Público's research (resulting from the project described above) provides evidence that the structural choices behind the organization of regulatory agencies are falling short of achieving these objectives.

This project will conduct a study of Chile's regulatory governance for the protection of consumers in financial and telecommunications markets, using institutional comparative analysis to identify best practices and propose reforms to current industry-specific consumer protection mechanisms. The research team will focus its analysis and proposal drafting on three consumer protection variables: disclosure and transparency, equity and fair treatment, and effective recourse.

## **REFORMING THE CHILEAN HEALTH SYSTEM**

The deficiencies of Chile's healthcare system include escalating costs, inefficiency and equity issues. The public health providers contribute with their low productivity, poor incentives, and operational rigidities. Private insurance companies and healthcare providers do their part by capturing very high profits, having low efficiency rates and having costs that rise even faster than in the public sector.

This project focuses on analyzing and producing policy recommendations on questions such as: (a) the factors that limit competition in the healthcare insurance industry (i.e., vertical integration, captive clienteles due to preexisting conditions, and the proliferation of insurance plans that make an informed choice close to impossible), (b) the undesired effects of different payment methods (e.g. per capita and per service), and (c) the impact of the 2004 health care reform that changed public healthcare providers' managerial practices and measures to improve them.

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## **YOUTH EMPLOYABILITY IN CHILE**

The Chilean labor market is characterized by a low rate of youth employment and participation -a problem that disproportionately impacts on young people from low-income families. This suggests that the policies that Chile has implemented to link young people to the labor market have not been successful and should be rethought. A better social and economic inclusion of young people is critically important for economic growth, poverty reduction, improved equity and social cohesion.

The overall objective of this research project is to contribute to the analysis and adoption of public policies aimed at improving the employability of young people through proposals that address the following causal factors: school dropout, cognitive and non-cognitive skills delivered by the school system, teen pregnancy, drug abuse, delinquency and the relationship between students and the labor market.

## **THE LEGITIMACY OF CHILE'S DEMOCRATIC INSTITUTIONS**

Chile is one of the most stable and effective democracies in Latin America but, as measured by opinion surveys, the legitimacy of its democratic institutions is deteriorating. Along with the decline in the standing of formal channels of political representation, participation through non-institutional means is on the rise, and with this, many fear that the quality of policymaking is bound to fall. Some analysts believe the problem is more profound in Chile than in comparable countries but the causes and likely effects are yet to be fully understood.

This project takes a multi-disciplinary approach to the study of the possible sources and consequences of the loss of institutional legitimacy in Chile and to devising mechanisms for its reversal. Two background studies are underway. One entails an econometric study of the impact of the media on electoral behavior and on public perception of democratic institutions. The other uses regression analysis to test certain hypothesis that could explain the negative perception and low legitimacy of such institutions among Chilean citizens.



## **MONEY AND POLITICS**

Despite Chile's good record of transparency and ethics in government, recent scandals (e.g., illegal campaign contributions by fishing conglomerates to lawmakers and pharmaceutical lobbies exerting pressure on legislators to stop a bill that would make the industry more competitive) have unmasked the still under-regulated, almost unrestricted influence of money and lobbyists on Chile's elections and policymaking processes. Certain laws and institutional arrangements, or lack of, are believed to be making Chile's politics and policies prone to these problems.

Under this project, Espacio Público is collecting evidence to guide the formulation of recommendations aimed at improving Chile's policy framework regarding the influence of interest groups on policymaking, and, more specifically, to advance a set of policy proposals on (a) conflict of interests, (b) political party and campaign funding, and (c) lobbying. Three background studies have been commissioned: an analysis of Chile's regulatory/legal landscape on these three matters, (b) an international comparative analysis of regulatory schemes, and (c) an investigative journalistic analysis of lobbying practices observed during the legislative life of eight bills.

## **POLICIES FOR THE PROTECTION AND INCLUSION OF HISTORICALLY DISCRIMINATED MINORITIES**

Inequality in Chile disproportionately affects women, indigenous groups, people with disabilities, and sexual minorities. And, while human rights awareness has increased and Chile has passed anti-discrimination laws, its inclusion policies exist in an institutional vacuum. This project seeks to examine inclusionary policies (both preventive and reparatory) as well as institutional schemes that can be adopted in Chile to effectively improve access by these groups to the quality social services and economic and political resources needed to level the playing field.

# FINANCIAL STATEMENT

The income received in 2013 came from the Institute for New Economic Thinking (INET), Lord Sainsbury of Turville and the founders of Espacio Público.

## IN THOUSANDS OF US\$

US\$ 1 = \$ 524

### INCOME

Contributions and Donations .....396.5

### EXPENSES

#### OPERATING

##### Program Services

Research .....186.3

Communications and outreach .....114.0

##### Supporting services

Management and general .....98.6

Fundraising .....8.5

#### NON-OPERATING

Exchange rate differences .....-6.7

**RESULT .....-4.2**



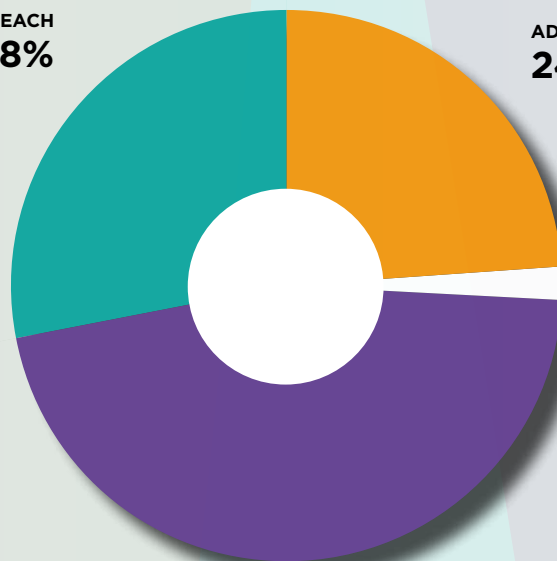
## OPERATIONAL EXPENSES

COMMUNICATIONS AND OUTREACH  
**28%**

ADMINISTRATIVE AND GENERAL  
**24%**

FUNDRAISING  
**2%**

RESEARCH  
**46%**





**Espacio Público**  
was founded as an  
independent research center  
that seeks to contribute to  
the debate, analysis and  
implementation of public  
policies that foster inclusive  
and sustainable development.