

WHAT WE DID IN 2014

ANNUAL REVIEW



Espacio Público is an independent center-left research center comprising a group of professionals from a range of disciplines. Our mission is to improve the debate, design and execution of public policy, in order to develop better opportunities for all men and women.

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ANNUAL REVIEW

A message from Eduardo Engel, President of Espacio Público	page 4
2014 in numbers	page 6
The key debates triggered by Espacio Público	page 9
Research agenda for 2015-2016	page 18
Financial report	page 27

EDUARDO ENGEL

President of Espacio Público



If we recall the spirit in which Espacio Público was created (“a space where we can generate good ideas and good analysis, in order to develop more public policy options that can better address the challenges facing Chile”), then this was undoubtedly an extremely satisfying year.

2014 was marked by rich debates on the design and implementation of public policy, not only for the recently inaugurated government, but for all the country's political actors and civil society.

Our research center was clearly a protagonist in this year of change: we developed analyses with robust evidence and sensible proposals, presented our ideas to the Chilean people, attended congressional commissions to report on our research and kept abreast with the government agenda on issues related to our research.

We started off the year in the midst of the discussion on the much-awaited Educational Reform. We contributed to the discourse by creating a space for debate between congressmen and the recently confirmed Minister of Education, while also presenting our proposals in a large seminar.

Also in the first half, we intensified our efforts in one of our priority areas—namely, consumer protection—with an assessment of the draft bill to reform the National Consumer Service (SERNAC). To this end, we staged a forum for all the actors involved, with the participation of the Minister of the Economy, the director of SERNAC, congressmen and representatives of the private sector and consumer associations.

In August, we presented our report, “Treatment for a Critical Patient: Proposals for the Chilean Healthcare System,” just when the debate was focused on private health insurance, following the creation in April of a Presidential Advisory Committee specifically to address private health insurance companies (Isapres). Our project, in contrast, explored an integrated reform of the public and private healthcare systems, including changes in how the two interact.

Finally, in late 2014, in response to a series of political scandals that undermined confidence in the political process in our country, we held a press conference to report on our assessment and outline proposals for improving the regulation of political financing and, consequently, the quality of democracy in Chile.

In addition, the center continued to work systematically on projects that will come to fruition in 2015, as well as other issues of interest, such as green taxes, the debate on a Mapuche territory, competition in the electricity sector and security in Latin America.

If we recall the spirit in which Espacio Público was created (“a space where we can generate good ideas and good analysis, in order to develop more public policy options that can better address the challenges facing Chile”), then this was undoubtedly an extremely satisfying year.

Our challenge is to continue to grow, which implies not only generating more projects, but also moving toward the development of a more complex institution, one that makes a greater contribution and has a greater ability to influence not only the design, but also the implementation of the public policies that Chile needs to achieve true development.

2014 IN NUMBERS

A range of statistics can be used to highlight the work, recognition and impact that our research center has achieved in the country. Based on our different research projects and the analytical opinion of our directors, we have been able to uncover serious issues and to contribute with concrete public policy proposals. Here is a summary of 2014, in numbers.

FORUMS AND SEMINARS ORGANIZED

2013

2014

3

7

PARTICIPANTS IN FORUMS AND SEMINARS

155

340

MEDIA APPEARANCES

106

143

MENTIONS IN THE MAIN PRINT MEDIA IN CHILE

68

76

BACKGROUND PAPERS PUBLISHED

3

8

PUBLIC POLICY REPORTS PUBLISHED

2

3

INVITATIONS TO CONGRESSIONAL COMMISSIONS

0

3

MINUTES ON TELEVISION



2013

16

2014

145

MENTIONS ON THE MAIN WEBSITES IN CHILE



34

40

OP-ED COLUMNS



34

40

VIEWS ON OUR YOUTUBE CHANNEL



613

663

FOLLOWERS ON TWITTER



1.913

4.199

FOLLOWERS ON FACEBOOK



223

294

THE KEY DEBATES TRIGGERED BY ESPACIO PÚBLICO

After just one year in operation, Espacio Público has already become a leader in the public policy debate, contributing to our country's progress toward truly inclusive and sustainable development.

TIMELY, RELEVANT, HIGH-LEVEL DISCUSSIONS

SEMINAR

“The End of the Exclusive Clubs: How to Reduce Educational Segregation in Chile”

With the objective of formulating proposals to promote integration in our school system, Espacio Público organized the seminar “The End of the Exclusive Clubs,” held on 12 May at the UC Extension Center. The seminar program included the presentation of Public Policy Report N°3, “Toward a More Inclusive School System: How to Reduce Educational Segregation in Chile,” with proposals by our directors Dante Contreras, Gregory Elacqua, Alejandra Mizala and Florencia Torche, in conjunction with researchers Alejandro Carrasco, Carolina Flores, Humberto Santos and Juan Pablo Valenzuela.

The event was inaugurated by the former Minister of Education, Nicolás Eyzaguirre, who presented part of the analysis and outlined the Administration’s objectives in education. Presentations were also given by Gregory Elacqua, Senator Carlos Montes (Socialist Party) and Senator Andrés Allamand (National Renewal Party).

One week after the seminar, President Michelle Bachelet presented the first draft bill on education reform, which included the end of student selection and family co-payment in the subsidized school system, two of the proposals presented by Espacio Público.



From left to right: Carlos Montes (Senator, Socialist Party); Gregory Elacqua (Director, Espacio Público), Nicolás Eyzaguirre (Minister of Education); Andrés Allamand (Senator, National Renewal Party) and Eduardo Engel (President, Espacio Público).

[*“Segregation cripples the soul of our society, our education and our prospects for development.”*
Nicolás Eyzaguirre, Minister of Education.]

FORUM

“Reforming SERNAC: Giving it Lion’s Teeth?”

Authorities, citizen rights associations and business representatives participated in the forum on “Reforming SERNAC: Giving the Lion Teeth?” organized by Espacio Público on 2 July at the Casa Colorada Museum in Santiago, to discuss the scope of the draft bill to expand the power and authority of the National Consumer Protection Service (SERNAC), together with the proposals developed by our research center in 2013.

The forum was opened by the Minister of the Economy, Luis Felipe Céspedes, who laid out the details of the Bachelet Administration’s initiative. He asserted that the objective of the reform is to move SERNAC away from “merely a mediating role” and to give the agency the tools to “improve the conditions for upholding consumer rights.” Following the Minister’s presentation, there

was a panel discussion on “The Draft Bill from All Perspectives,” which was moderated by Andrea Repetto, Director, Espacio Público, and included the following panelists: Fernando Balcells, Director, Fundación Chile Ciudadano; Fuad Chahín, Chairman of the House of Representatives’ Economic Commission; and Jorge Awad, President of the Association of Banks and Financial Institutions.

The event ended with the panel discussion on “Expert analysis of the Draft Bill,” which was moderated by Nicole Nehme, Director, Espacio Público. Participants included Daniel Hojman, economist at the University of Chile; Juan José Ossa, lawyer at the Catholic University of Chile and former director, SERNAC; and Francisca Barrientos, lawyer at the Diego Portales University and researcher at Fundación Fueyo.

“It is important for everyone, especially consumers, to feel like they are going to be treated fairly in the markets, to have faith that the procedures for submitting a complaint will be quick and that anyone who commits abuses will be sanctioned.”
Minister of the Economy.



From left to right: Jorge Awad (President, Association of Banks and Financial Institutions), Andrea Repetto (Director, Espacio Público), Fuad Chahín (Congressman, Christian Democrat Party), Fernando Balcells (Director, Fundación Chile Ciudadano).

FORUM

“Economic Instruments for the Effective Decontamination of Our Cities”

Espacio Público invited authorities and experts to debate the incorporation of green taxes in the tax reform, which was then being debated in Congress and would be approved a few months later. The forum on “Economic Instruments for the Effective Decontamination of Our Cities” was held at our offices on 11 August 2014.

The day's activities were launched by Marcelo Mena, Under-Secretary for the Environment, who gave a presentation on the Administration's initiative.

Mr. Mena's presentation was debated in a roundtable discussed that included Valentina Durán, Director, Espacio Público; Ricardo Katz, Associate Researcher, Centro de Estudios Públicos (CEP); and Pablo Baraño, Environmental Engineer and author of the report “Green Taxes on Fuel: A Proposal for Implementation in Chile” commissioned by Espacio Público.



From left to right: Pablo Baraño (Researcher, Espacio Público), Guillermo González (Executive Director, Espacio Público), Marcelo Mena (Under-Secretary for the Environment), Valentina Durán (Director, Espacio Público) y Ricardo Katz (Associate Researcher, CEP).



“We already know the cost of pollution, and now it's time to pay it.”
Under-Secretary for the Environment.

SEMINAR

“Treatment for a Critical Patient: Proposals for the Chilean Healthcare System”

To contribute to the debate on improving the healthcare system in Chile, Espacio Público organized a seminar to discuss Public Policy Report N°4 “Treatment for a Critical Patient: Proposals for the Chilean Healthcare System.” The seminar, which was held on 26 August at the former National Congressional Building, was developed by Directors Andrea Butelmann, Fabián Duarte and Nicole Nehme, in conjunction with Guillermo Paraje and Marcos Vergara, members of our network.

After a welcome speech by Eduardo Engel, President of Espacio Público, Fabián Duarte gave a detailed talk on the analysis and proposals contained in the report regarding Chile's health insurance systems (Isapres and

Fonasa) and public healthcare providers. These proposals were then discussed by a panel, which was moderated by the prominent journalist Fernando Paulsen, with participation by Congressmen Marco Antonio Núñez (Party for Democracy, PPD) and Karla Rubilar (Amplitud Party) and Izkia Siches, President of the Association of Physicians of Santiago.

Following an interesting discussion, Núñez invited Espacio Público to present our proposals to the House of Representatives' Health Commission, on which he serves. As a result, Fabián Duarte, Marcos Vergara and our Executive Director, Guillermo González, gave a presentation to Congress on 2 September.

*“Our proposals apply to the entire healthcare system, addressing problems in both the public and private healthcare sectors so that they can operate in harmony.”
Fabián Duarte, Director, Espacio Público.*



From left to right: Fabián Duarte (Director, Espacio Público), Karla Rubilar (Congresswoman, Amplitud Party), Marco Antonio Núñez (Congressman, PPD), Izkia Siches (President, Association of Physicians of Santiago), Fernando Paulsen (Journalist) y Eduardo Engel (President, Espacio Público).

FORUM

“From Mapuche land to a Mapuche territory: a geopolitical conflict”

The policy of turning over land to the Mapuches as a way to address the conflict in southern Chile was characterized as insufficient and inefficient by Pedro Cayuqueo and Sebastián Donoso, in the forum “From Mapuche land to a Mapuche territory: a geopolitical conflict” organized by Espacio Público on Tuesday, 14 October, at our offices. Both analysts are experts on the situation in the south, but from opposite perspectives. Nevertheless, they agreed in their criticism of the approach taken by the political class in its relationship with our indigenous communities.

Cayuqueo, a Mapuche journalist and Director of Espacio Público, asserted that “if public policy continues along the path established under the indigenous policy of 1993, then we will be afflicted by unresolved conflicts for the next 20 or 30 years.” Similarly, Donoso, a Member of the Board of the National Human Rights Institute appointed by former President Sebastián Piñera, argued that “the land reallocation mechanisms established in the Indigenous Law produce a series of incentives for clientelism, corruption and lack of transparency, which—in contrast to what one might think—mainly ends up hurting the Mapuches.”

The debate was presented by the President of Espacio Público, Eduardo Engel, and moderated by María Elena Arntz, UNDP Intercultural Program Coordinator in Chile and a member of our network.



From left to right: Sebastián Donoso (INDH Board Member), María Eliana Arntz (Member, Espacio Público network), Pedro Cayuqueo (Director, Espacio Público) and Eduardo Engel (President, Espacio Público).

“For the Mapuches, it is important not only to recover usurped land, but also to be able to govern our territory, thereby safeguarding our cultural, social and economic rights.”
Pedro Cayuqueo, Director, Espacio Público.

FORUM

“Increasing Competition in the Electricity Sector”

To provide a space for discussing the problems that are currently facing the national electricity sector, Espacio Público organized the forum “Increasing Competition in the Electricity Sector,” held on 22 October at the former National Congressional Building. The forum brought together industry experts, who concluded that the major obstacles to the development of the sector, which also translate into higher energy prices, are not centered on issues of competition, but rather derive from community opposition to various projects and the incapacity of government authorities and businesses to resolve these conflicts. The conference started with the presentation of two background reports commissioned by Espacio Público:

“Promoting Competition in the Electricity Sector,” by Ronald Fischer; and “A Proposal for Reforming the Regulation of Electricity Transmission in Chile,” by Eduardo Bitrán, Carlos Silva and Marcelo Villena.

This was followed by a roundtable discussion featuring Ronald Fischer, a professor at the University of Chile and member of the Espacio Público network, and Marcelo Villena a professor at the Universidad Adolfo Ibáñez University. The discussion was moderated by one of our directors, Andrea Butelmann, and included the participation of Juan Ricardo Inostroza, Commercial Manager at AES Gener, and Rodrigo Palma, also a professor at the University of Chile and member of the Espacio Público network.

“Almost all new projects are met with opposition. On the one hand, people don’t want to pay higher electricity rates, but on the other, they are not willing to accept the fact that electricity has costs.”
Ronald Fischer,
member of the Espacio Público Network.



From left to right: Rodrigo Palma (Member, Espacio Público Network), Marcelo Villena (Researcher, Espacio Público), Andrea Butelmann (Director, Espacio Público), Juan Ricardo Inostroza (Commercial Manager, AES Gener) and Ronald Fischer (Member, Espacio Público Network).

FORUM

“For a Safer Latin America: A New Perspective on Preventing and Controlling Crime”

Espacio Público and the Development Bank of Latin America (CAF) jointly organized the forum “For a Safer Latin America: A New Perspective on Preventing and Controlling Crime,” for the presentation of the 2014 CAF report of the same name. The conference, which was held on 2 December at the former National Congressional Building, started off with a talk by María Lucila Berniell, Chief Economist at CAF, who discussed the report in detail. This was followed by a panel discussion featuring Catalina Mertz, Executive Director, Fundación Paz Ciudadana; Mauricio Duce, Professor, Diego Portales University, and member of the Espacio Público Network; and Lucía Dammert, Professor, University of Santiago. Andrea Repetto, Director of Espacio Público, was in charge of moderating the debate.



From left to right: Mauricio Duce (Member, Espacio Público Network), Catalina Mertz (Professor, University of Santiago), Lucila Berniell (Chief Economist, CAF), Guillermo González (Executive Director, Espacio Público), Andrea Repetto (Director, Espacio Público) and Lucía Dammert (Member, Espacio Público Network).



“Chile has a long way to go in terms of tracking people from childhood and developing the related tools for their rehabilitation and reinsertion.”
Andrea Repetto,
Director, Espacio Público.

PRESS CONFERENCE

Espacio Público proposes strengthening Servel, a funding system based on Republican principles and tighter the transparency requirements for political parties

As Congress began the debate on political financing, Espacio Público held a well-attended press conference on the publication of Public Policy Report N°5 “More Democracy for Chile: Proposals for Advancing toward a Healthy Relationship between Money and Politics.” At the press conference, Eduardo Engel, Alejandro Ferreiro and Emilia Ríos presented an analysis and proposals for improving legislation in this area so as to strengthen our democratic system.

The report—the result of over a year’s work—exposes the lack of transparency in party and campaign financing, which creates space for allowing money to have undue

influence in the country’s political processes. The report delves into the role of the National Electoral Service (Servel), which to date has not been granted the authority, for example, to monitor compliance with campaign spending limits. It is therefore critical to strengthen the Servel, by granting the office sufficient power and resources to fulfill its function. “If the political process is not supervised, there will be more corruption cases like Penta, and that requires a deep reform of Servel,” emphasized Eduardo Engel.

At the same time, the lack of party financing means that scarce resources are mainly channeled to electoral campaigns, to the

detriment of grassroots efforts and programmatic work.

To address this scenario, the report proposes the regular public financing of political parties, based on the number of votes obtained in the last parliamentary elections and subject to compliance with requirements associated with republican values.

Two months after the publication of our proposals, President Michelle Bachelet created the Presidential Advisory Council on Conflicts of Interest, Influence Peddling and Corruption, and named Eduardo Engel as chairman. The final report submitted by this committee included several of the measures proposed by Espacio Público.

“What distinguishes countries where the interaction between the public and private sectors works well from countries where it works poorly is not the absence of scandals, but rather the ability to react to them.” President of Espacio Público.



RESEARCH AGENDA 2015-2016

Espacio Público has defined eight strategic areas, with 17 projects that will make substantive contributions to the debate in the coming months.

AREA

CITIES AND TERRITORIAL DEVELOPMENT

URBAN DENSIFICATION

Chile currently has one of the highest urbanization rates in the world, with almost 90% of the country's population living in cities. To accommodate these people, cities have grown rapidly and urban density has increased, without any planning in terms of sustainability, green areas or heritage preservation. This has led to community opposition to any new construction, which has translated into a freezing of zoning plans in many sectors, especially in favorably located neighborhoods. The densification process is desirable to the extent that it avoids pushing new houses out to the periphery and has the potential to reduce the high degree of segregation among Chilean citizens. For the process to be viable, public policy needs to promote forms of densification that ensure that public services meet the requirements of the larger population while also safeguarding values such as the preservation of neighborhood identities and the creation of green spaces. This project aims to identify models that can achieve these objectives, as well as the necessary regulatory changes for a successful implementation.

LAND-USE PLANNING AND ENERGY DEVELOPMENT

Land-use conflicts have increased significantly over the past few years. The institutional structure has proved to have insufficient tools for harmonizing community interests, electricity generation and distribution, the mining industry, protected areas, and so on. This institutional failure can be explained, in part, by the almost total lack of advance land-use planning. Consequently, investment projects end up solving location problems on a case-by-case basis, without any real participation by the affected sectors.

Espacio Público proposes to research more effective and efficient land-use planning methods, with a focus on investment projects in energy. There are no obvious recipes for reconciling different productive activities that are disputed within a given sector, in addition to the demands of the local communities. The task becomes even more complex if one wishes to avoid an over-regulation that would hinder productive development. This is the challenge to be addressed in this project.



REGIONAL DEVELOPMENT AND DECENTRALIZATION

Chile is one of the most centralized countries in Latin America and in the OECD. Although decentralization has been on the government agenda of the last four administrations and is clearly desired by the people, no substantial progress has been made toward political, fiscal and administrative decentralization. The most recent effort, in the form of the Presidential Advisory Commission on Decentralization created by President Bachelet in 2014, has vanished into thin air. These were the first proposals to be abandoned in the face of the erosion of the current administration, which could be evidence of resistance on the part of political actors to move in this direction. Espacio Público plans to undertake an unbiased analysis of the commission's proposals through debates including diverse perspectives, so as to identify the real risks that will have to be addressed on the road to greater decentralization. The subsequent research will be aimed at finding solutions to mitigate these risks and generating concrete proposals to make it possible to advance on this long-overdue agenda.

URBAN TRANSPORTATION

Eight years after the launch of the Santiago urban transportation system (Transantiago), performance indicators are far from what was promised or what citizens expected. Transantiago's reputation has declined steadily in the period (in June 2015, just 17% of the population approved of the government's management of the system). This has occurred in parallel with a progressive increase in the subsidies to the private system operators. One possible explanation for this disparity is that the contracts are not giving the operators the right incentives to improve quality.

The research project proposed by Espacio Público would be oriented toward finding evidence to support or refute the incentives problem hypothesis and formulating proposals to rectify the multiple problems plaguing the system. This research is also relevant to the rest of Latin America, which is watching Transantiago as a reference (both positive and negative) for their own urban transportation systems.

AREA**DEMOCRACY AND GOVERNANCE****LEGITIMACY OF DEMOCRATIC INSTITUTIONS**

The great paradox of modern-day Chile lies in the fact that the sustained economic growth of the past few decades has been accompanied by a growing mistrust of the democratic institutions that govern the country. This has positioned the country among those with the lowest degree of confidence in their political institutions, in both Latin America and the world. The objective of this project is to expand our understanding of the causes of this trend and the effects for democracy in our country. Research has already begun on measuring the evolution of Chileans' confidence in their political institutions and assessing the influence of the communications media on the perception of these institutions. The different lines of research that will be developed in the future are expected to contribute to strengthening our understanding of this phenomenon, with an eye to developing proposals to contribute to the country's healthy democratic development.

MONEY AND POLITICS

A series of irregular situations involving prominent political and business figures has come to light in recent months, exposing the weakness of Chilean regulation of the relationship between money and politics, undue influence peddling and conflicts of interest. Following the publication of our Public Policy Report N°5, which addresses political party and campaign financing, we have continued studying the different angles of the political integrity reform that Chile needs in order to address this situation, which is exacerbating the abysmal legitimacy of political actors.

In parallel with this research, Espacio Público will monitor the legislative agenda in this area, looking to contribute to the ongoing debate in Congress on both regulatory and technical levels. We will also make available channels through which citizens can become informed, participate in the debate and apply pressure to implement the changes that will contribute to improving the national institutional framework for political integrity.

CONSTITUTIONAL DIALOG

Given that the discussion of a new Constitution is on the table, a fundamental question for Espacio Público is how the constitutional design affects the definition of public policies and their implementation by the government. While many opportunities have been created for discussing the reform proposed by the Bachelet Administration, few are addressing the effects of the Constitution on the potential success or failure of different public policies.

The objective of this project is to reflect on and contribute to the debate on the possibilities that a new constitution offers in terms of promoting sustainable and inclusive development. This will be achieved through a series of guided conversations, in which the board of directors of Espacio Público will discuss the relationship between the Constitution and public policy, exploring possible models, explicit and implicit limits on the government's performance and the contribution of the Constitution to the quality of politics.

IMPROVING THE DISCUSSION ON PUBLIC POLICIES

In Chile there are problems with the technical quality of the evidence generated and its validation by the different actors involved in the discussion of public policies. This is explained by the asymmetry in the analytical capacity of the Executive and Legislative branches, information deficiencies and insufficient evaluation of implemented public policies. Consequently, decisions that should take into account empirical data instead are based solely on doctrinal positions, from one side or the other.

The objective of this study is to analyze the current institutional shortcomings that have led to this situation. We will then propose key reforms to provide decisionmakers with the information and analysis necessary for a reasoned debate, in which the parties deliberate from a political position, but support their arguments with the best available evidence.





AREA

DIVERSITY AND INCLUSION

INSTITUTIONAL FRAMEWORK FOR ANTI-DISCRIMINATION

The institutional framework for anti-discrimination in Chile is highly fragmented and lacks of a coordinating agency. The Anti-discrimination Law passed in 2012 does not establish an entity to ensure compliance. Instead, there is a wide range of agencies with similar goals, while many forms of discrimination persist at the level of both the state and society, which are not being addressed by public policy.

The general object of this study is to characterize the current institutional framework for safeguarding the principle of anti-discrimination and to make recommendations for improving it. In the process, our analysis will emphasize the demands of vulnerable groups and examine the international experience in this area.

INDIGENOUS MIDDLE CLASSES IN THE CITIES

In Chile, 74% of the indigenous population lives in cities, and many belong to the middle class. However, the focus of public policy and of the social conversation on indigenous issues is firmly rooted in rural areas and indigenous poverty. There is no information on how members of indigenous communities insert themselves in the urban social structure, the assets at their disposal, the limits they encounter and the appropriate role—if any—of public policy in this process.

The general objective of this study is to characterize the social stratification processes affecting urban indigenous populations in Chile. The project will include the analysis of existing surveys, together with the implementation of a qualitative study aimed at capturing the experiences and expectations of indigenous people living in cities. Special emphasis will be placed on differentiating among the experiences of different indigenous groups. Based on our findings, we will discuss the relevance of designing and implementing public policies aimed at this group.

AREA EDUCATION

TECHNICAL EDUCATION

Professional-technical high school (PTHS) education accounts for over 40% of high school students in Chile and 65% of the poorest students. The graduates of the different disciplines have widely divergent post-high-school experiences: graduates of some programs are able to successfully enter the labor market and/or continue on to higher education, while those who major in other disciplines may have a disadvantage relative to their peers who attended university-oriented high schools focused on science and humanities. Women appear to be the worst affected, since the industrial disciplines (such as electricity or mechanics) generally lead to the best outcomes, and these students are mostly male.

The objective of this research project is to investigate the factors that explain the differences in the professional and educational experiences of PTHS graduates, in order to then formulate public policy proposals for improving the opportunities of the groups with poorest outcomes.



AREA

CONSUMER PROTECTION

COORDINATION BETWEEN CONSUMER PROTECTION REGULATORS



An earlier study by Espacio Público argued for increasing the power and authority of the National Consumer Service (SERNAC) in order to give it lion's teeth. However, there is still a large gap in terms of understanding how SERNAC should interact with other public agencies. The lack of coordination among sectoral regulators creates a series of problems for both consumers and businesses. This project aims to identify how best to distribute responsibilities between SERNAC and the sectoral regulators and to propose mechanisms that allow the different agencies to coordinate when necessary. To do so, the project will study how international best practices in this area can be incorporated into the Chilean institutional structure.

AREA

YOUTH AND EMPLOYMENT

NEET YOUTH

Nearly 640,000 Chilean youth are not in education, employment or training (NEET). Among the poorest 50% of the population, four out of ten youth between the ages of 20 and 24 years are in this situation. Evidence shows that this period of inactivity, over and above the immediate cost to the families, leaves an indelible mark on their future career paths. Addressing this problem, which is also on the rise in other countries in the region, requires an integral understanding of the young people involved. In Chile, this task is limited by the available data, which are disperse and insufficient.

This project will undertake a detailed analysis of the multiple variables that are related to the youth problem through the design, application and analysis of an innovative and comprehensive survey. This will provide the basis for designing labor insertion and education policies aimed at improving outcomes for young people.

INTERVENTIONS TO ADDRESS YOUTH INACTIVITY

The high levels of youth inactivity in Chile require innovative public policies. There is no obvious approach to organizing and retaining young people who are disconnected from the world of productivity. Although Chile has implemented some promising initiatives for the prevention of inactivity and the educational and occupational reinsertion of inactive youth, the lack of rigorous assessments of these programs hinders the determination of their real effect, which in turn limits the possibilities for improvement or expansion.

In a first phase, this project will study similar initiatives carried out by nonprofit organizations in Chile and examine the available evidence on the impact of such interventions in comparable countries. In a second phase, the project will design and implement a rigorous assessment of a promising program for the prevention or occupational and/or educational reinsertion of inactive youth. This will provide the basis for considering the potential for turning this type of intervention into public policy initiatives.




AREA

ENVIRONMENT AND NATURAL RESOURCES

CITIZEN PARTICIPATION IN INVESTMENT PROJECTS

The mechanisms for citizen participation established in the Chilean institutional framework for environmental management have not succeeded in fostering the development of investment projects that are compatible with the needs, demands and visions of the different groups affected. This is exacerbated by the unjust distribution of the costs and benefits of the projects, where impoverished communities suffer the negative effects of investments that generate large benefits for firms and consumers in other geographical areas. This situation has translated into a strong opposition to a series of investment projects, which resulted in a legal deadlock. The objective of this project is to propose a regulatory framework that can channel substantial community participation and achieve a more equitable distribution of the benefits of development. The research will be centered on analyzing experiences at the local level and exploring the international experience in this area.

WATER RESOURCE MANAGEMENT

The reduction in available water in some regions of the country, due to the prolonged drought and climatic change, has coincided with a greater demand for this resource, given the demographic and economic growth in the country. This has led to increasing conflicts, especially in sectors where the population has seen its potable water supply threatened due to the water use of large consumers. At the same time, different ecosystems have been exposed to environmental degradation stemming from water scarcity.

Espacio Público proposes to investigate the real possibilities available to the government under the current legislation for addressing these issues, which have mostly been kept at the margin. We will also examine different alternatives for guaranteeing the water supply for human consumption while also adequately safeguarding environmental uses. Finally, our researchers will formulate proposals for improving the regulatory instruments so as to harmonize the different uses of this resource.

AREA HEALTHCARE

MEDICAL SPECIALISTS

In the Chilean public healthcare system, it is possible to identify two concrete problems related to the relative and absolute scarcity of doctors, which gravely affect the population: long waiting times and limited access to certain services. Moreover, the shortage of qualified personnel, particularly in certain medical specialties, results in higher costs for public hospitals. This latter issue can be explained by an artificial restriction on the supply of physicians. The objective of this project is to carry out an analysis of the labor market for medical specialists, so as to quantify and describe in detail the issues cited above. This information will support the formulation of concrete proposals for solving these problems.



FINANCIAL REPORT

According to our funding policy, Espacio Público can only accept funds from international sources, academic entities, public funds allocated to commissioning independent studies and personal contributions from our directors.

CONTRIBUTIONS BETWEEN

**US\$200,000
AND
US\$400,000**

**Lord David
Sainsbury of Turville**

CONTRIBUTIONS BETWEEN

**US\$200,000
AND
US\$60,000**

**Institute for New
Economic Thinking
(INET)**

CONTRIBUTIONS BETWEEN

**US\$60,000
AND
US\$15,000**

**Inter-American
Development Bank
(IDB) and the Embassy
of Switzerland in Chile**

CONTRIBUTIONS BETWEEN

**US\$3,000
AND
US\$15,000**

**Development Bank
of Latin America
(CAF) and
Konrad-Adenauer
Stiftung (KAS)**

IN U.S. DOLLARS
(US\$1= \$606.75)

INCOME

Contributions and donations	315,600
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EXPENSES

OPERATING EXPENSES

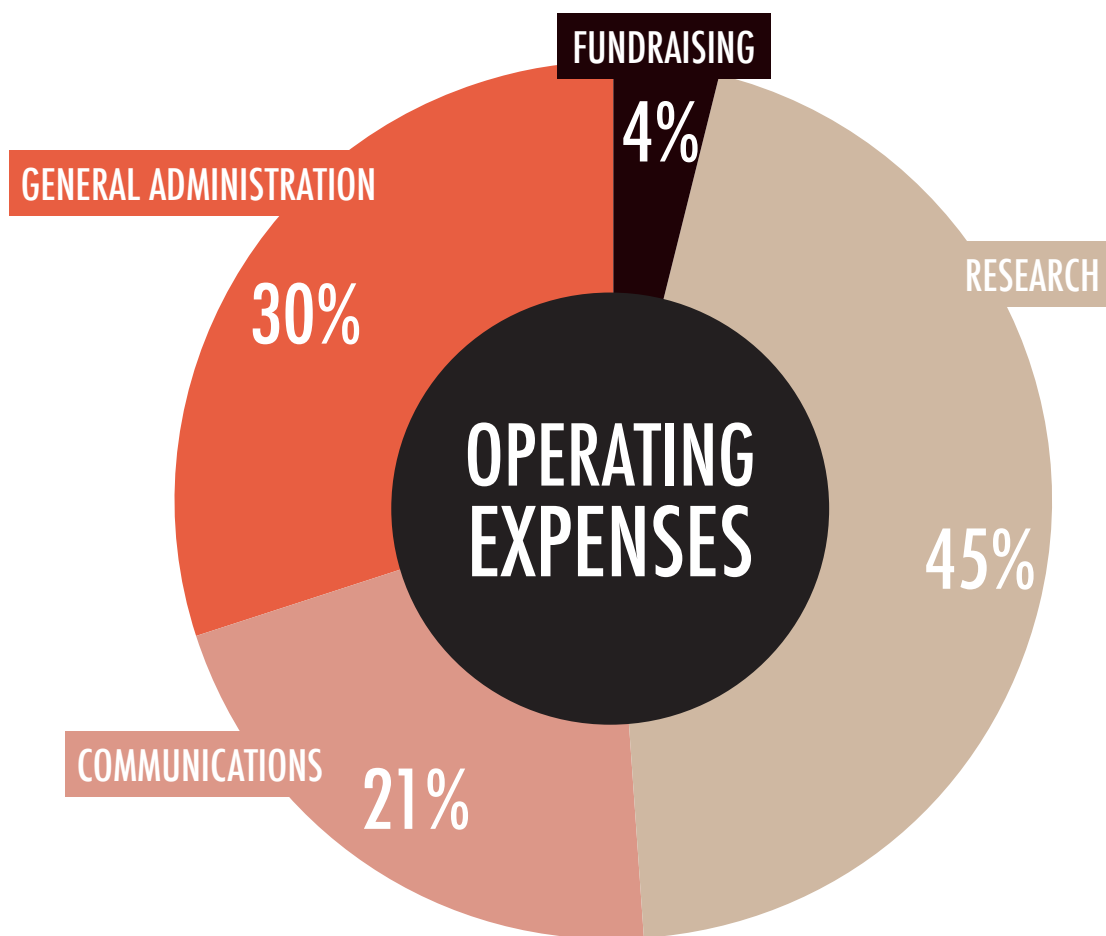
Program services	
Research	140,900
Communications and promotion ..	66,200
Support services	
General administration	94,900
Fundraising	12,600

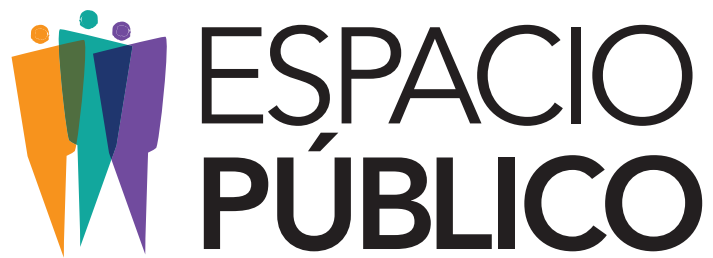
NONOPERATING EXPENSES

Foreign exchange differences	17,800
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EARNINGS

.....	16,400
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