

Chile



2016 Country Review

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Chapter 1

Country Overview

Country Overview

CHILE

Chile gained its independence from Spain in 1818. It established a parliamentary democracy in the late 19th century, but degenerated into a system protecting the interests of the ruling oligarchy. In the 1920s, as dissent arose from unequal power and land distribution, Marxist groups gained strong popular support. The government in the 1960s embarked on far-reaching social and economic programs, particularly in education, housing and agrarian reform, but the programs were unable to eliminate inequalities rooted in the past. Senator Salvador Allende, a Marxist and member of Chile's Socialist Party, was elected president in 1970 by a narrow margin, but he was overthrown in 1973 by a military coup led by Augusto Pinochet, who ruled until a freely elected president was installed in 1990. Chile has one of Latin America's strongest economies. Since the 1980s Chile has maintained sound economic policies that have contributed to steady growth. But it faces the challenge of diversifying its copper-dependent economy.

Key Data

Key Data	
Region:	South America
Population:	17434684
Climate:	Temperate; desert in north; cool and damp in south.
Languages:	Spanish
Currency:	1 Chilean peso (Ch\$) = 100 centavos
Holiday:	Independence Day is 18 September (1810), Pedro Pablo Day is 29 June
Area Total:	756950
Area Land:	748800
Coast Line:	6435

Chile

Country Map



South America

Regional Map



Chapter 2

Political Overview

History

Around 10,000 years ago, migrating indigenous peoples followed the line of the Andes and settled in fertile valleys and along the coast of what is now Chile. The Incas briefly extended their empire into the north in the 15th century in the common era, or C.E., but the area's remoteness and the subsequent arrival of Spanish conquerors in the 16th century prevented extensive settlement.

In 1541, the Spanish, under Pedro de Valdivia, encountered hundreds of thousands of indigenous peoples from various cultures in the area that modern Chile now occupies. These cultures supported themselves principally through slash-and-burn agriculture and hunting. The Araucanians, a fragmented society of hunters, gatherers and farmers, constituted the largest Native American group in Chile. A mobile people who engaged in trade and warfare with other indigenous groups, they lived in scattered family clusters and small villages. Although the Araucanians had no written language, they did use a common language. Those in what became central Chile were more settled and more likely to use irrigation. Those in the south combined slash-and-burn agriculture with hunting.

The Araucanians, especially the Mapuche group in the south, became famous for their staunch resistance to the seizure of their territory. Scholars speculate that their total population may have numbered one million at most when the Spaniards arrived in the 1530s. A century of European conquest and disease reduced that number by at least half.

Although the Spanish did not find the gold and silver they sought in Chile, they recognized the agricultural potential of the region's central valley, and Chile became part of the Viceroyalty of Peru. Nevertheless, the area received little attention from the colonial homeland in Spain. As a successful agro-oriented culture, headed by wealthy landowners, began to flourish in Chile, a nationalist movement emerged and grew rapidly.

The drive for independence from Spain was hastened by the seizure of the Spanish throne by Napoleon's brother Joseph. On Sept. 18, 1810, a national junta of "criollos," Chilean-born elites of Spanish descent, employed the Santiago town council, announcing their intention to govern the colony until the king was reinstated. They swore loyalty to the ousted monarch, Ferdinand VII, but insisted that they had as much right to rule in the meantime as did subjects of the crown in Spain itself. The criollos' temporary plan soon led to initiatives for permanent independence, and from

1814 to 1817, Spanish loyalists reasserted control over Chile. During this period of harsh governance, known as the "Reconquista," Spanish attempts to re-impose arbitrary rule led to a prolonged struggle led by Bernardo O'Higgins, Chile's most renowned patriot. Chilean independence was formally proclaimed on Feb. 12, 1818.

Despite the political revolt and independence, Chile saw little social change at that time. Throughout the 1800s, Chilean society preserved the essence of the stratified colonial social structure, family politics and the influence of the Roman Catholic Church. Although eventually the system of presidential absolutism predominated, wealthy landowners continued to control Chile for most of the century.

Toward the end of the 19th century, the government in Santiago consolidated its position in the south by ruthlessly suppressing the Mapuche peoples. In 1881, it signed a treaty with Argentina confirming Chilean sovereignty over the Strait of Magellan. As a result of the War of the Pacific with Peru and Bolivia from 1879 to 1883, Chile expanded its territory northward by almost one-third and acquired valuable nitrate deposits, the exploitation of which led to an era of national affluence.

Although Chile established a parliamentary style democracy in the late 19th century, it degenerated into a system that protected the interests of the ruling oligarchy. By the 1920s, the emerging middle and working classes were powerful enough to elect a reformist president, but his program was frustrated by a conservative congress. Continuing political and economic stability resulted in the quasi-dictatorial rule of General Carlos Ibanez from 1924 to 1932.

When constitutional rule was restored in 1932, a strong middle-class party, the Radical party, emerged. It became the key force in coalition governments for the next twenty years. In the 1920s, Marxist groups developed with strong popular support. During the period of Radical Party dominance from 1932 to 1952, the state increased its role in the economy.

The 1964 presidential election of Christian Democrat Eduardo Frei-Montalva by an absolute majority initiated a period of major reform. Under the slogan "Revolution in Liberty," the Frei administration embarked on far-reaching social and economic programs, particularly in education, housing and agrarian reform, including rural unionization of agricultural workers. By 1967, however, Frei encountered increasing opposition from leftists, who charged that his reforms were inadequate, and from conservatives, who found them excessive. At the end of his term, Frei had many noteworthy accomplishments, but had not achieved the party's ambitious goals.

In 1970, Dr. Salvador Allende was elected president by a narrow margin. A Marxist and a member of Chile's Socialist Party, Allende was also the leader of the "Popular Unity" (UP) coalition of Socialists, Communists, Radicals and dissident Christian Democrats. As president, his program

included the nationalization of most remaining private industries and banks, as well as land expropriation and collectivization. Allende's proposal also included the nationalization of U.S. interests in Chile's major copper mines.

Elected with only 36 percent of the vote and by a plurality of only 36,000 votes, Allende did not enjoy majority support in the Chilean Congress or broad popular support. During his presidency, domestic production declined, severe shortages of consumer goods, food and manufactured products were widespread and inflation reached 1,000 percent per year. Mass demonstrations, strikes, violence by both government supporters and opponents, and widespread rural unrest ensued in response to the general deterioration of the economy.

By 1973, Chilean society had split into two hostile camps. A military coup d'etat, headed by Gen. Augusto Pinochet overthrew Allende on Sept. 11, 1973. As the armed forces bombarded the presidential palace, Allende was reported to have committed suicide.

Following the coup d'etat in 1973, the military regime of Gen. Augusto Pinochet ruled Chile until 1990. The first phase of the dictatorship (1973-75) was mainly destructive, aimed at rapid demobilization, depoliticization and stabilization. The armed forces treated the members of the UP as an enemy to be obliterated, not just as an errant political movement to be booted from office. The military commanders closed Congress, censored the media, purged the universities, burned books, declared political parties outlawed if Marxist or in recess otherwise, and banned union activities.

The worst human rights abuses occurred in the first four years of the junta when thousands of civilians were murdered, jailed, tortured, brutalized or exiled, especially those linked with the UP parties. The secret police, reporting to Pinochet through the "Dirección Nacional de Inteligencia" (National Intelligence Directorate or DINA), replaced in 1977 by the "Centro Nacional de Información" (National Information Center or CNI), kept dissidents, political opponents and leftists of any kind living in fear of arrest, torture, murder or "disappearance."

Political assassinations were not limited to Chilean soil either. In 1974, Orlando Letelier -- a former member of President Allende's cabinet, relocated to the United States. Following the 1973 coup that brought Pinochet to power, Letelier, like many members of the Allende government, had been subjected to torture. Realizing that his prospects would be better outside of Chile, Letelier relocated his family and began to work at the Institute for Policy Studies. In 1976, Letelier was assassinated on United States soil, along with his American aide, Ronni Moffitt. In 2004, Letelier's son penned an opinion piece in the Los Angeles Times stating that his father's assassination had been part of Pinochet's infamous Operation Condor in which regional authoritarian regimes worked together to eliminate dissidents. Among those prosecuted and convicted for his assassination were two members of Pinochet's secret service -- Manuel Contreras and Pedro Espinoza Bravo -- and United States expatriate and former CIA employee, Michael

Townley. Years later, Townley admitted that he had been responsible for attaching explosives to Letelier's car. Later information released by the CIA and also research carried out by correspondent John Dinges, linked Letelier's murder with anti-Castro Cuban factions, connected the CIA with Contreras, and even suggested that the CIA had been aware that such an assassination was in the offing.

Much like Letelier, former members of Popular Unity went underground or into exile. In the early years of the dictatorship, their main goal was simply to survive. Throughout the second half of the 1970s, the Roman Catholic Church and international organizations concerned with human rights denounced the widespread violations, gross crimes and horrendous abuses in Chile. Although officially neutral, the Roman Catholic Church became the primary sanctuary for the persecuted in Chile from 1975 to 1985 and so came into increasing conflict with the junta.

Although the Communists suffered brutal persecution, they managed to preserve their organization fairly intact. The Socialists splintered so badly that their party nearly disappeared by the end of the 1970s. Draconian repression left the Marxists with no capacity to resist or counterattack. They did, however, manage to rally world opinion against the regime and keep it diplomatically isolated. By the end of the 1970s, most of the Christian Democratic Party, after initially cooperating with the junta, had also joined the opposition, although not in any formal coalition with any coherent strategy for restoring democracy.

In 1977, Gen. Pinochet dashed the hopes of those Chileans still dreaming of an early return to democracy when he announced his intention to institutionalize an authoritarian regime to preside over a protracted return to civilian rule in a "protected" democracy. Pinochet established iron control over the armed forces as well as the government, although insisting they were separate entities. He made himself not only the chief executive of the state but also the commander in chief of the military. He shuffled commands to ensure that loyalists controlled all the key posts. He appointed many new generals and had others retire, so that by the 1980s all active-duty generals owed their rank to Pinochet. He also improved the pay and benefits of the services. The isolation of the armed forces from civil society had been a virtue under the democracy, inhibiting their involvement in political disputes; now that erstwhile virtue became an impediment to redemocratization, as the military remained loyal to Pinochet and resisted politicization by civilians.

General Pinochet was denied a second eight-year term as president in a national plebiscite in 1988. In December 1989, Christian Democrat Patricio Aylwin, running as the candidate of a multi-party center-left coalition, was elected president.

In the December 1993 presidential elections, Eduardo Frei Ruiz-Tagle, a Christian Democrat leading a coalition of four center-left parties known as La Concertación, won an overwhelming victory. He began his six-year term on March 11, 1994. Many of his closest advisors were United States-trained and shared his commitment to Chile's successful free-market economic model.

During Frei's six-year term, his government faced three major challenges: to ameliorate government civilian relations, to address social problems and to strengthen the economy. Frei headed Chile's powerful executive branch and his center/left coalition had a majority of the elected seats in both the lower and upper houses of Congress (the Chamber of Deputies and the Senate). Nonetheless, nine Pinochet appointed "institutional" senators tipped the balance of power in the upper house toward the center-right opposition. This strong right-wing presence in the Senate hindered Frei's ability to amend Pinochet's 1980 constitution. The proposed changes included the termination of institutional senators, an increase in presidential control over military retirements, the granting additional powers to Congress and a decrease in the powers of the National Security Council and Constitutional Tribunal. Despite failed attempts at amending the constitution, relations between the right wing opposition/military and Frei's center left coalition government remained relatively stable.

Chile's transition from a military government to a democracy occurred in 1991, yet for years to come the military would retain a stronghold on decision-making. The government often challenged the military on issues such as early retirement and imprisonment over human rights, to no avail. In later years, following former military dictator Augusto Pinochet's resignation as Commander in Chief of the Army, the military's willingness to discuss these issues improved somewhat. For example, August 1999 marked the first time that members of the armed forces convened with civilians to address the disappearance of 1,100 Chileans during Pinochet's rule. Then in December 1999, President Frei publicly asserted that Chile retained the right to determine Pinochet's liability on human rights violations.

Another landmark event that occurred in the latter months of Frei's presidency was the creation of a US\$274 million assistance package for the Mapuche Indians. The Mapuche Indians, who constitute 10 percent of the total population, inhabit a heavily wooded region of Southern Chile that has been dominated by the forestry industry. The four-year package was created to improve the Mapuches' living conditions, but failed to address two key issues: Mapuches' Constitutional rights and the obstruction of forests in Southern Chile.

Although President Frei's government enjoyed relative success in addressing military-civilian and social issues he faced an economy headed towards a recession. The threat of a recession began in the latter years of Frei's presidency.

Compared to the rest of Latin America, Chile's economy has grown at impressive rates. In the early 1990s the average annual growth rate for Chile was seven percent. These figures were attributed to various economic reforms, paving the way for an increase in foreign investment and a thriving export sector. In 1999, the Asian financial crisis triggered a recession in Chile by lowering demand for exported goods. Chilean exports, which are mostly commodities, were affected by lowered international prices. Low prices coupled with high unemployment rates dominated campaign issues in the 1999 presidential elections.

In 2000, national elections were held and the Party of Democracy, led by moderate socialist, Ricardo Lagos, came to power. Lagos enjoyed a majority in both houses of Congress. Although corruption and a faltering economy became issues of concern, this balance of power in Chilean government continued through the congressional elections. New presidential elections ensued in December 2005, bringing Lagos' ally, Michelle Bachelet, to power. Bachelet was distinguished as Chile's first female leader, whose father had been killed under the regime of Pinochet.

To date, Chile's modern scene remains dominated by the shadow of the Pinochet years, as an ongoing struggle has continued in the hopes of bringing him to justice for alleged human rights violations during the time of his rule. The hope that Pinochet might one day face accountability for his apparent crimes ended in 2006 with his death. Still, for opponents of Chile's former military dictator, Pinochet's death represented the end of one of the darkest chapters in modern Chilean history.

Note on History: In certain entries, open source content from the State Department Background Notes and Country Guides have been used. A full listing of sources is available in the Bibliography.

Political Conditions

Background

Historically, Chilean politics have been marked by a three-way division between the political right, center and left, with each holding roughly one-third of the vote. Chilean politics today revolve around two large political blocs: the center-left governing coalition called the "Concertacion" and the center-right opposition. The former includes the centrist Christian Democratic and Radical parties and the moderate leftist Party for Democracy and the Socialist Party. The latter includes the National Renewal Party and the Independent Democratic Union. Chile also has several small fringe-left parties, including a fairly weakly organized Communist Party, which are not represented in the executive branch or the Congress, but which have elected representatives in some local governments.

Since former dictator Augusto Pinochet's relinquishment of power in 1991, attempts to administer constitutional changes have been hindered by right-wing opposition in Congress. Upon stepping down, Pinochet assigned several seats in the Senate to members of the Conservative Party as a

means of blocking legislation designed to reform the constitution. Consequentially, the Concertacion's legislative initiatives often fail to receive the three-fifths majority required.

The main political issues among the major parties are the importance of a democratic political system and a free-market economic system. Key differences between the governing coalition and the rightist opposition involve strategies for, and the role of government in addressing issues such as poverty eradication, health care, infrastructure and education. In the latest presidential elections, economic reform and democracy were at the forefront of voters' minds. Other prominent issues involved concerns with healthcare, education and social reform.

The Presidency of Ricardo Lagos

In January 2000, Chile witnessed one of the closest presidential elections in 10 years. With 51.3 percent of the vote, Ricardo Lagos, a moderate socialist and founder of the Party of Democracy (PPD), narrowly defeated his right wing opponent Joaquin Lavin, who earned 48.6 percent of the vote. As a moderate socialist, Ricardo Lagos had faced opposition from the right and to some extent from members of the centrist Christian Democratic Party, despite the PPD's formation of the center-left "Concertacion" coalition with the CDP. On one hand, the right wing feared that Lagos' economic policies were allied with the previous center-left coalition, a cause for concern given the recession that occurred under Frei's government. Meanwhile, select members of the CDP were apprehensive of supporting a socialist, even a moderate one like Lagos, for fear of radical changes. The president-elect assured voters that his economic policies would be moderate.

Lagos was inaugurated in March 2000, the second socialist president to be elected since Salvador Allende's ascension to the presidency in 1970. Lagos enjoyed a majority in both houses of Congress. Lagos announced that his top priorities would be to lead Chile out of recession, increase social spending and pursue constitutional reforms. He also announced his intention to change Chile's status from associate member to full member in the Southern Cone Market (MERCOSUR) trade block.

Another main issue that had contributed to Lagos' victory in the 2000 elections was his stance in relation to former-dictator Pinochet. In late 1998, Pinochet was arrested in Spain and put under house arrest in the United Kingdom for human rights charges. Fifteen months later, on March 2, 2000, he was released and extradited to Chile after English courts found him medically unfit to stand trial. Upon his return to Chile, Pinochet faced the strong possibility of having to go before a Chilean court for the alleged crimes he committed during his tenure in office from 1973 to 1989. Over 3,000 Chileans were tortured or murdered during Pinochet's regime, out of which 1,000 remain unaccounted. Lagos' moderate leftist position contributed to his electoral success at the time of the start of Pinochet's legal proceedings since many Chileans associated the political right with the former dictator. President Lagos emphasized that the Pinochet case would not become the focal point of his administration, but recognized his duty to ensure that the case be handled

properly.

Meanwhile, Juan Guzmán, the presiding judge over the appeals case, began an investigation to determine if there was sufficient evidence to charge Pinochet with human rights abuses. Judge Guzmán's quest to bring the former dictator to justice was hindered by the fact that as a senator for life, Pinochet enjoyed special privileges, including immunity. In addition, an Amnesty Law passed in 1978 protected the general from all charges that occurred from 1973 to 1978. Further obstacles for Guzmán were the case could be heard by a military court, the lengthy legal procedures involved could prove to be futile given Pinochet's age, and the case could be dismissed if medical tests deemed Pinochet unfit for trial.

On Jan. 12, 2000, human rights lawyers submitted the first of several lawsuits against Pinochet. By June 22, 2000, the number rose from 59 to 117. Although Pinochet retained the army's support, they encouraged him to retreat from the public. Meanwhile, Juan Guzmán successfully charged several of Pinochet's former officers for their involvement in the murders of more than 70 political opponents during the military regime. Although the aforementioned 1978 Amnesty Law granted the former officers immunity from political crimes committed during the military regime, Judge Guzmán realized that the men could be tried if they were charged for abduction, since the bodies were never recovered and the Amnesty Law failed to stipulate conditions for a continuous disappearance. Meanwhile, Pinochet was facing a similar fate.

In response to a growing number of requests submitted by families of the victims to try the general on human rights abuses, an Appeal's Court began to contest Pinochet's immunity, and on May 23, 2000, Pinochet's privileges as a life-long senator were revoked. Pinochet appealed the case, but in August 2000, the Supreme Court voted 14 to six to uphold the Appeals Court's decision, so that Pinochet no longer had immunity from prosecution. The Pinochet case has had a monumental effect, warning leaders from around the world that they too must abide by the law.

Historically, Chile's political right has sided with the army, often pitting these two groups against the left. President Lagos' ability to stand up to the army during all of the Pinochet proceedings demonstrates the stability of Chile's current democracy.

On June 22, 2000, parliament approved a bill granting anonymity to military officers who were willing to disclose the location of bodies missing since the military regime. Human rights groups, the government and the armed forces agreed to the terms. Families of the victims protested the decision, arguing that it protected military officers responsible for atrocities committed during the military regime from facing duly deserved legal repercussions. Next on the government's agenda were constitutional reforms that would eliminate the armed forces' privilege to appoint nine senators and allow the president to dismiss top military commanders.

A national crisis erupted when huge storms coupled with an earthquake forced more than 70,000

people to flee southern Chile. The storm lingered for several days, then drifted north, causing additional damage. The storm caused a total of approximately US\$6.5 billion of damage. President Lagos' government allocated US\$1.5 billion for repairs, a setback for the administration's plans for social spending.

In October 2000, the Lagos government faced corruption charges when it was uncovered that several dozen senior employees of state-owned companies, who had been replaced when President Ricardo Lagos took office, had received severance payments that were staggering, and in some cases possibly illegal. Municipal elections were held throughout Chile on Oct. 29, 2000, and President Lagos' Concertacion coalition suffered an overall defeat. Right-wing candidate Joaquin Lavín easily won the mayoral post of Santiago, and in the rest of the country's municipalities, the Concertacion won 52 percent of the vote, down four percent from the 1996 elections. The conservative opposition's best results since the restoration of democracy were attributed to high unemployment and the scandal over severance pay.

In April 2001, international human rights groups called attention to Chile's tight legal restrictions on free speech, namely a state security law established under the Pinochet regime that treats contempt of authority, or "desataco," as an offense against national security with a prison sentence of up to five years. A bill to improve freedom of the press and to eliminate "desataco" from the state security law had been stuck in Congress since 1993, but under the pressure, Lagos' center-left government got it moving. The government also sought the abolition of film censorship at this time.

In mid-2001, labor and tax reforms that the president was attempting to pass through Congress had been repeatedly delayed, mainly due to divisions in Lagos' Concertacion coalition. The economy was slow in recovering from the 1999 recession, as it suffered from the effects of the faltering world economy as well as economic troubles in Argentina, among other factors. The Concertacion's splits sent mixed messages to the business sector as to the government's economic policies. With these factors and a high unemployment rate, the Lagos administration's popularity decreased so that by July 2001, polls showed a 44 percent disapproval rate.

On July 9, 2001, nearly three years after Augusto Pinochet's initial arrest in London, a panel of Appeals Court judges ruled two to one that the general was unable (or unfit) to defend himself in court due to dementia. While the ruling was in regard to only one case in which Pinochet allegedly ordered the murder of political prisoners, it was to be applied in other cases, as well. This meant that Pinochet was likely to escape trial for the 300-plus other charges against him in Chile or to be extradited to Argentina to be questioned about his probable involvement in the 1974 assassination of a former Chilean army commander.

Despite the fact that the ruling determined that Pinochet did not have to face the charges put against him, overall, his case was a catalyst for significant change in Chile. The transition to democracy was pushed farther into place and human rights achieved a status of higher importance

and more attention in the judicial system during the course of the events of his three-year-long case.

Still, by mid-2001, most Chileans were growing weary of the Pinochet ordeal, and much more concerned with the issues of unemployment and the economy. Given that the case had taken up so much of the government's time, upon its resolution President Lagos hoped to push forward with the economic and social reforms that he had long promised. Business and the health care and education systems were among the arenas on which Lagos intended to focus, but the country was in need of rapid economic growth in order for those structural reforms to be viable.

Over the course of the 1990s and into the twenty-first century, Chile's center-left governments had shown a commitment to improving the education system. In real terms, spending on education doubled over that period of time. The Frei administration, for example, focused on trying to make the quality of education more equal among people of different socio-economic levels by using methods such as giving grants to state schools and allowing private companies to operate state-financed schools.

Despite the efforts of Lagos' and the preceding two administrations to improve education in Chile, studies conducted in 2001 showed that the system's standards remained below par. While Chile's education system was reportedly the best in South America, it still did not meet the standards of those in North America and Europe. Shortcomings in the educational system meant problems in the work force such as insufficient skill levels and low productivity, and therefore limitations on economic growth. From that perspective, the Lagos administration continued to focus on reforming the system. The President's goal was to ensure that by the end of his term, nearly 100 percent of students would complete secondary school. In response to critics who claimed that educational reforms had done little to improve the quality of schooling, the government asserted that those educated entirely under reformed system had yet to graduate. Despite increased government spending on education, many people involved in the education system continued to cite the lack of resources as the cause of the poor standards.

Elections for the lower house in Congress and half of the Senate were scheduled for Dec. 16, 2001. The conservative opposition was optimistic about gaining ground in those elections, due to the Lagos administration's decreasing popularity. However, following the Sept. 11, 2001, terrorist attacks on the United States, many voters' opinions in Chile appeared to have changed to the government's advantage. With international events suddenly at the forefront of people's minds, the effects of the global system on Chilean economics and politics apparently seemed more real, and the government was relieved of a great deal of blame for the faltering economy. Despite losses in the elections, the party of President Lagos retained an absolute majority in parliament.

Meanwhile, on Nov. 1, 2001, the campaign for congressional elections which took place on December 16 was marred by violence. In a clash between supporters of the National Renewal

(RN) and Democratic Union (UDI) parties, a young man supporting the RN candidate died from massive head wounds. Ironically, the RN and UDI were united in the Alliance for Chile opposition, and the two candidates were therefore electoral allies.

On May 1, 2002, thousands of workers commemorated the International Labor Day by protesting against poor wages and demanding acknowledgment of their political and socio-economic rights. Protests against American foreign policy were also voiced. Unitarian Worker Central (CUT) of Chile organized the march, which was attended by some workers from various public and private economic sectors, as well as members of some leftist groups and political parties. While some protestors demonstrated a spirit of nostalgia by displaying pictures of former president Salvador Allende, others reflected the leftist flavor of the march and carried pictures of Cuban-Argentine guerrilla leader Ernesto Che Guevara. The march ended with a demand for better working conditions for workers as well as fair employment wages.

In June 2002, Chile's Supreme Court recommended that former Chilean president Augusto Pinochet undergo interrogation -- without special rights -- for the murder of an army officer and his wife in 1974. In the incident, both the officer and his wife were killed in a car bomb explosion in Argentina. This was the second such recommendation from the Supreme Court and follows a list of denials on the matter. An Argentine judge attempted to acquire a statement from Chile's former leader in regard to these cases but was initially denied permission on the grounds of special rights. These special rights, however, had been stripped in regard to the Death Caravan case where several political activists were killed in the 1970s; Pinochet was also the key suspect in that case as well. The new recommendation, however, suspended any such special rights and opened the door for Pinochet to be questioned.

Regardless of the developments, as noted above, Pinochet's case was suspended on the grounds that he was senile and as such, it was unlikely that any substantial movement on the matter will ensue. Indeed, the 2001 ruling by Chilean courts, which deemed Pinochet unfit to stand for trial in cases of human rights abuses, was upheld in July 2002. Nevertheless, the situation forced Pinochet to resign from his post as a Senator with lifelong tenure.

By August 2003, further attempts to compel Pinochet to stand trial ended in failure. The judges in the case voted against lifting Pinochet's immunity from prosecution.

Also in August 2003, the first national strike in twenty years took place in the capital city of Santiago. The strike had been orchestrated by Chile's main trade union federation in order to demand better working conditions and ameliorated benefits. About 130 people were arrested before riot police dispersed crowds.

In September 2003, President Lagos observed the 30th anniversary of the coup d'etat that ousted elected President Salvador Allende from office. The occasion was reported as being heavy with

symbolism. President Lagos re-opened the door of the presidential palace which had been bombed in the coup d'etat and from which President Allende's body was removed 30 years ago. The military junta, led by General Pinochet, had sealed the doors of the presidential palace in order to prevent the site from becoming a sentiment-filled shrine to Allende. In his speech on the 30th anniversary of those events, President Lagos asked the people to Chile to ensure that the events of Sept. 11, 1973, would not be repeated. He referred to the re-opening of the door as an illustration of the opening up of freedoms now enjoyed in Chile. Still, he cautioned Chileans to be watchful of the country's state of democracy noting that respect, tolerance, diversity and unity were key to the living principles of the country.

Meanwhile, in its annual report, Amnesty International noted that Chile had attempted to address human rights violations and abuses that occurred during the 1973-1990 military regime of Pinochet. Nevertheless, the report also pointed out that as recently as 2001, Chile's militarized police force used excessive force in various incidents, including peaceful demonstrations.

In May 2004, the domestic agenda took center stage when President Lagos signed a law giving Chileans the right to divorce. The law was a controversial one and was deeply opposed by the Roman Catholic Church.

In August 2004, the Chilean Supreme Court stripped ex-leader Pinochet of his immunity from prosecution in the Operation Condor case -- the abduction and murder of opposition activists in the 1970s -- and deemed him fit for trial for human rights abuses related to the matter. As discussed elsewhere in this Country Review, Pinochet and his cohorts are believed to be responsible for the torture and disappearance of thousands of Chileans during his reign in the 1970s and 1980s.

A month later in September 2004, a judge interrogated Pinochet over human rights abuses occurring during his years of military rule. Defense lawyers maintained that the 88-year old general was too ill to stand trial. For his part, Pinochet claimed he had nothing to do with the human rights abuses and other atrocities associated with his years of rule.

Pinochet was hospitalized after an apparent stroke on Dec. 18, 2004. By January 2005, Chilean judges decided to place him under house arrest as he awaited trial for human rights abuses. The former leader was deemed well enough to stand trial for the vast and brutal abuses allegedly committed during his years in power. Moreover, the Supreme Court had upheld his indictments. Pinochet's lawyers, however, filed a motion for a protective order against the judge's decision to prosecute him.

Also in the first part of 2005, Chilean Interior Minister Jose Miguel Insulza was selected as the new leader of the Organization of American States (OAS). Insulza was chosen after his rival, Mexican Foreign Minister Luis Ernesto Derbez, withdrew his name from consideration. The choice of Insulza was something of a diplomatic defeat for the United States, which had backed his

Mexican rival. Still, Roger Noriega, the leading United States diplomat for Latin America, said that Washington would fully cooperate with the new OAS head.

Support for OAS candidates appeared to have been divided along regional and ideological lines. Most of the South American and Caribbean countries backed the Chilean, Insulza, while the North American and Central American countries tended to back the Mexican Derbez. Meanwhile, many left-leaning states supported the socialist Chilean minister, with the notable exception of Bolivia (due to a long-standing territorial dispute with Chile). Insiders said that in the aftermath of the selection, there were residual divisions among member states.

Editor's Note: Jose Miguel Insulza has a socialist orientation to politics and the economy. He has been viewed as a challenging negotiator. He was distinguished in the 1990s as an opponent of the former military ruler of Chile, General Augusto Pinochet. Indeed, Insulza led the fight to have Pinochet returned to Chile after he was arrested in the United Kingdom in the late 1990s. In his new role as the Secretary-General of the Organization of American States, Insulza has said that he will concentrate his efforts on the promotion of democracy and dealing with social issues.

In May of 2005, a "shake-up" occurred following the deaths of up to 45 young soldiers in a blizzard. The tragic circumstances led to calls for an end to compulsory military service.

A few months later in July 2005, the Chilean Senate approved changes to the constitution, which included the restoration of the president's right to dismiss military commanders.

In September 2005, the Supreme Court upheld a previous ruling made in the human rights abuse case against former President Pinochet, in which he was charged with ordering Operation Condor. In this particular ruling, the Supreme Court upheld a determination made by the Appeals Court in which Pinochet was deemed too infirmed to face trial. Nevertheless, the Supreme Court stripped him of his immunity from prosecution in another case. The court ruled he could face criminal charges in relation to the disappearance of over 100 Chilean dissidents, a case which dated back to 1975.

By October 2005, Pinochet returned to the political purview when he was stripped of immunity from prosecution on tax fraud charges. In addition to allegations discussed above about his involvement for human rights abuses during his years of rule, the former leader was accused of taking advantage of the country's financial coffers through tax fraud.

In other developments during late 2005, a report in the newspaper *Diaría Siete* stated that Chile's current president, Ricardo Lagos, had been targeted for assassination by secret police during the years of Pinochet's dictatorship. The report, which cited sealed court testimony by former secret

agents, concluded that Lagos had escaped possible death when he was arrested by another police force (distinct from the secret police).

Lagos had been a strong opponent of Pinochet's dictatorship and as such, he had been targeted on a "hit list" in 1986 during a crackdown against leftist elements. The crackdown occurred after an incident in which an armed group attempted to ambush Pinochet. The former secret agents who testified about these details had, themselves, been jailed after they confessed to killing Jose Carrasco, a well-reputed opposition journalist only one day after the attempted attack against Pinochet in 1986. Indeed, it was the very same day that Pinochet's regime had declared a state of emergency and began to round up leftists, such as Lagos, in order to prevent a possible leftist rebellion.

For his part, Lagos said he was aware of being placed on the "hit list." He noted that had Carrasco also been rounded up and arrested by police as he had been, perhaps he would not have been murdered by the secret police

Election 2005/2006

The fall of 2005 was also marked by the political campaigns leading up to presidential elections scheduled for December 2005, the outcome of which would determine the successor to President Ricardo Lagos. In mid-October 2005, key candidates for the presidency participated in a televised debate.

Socialist Michelle Bachelet, who was known for her charisma and effective communication skills, turned in a rather mediocre performance during the debate. However, despite this assessment about her debate performance, she managed to maintain her position as the leading contender for the presidency. According to polls taken in the fall of 2005, the former health minister and defense minister was holding about 47 percent among all candidates. In her response to criticisms and claims from rivals, she said, "I am not running around Chile presenting solutions and commitments that I won't able to fulfill. I'm very serious and not a demagogue."

Bachelet's main rival was conservative Joaquin Lavín, who had not enjoyed the most positive polling results around the time of the debate, but whose performance at the debate was engaged and lively. He strongly attacked the administration of President Ricardo Lagos. Another key contender was right-wing business man and a partial ownership of one of Chile's airline companies, Sebastian Pinera. His focus area was job creation. Both Lavín and Pinera had polled around 20 percent -- substantially less than Bachelet. Thomas Hirsch, the far-left candidate, had the support of about five percent of those polled.

Key issues that were discussed during the debate and that reflected some of the main election season considerations included societal values, crime, employment, reform of the country's private

pension system, and foreign relations -- particularly in the regional sphere.

In December 2005, voters went to the polls in Chile in the first round of the presidential elections. In the first round, Bachelet, the candidate of the left-leaning ruling coalition, won close to 46 percent of the votes cast. Her right-wing opponent, Sebastian Pinera, garnered 25 percent of the votes cast and the second place finish. With neither of these top two vote-getters securing more than 50 percent of the vote share, they were scheduled to contest the run-off election on Jan. 15, 2006. Third-place finisher, Joaquin Lavin, placed his support behind Pinera. Lavin's support -- at 23 percent of the vote share -- would strongly boost Pinera's prospects. As a result, the presidential run-off promised to be a close one. Nevertheless, opinion polls suggested that Bachelet continued to command strong support and would also benefit from the five percent of voters who had given their support to leftist, Tomas Hirsch. With Hirsch's supporters likely moving to the other left-leaning camp, Bachelet was regarded as the favorite ahead of the second round.

Meanwhile, in legislative elections, the ruling Concertacion bloc won a majority in the Senate with a resounding 55.7 percent of the votes cast, as well as a majority in the Chamber of Deputies with 51.7 percent. Voter turnout was high, reflecting the priority placed on political participation by Chileans following years of military rule.

On Jan. 15, 2006, leftist candidate Michelle Bachelet became Chile's first female president with 53.5 percent of the votes cast. Her opponent, conservative businessman Sebastian Pinera, garnered 46.5 percent of the vote share. The results of the election were announced only hours after the polls closed and celebrations in the capital city of Santiago began soon thereafter. Large crowds made up of thousands of Bachelet's supporters took to the streets, jubilantly waving flags and blowing horns. In her victory speech, Bachelet thanked her supporters and asked, "Who would have said, 10, 15 years ago, that a woman would be elected president?" Outgoing President Ricardo Lagos, a political ally of Bachelet, described the election of Chile's first female president as a "historic triumph." For his part, Pinera conceded defeat and graciously congratulated Bachelet saying that he wished to "pay homage to all those millions and millions of women who with much strength and tenacity have finally achieved the place and the situation they deserve in our society."

The second round of voting followed the first round in December (discussed above) when no candidate secured the requisite 50 percent for an outright victory. Bachelet and Pinera, as the two top contenders, then had to contest the second round. Pinera, who secured 25 percent of the votes cast in the first round was backed by the third-placed candidate, Joaquin Lavin, who received 23 percent of the votes cast. Pinera had hoped that the combined vote-share from right-leaning support would propel him to victory. Instead, the results suggested that he was unable to consolidate those votes. Meanwhile, Bachelet, who had won 46 percent of the votes in the first round, appeared to be leading the opinion polls ahead of the second round. The final results showed that in addition to picking up the votes of another leftist candidate, Tomas Hirsch, who had garnered five percent in the first round, she also captured some support from the conservative

voter base as well.

In this way, Michelle Bachelet became the fourth consecutive leader from the center-left coalition known as Concertacion, which has governed Chile since the end of Augusto Pinochet's multi-year dictatorship in 1990. As the successor to Ricardo Lagos, she was expected to continue Lagos' policies of free market economic policies along with social programs. At the same time, Bachelet promised some degree of change in focus. She said that one of her priorities would be to bridge the chasm between wealth and poverty, and to enshrine women and indigenous people with more voice in the affairs of government. She also vowed to work on both job creation and social justice. Her election victory has been another illustration of the movement to the political left across Latin America in recent years.

Bachelet has strong political roots and a personal story that has resonated strongly with many Chileans. Her father was an air force general and a loyalist of Chile's assassinated leftist leader Salvador Allende. He was imprisoned and tortured to death by General Pinochet's regime. Two years after her father's death, Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. She went on to be educated as a doctor and later served as Chile's Defense Minister. In a country known to be one of the most conservative in Latin America, Bachelet's status as a single mother has been viewed as rather unexpected. Nevertheless, her personal story has clearly contributed to her mass appeal.

Meanwhile, Bachelet now enjoys the distinction of being Chile's first female president and one of few female world leaders. In the Western Hemisphere, that special circle includes:

- Isabel Martinez de Peron in Argentina
- Lidia Gueiler Tejada in Bolivia
- Rosalia Arteaga in Ecuador
- Janet Jagan in Guyana
- Violeta Chamorro in Nicaragua
- Mireya Moscoso in Panama

Michelle Bachelet was sworn into office as Chile's first female president on March 12, 2006 at the congressional building in the coastal city of Valparaiso. Bachelet embraced her predecessor, Ricardo Lagos, as she took office amid applause and cheers at a ceremony attended by over two dozen heads of state. Among those attending the ceremony were Bolivian President Evo Morales, Venezuelan President Hugo Chavez and United States Secretary of State Condoleezza Rice. Despite diplomatic tensions between the United States and the South American countries, spirits ran high and celebrations ensued without incident. As outgoing President Lagos addressed the country, he urged Chileans to support their new leader, and referred to her as "a symbol of a country that has advanced toward new challenges, a society that has changed deeply for the better toward liberty, pluralism, equality."

Former President Lagos and President Bachelet have represented the political legacy of the Popular Unity government of Salvador Allende, who came to power in 1970. Of the new Chilean president, biographer Andrea Insunza has said: "Michelle Bachelet belongs to the generation that suffered the most after the coup*. The majority of those imprisoned, killed, tortured and exiled came from that group, which is why I say her election represents the triumph of history's defeated."

*The coup of 1973 ended Salvador Allende's elected government and led to rule by General Augusto Pinochet. Throughout his time in power from 1973 to 1990, Pinochet's regime gained notoriety across the globe for its economic successes along with its excessive human rights violations.

The Presidency of Michelle Bachelet

May 2006 was marked by student protests in the capital city of Santiago. The protests soon spread to other cities, such as Valparaiso and Concepcion, and eventually became a nationwide endeavor. The situation forced the closure of schools while hundreds of thousands of Chilean secondary school students were in the streets demonstrating.

Students were protesting in the streets to bring attention to their demands for education reform. Specifically, students were pressing for a new curriculum (the current Constitutional Teaching Law was criticized for being an artifact of the Pinochet era), and the scrapping of exam fees (the cost of \$40 was viewed as too expensive for poor students). As well, there were demands for the free use of public transport, as well as better infrastructure within schools where deteriorating facilities have become the norm.

The direct action -- indeed, the most significant mass action taken in Chile in decades -- went on for a few days. At its most dramatic moments, police used tear gas and water cannons to disperse crowds. Finally, a meeting between protest leaders and the government was arranged. For Chile's newly-elected President Bachelet, it was her first big leadership test. But, as a mother herself of a daughter who vowed to join her classmates in the protests, Bachelet said that she was sympathetic to the demands of the students and saying that she shared their call for education reform. She responded by offering free bus passes and a waiver of university exam fees for students needing financial assistance.

In June 2005, students were considering Bachelet's offer. Some critics were saying that it did not go far enough in addressing systemic problems in the educational system. This issue was somewhat eclipsed weeks later when massive flooding took a toll and resulted in the deaths of several people.

In July 2006, President Bachelet sacked three of her cabinet ministers and quickly filled the vacancies with replacements. At issue were the portfolios for the interior, economy and education ministries. At the Interior Ministry, Andres Zaldivar was replaced with Belisario Velasco; at the Economy Ministry, Ingrid Antonijevic was replaced with Alejandro Ferreiro; at the Education Ministry, Martin Zilic was replaced with Yasna Provoste.

The cabinet "shake-up" was believed to have been instigated by the aforementioned student protests, in conjunction with the devastating flooding. At the swearing in ceremony for the newly-appointed ministers, Bachelet said, "We are entering a new phase in which the central task is to complete the changes we have outlined - reaching a democracy with greater participation by the year 2010."

Recent Developments

In August 2006, former Chilean President Augusto Pinochet was stripped of immunity in regard to charges of fraud. The Supreme Court of Chile upheld a lower court ruling that Pinochet, a former military ruler, could be prosecuted on charges of misusing public funds. Prosecutors said that their case involves millions of dollars Pinochet was holding in foreign bank accounts. Pinochet has been accused of several charges ranging from fraud to human rights abuses.

In October 2006, Judge Alejandro Solis ordered the arrest of Pinochet for crimes committed at the Villa Grimaldi detention center over the course of the four years following his 1973 military coup. The specific charges included one case of homicide, 36 cases of kidnapping, and 23 cases of torture. Media reports suggested that the ailing and aging Pinochet would be placed under house arrest.

On December 10, 2006, Chile's former military dictator, General Augusto Pinochet died at the age of 91. His death came a week after he was admitted to a hospital in the Chilean capital city of Santiago following an apparent heart attack. Although he was initially believed to be recuperating, his conditioned abruptly deteriorated.

The Chilean newspaper, La Tercera de la Hora Online, reported that Pinochet's supporters had been holding a vigil outside the military hospital where he was being treated. The vigil turned into a gathering of mourners when news of Pinochet's death was made public. Meanwhile, Pinochet's opponents expressed outrage that the man believed to be responsible for excessive human rights abuses during his decades in power had died without ever having to account for his apparent crimes. On this issue of justice not being served, a human rights attorney, Hugo Gutierrez, said in an interview with La Tercera, "What saddens me is that this criminal has died without having been sentenced and I believe the responsibility the state bears in this has to be considered."

Still, thousands of Chileans took to the streets of Santiago to cheer and wave flags celebrating Pinochet's death, and the fact that one of the darkest chapters of the country's history had now drawn to a close. The outpouring of emotion turned violent through the night, with clashes breaking out in the streets between supporters and opponents of Pinochet. Police forces used tear gas and water cannons to disperse the crowds.

Meanwhile, the Chilean army released a statement said that Pinochet's body would lie in state for two days at the Military Academy in Santiago. However, President Michelle Bachelet, whose father died at the hands of Pinochet and who, along with her mother, suffered imprisonment and torture under Pinochet's regime, stated that the late military dictator would not receive a state funeral, typical of former presidents.

The funeral for Pinochet was held days later on Dec. 12, 2006. Defense Minister Vivienne Blanlot was the only representative of President Bachelet's government in attendance. Attendees noisily expressed their opposition to her presence, however, Blanlot remained standing next to military commanders who were also in attendance at the funeral.

The funeral turned even more controversial when Pinochet's grandson, Captain Augusto Pinochet Molina, delivered an unapproved and unscheduled eulogy in which he praised his grandfather, proclaiming him to be a great global leader and decrying the judges who charged him with a litany of crimes over the years. To that latter end, he accused the judicial realm of being bent on exacting notoriety rather than justice.

Defense Minister Blanlot said that the speech was an "insult to the state" -- a view echoed by President Bachelet who noted, "It is unacceptable for an active service member to make a public statement so politicized it amounts to an insult to the state. I trust that the army will take the appropriate action as befits such cases." Indeed, reports from the Chilean army suggested the younger Pinochet's remarks were viewed as a serious violation of normal military regulations, which did not permit the condemnation of a branch of government by serving members. As such, the younger Pinochet risked, at best, sanction, and at worst, expulsion from the military. His father said that Captain Augusto Pinochet Molina intended to leave the military anyway. Nevertheless, General Oscar Izurieta, the commander of the Chilean army, asserted the view that Captain Pinochet Molina had committed a grave violation, resulting in the decision that he be discharged.

In mid-November 2007, northern Chile was hit by an earthquake measuring 7.7 on the Richter scale. A day later, two string aftershocks or tremors, measuring 6.2 and 6.8 respectively, also rocked the same region. Areas that were affected included the mining town of Antofagasta and the port city of Tocopilla. Two people were killed as a result and more than 150 injured, while approximately 15,000 people were left homeless as the buildings in the area were reduced to rubble. As well, electrical power, as well as water and telephone lines, were destroyed as a result.

Chilean President Michelle Bachelet and four cabinet ministers visited the disaster area. Interior Minister Belisario Velasco officially declared the region a catastrophe zone, in order to hasten the delivery of much needed aid. In the interim, tents were set up to shelter victims while emergency housing units were sent to the area. Because hospitals in the region were damaged, people were being treated at a mobile military hospital.

Special Entry

Chilean government denies involvement in spy scandal with Peru

In mid-November 2009, a diplomatic imbroglio erupted between Chile and Peru. The situation was sparked when a court in Peru ordered the arrest of two Chilean military officers in connection with allegations of spying. At issue was the claim that the two Chilean military officers tried to bribe a Peruvian air force officer to reveal national security details. The situation reached the uppermost reaches of the two countries' executive branches of government with Peruvian President Garcia cancelling a scheduled meeting with Chilean President Michelle Bachelet. A week later, the Chilean government insisted it was not involved in spying activities against its neighbor, Peru.

This spy scandal served only to exacerbate already-strained bilateral ties. In October 2009, military exercises conducted by Chile close to a disputed portion of the border with Peru raised the ire of the Peruvian government. The two countries have been ensconced in an acrimonious border dispute since the late 19th century when Chile was victorious over Peru in the War of the Pacific. Meanwhile, Peru sought a resolution from the international court at The Hague for its claims over a disputed maritime border.

Primer on Chilean Election 2009/2010:

In presidential elections in Chile held on Dec. 13, 2009, the main contenders were as follows --

- center-right billionaire businessman, Sebastian Pinera, who lost the 2006 presidential contest to outgoing President Michelle Bachelet
- candidate of the ruling center-left coalition, Eduardo Frei, who had served as president from 1994 to 2000
- independent Marco Enriquez-Ominami, who was expected to split the center-left vote
- former film director, Jorge Arrate, had the backing of the Communist Party

Pinera -- an investor who was also the owner of a television channel and part owner of a football club -- campaigned on a "law and order" platform and his business credentials. Frei was hoping to

benefit from the popularity of outgoing Socialist President Michelle Bachelet who was term-limited. Enriquez-Ominami was campaigning on the basis of his youth and the notion of fresh blood in the political sphere. Arrate was hoping that his veteran Socialist credentials would propel him to victory.

Opinion polls ahead of the election showed Sebastian Pinera likely to garner the most votes due to the split vote among the center-left factions for the other three candidates. Should Pinera win, it would signal a rightward turn in Chile after 20 years of center-left political domination. Indeed, it would be the first return to conservative governance since General Pinochet relinquished power in 1990.

On election day, it appeared as if Pinera would garner the plurality of votes -- 44 percent -- in keeping with pre-election polling data. Frei appeared to be in second place with about 31 percent -- a likely victim of the aforementioned split center-left voting trend. Enriquez-Ominami had approximately 19 percent and Arrate was just short of six percent. With no candidates carrying more than 50 percent of the vote to ensure an outright victory, then the two top vote getters would head into a run-off election on Jan. 17, 2010. It was yet to be seen if the center-left could consolidate their votes to stave off the return of right-wing rule to Chile.

On Jan. 17, 2010, conservative billionaire Pinera won victory in the second round with 52 percent of the vote. Frei was close behind with 48 percent but not enough to defeat Pinera. Accordingly, Chile's left-wing two-decade long lock on power came to an end. That said, despite his conservative orientation, Pinera has taken a more moderate orientation in contrast to the previous right-wing president of Chile -- the military dictator, General Augusto Pinochet who seized power in 1973 and ruled until 1990. Indeed, while Pinera campaigned on a "law and order" platform, and promoted his business credentials with an eye on economic development and investment, he also promised that he would continue outgoing left-wing President Bachelet's popular social policies. In his victory speech, Pinera said, "After 20 years I think a change will be good for Chile. It's like opening the windows of your home to let fresh air come in."

For her part, President Bachelet was leaving office with extraordinarily high approval ratings as a result of her social policies, poverty alleviation policies, and prudent stewardship of the economy, manifest by her decision to use copper exports to offset the deleterious effects of the global economic crisis.

Special Entry:

Chile hit by massive earthquake:

On Feb. 27, 2010, the South American country of Chile was hit by a massive earthquake.

Measuring a resounding 8.8 on the Richter scale, it was one of the largest earthquakes ever recorded. The epicenter of the earthquake was close to the city of Concepcion, south of the capital city of Santiago. However, the intensity of the earthquake meant that the capital, as well as places such as O'Higgins, Biobio, Araucania and Valparaiso, were also adversely affected. In fact, the earthquake was felt as far away as Brazil, and subsequent aftershocks were felt in Argentina and Ecuador. One aftershock was as strong as 6.9 in magnitude -- an intensity level almost as high as the 7.0 magnitude earthquake that ravaged Haiti only a month earlier.

The intensity of this earthquake in Chile, and its proximity to the notorious "Ring of Fire" in the Pacific, triggered tsunami warnings and mass evacuations in countries and territories touched by that vast ocean. Huge waves inundated portions of the port city of Talcahuano and the town of Vichato, in the BioBio region of Chile. As well, San Juan Bautista village on Robinson Crusoe Island off Chile was immersed by massive waves, killing at least five people and leaving a dozen others missing. There were particular fears about a tsunami affecting Hawaii in a repeat of a massive 1960 earthquake that also emanated from Chile and wiped out parts of that American state. Fortunately, however, in this 2010 seismic event, actual waves were not as high as feared as they swept ashore as far as Japan.

In Chile, houses, bridges, highways and even a prison in the central part of the country were destroyed as a result of the earthquake. While the country's main airport runway was intact, the terminal building appeared to have suffered major damage. Still, the airport was expected to soon re-open with international flights set to resume. Meanwhile, the second largest city in the country -- Concepcion -- was extremely hard hit, with entire enclaves within the city utterly destroyed. The historic center of the town of Curico was reported to have been devastated. Even in the capital city of Santiago, older buildings were either damaged or suffered collapse, and there was no electrical power or running water.

Emergency authorities said the death toll was more than 700 at the time, but was expected to increase as is typically the case in such natural disasters. Chilean President Michelle Bachelet spoke of the heavy death toll in interviews with reporters saying, "The catastrophe is enormous. The latest number I have is 708 dead." She had earlier noted that more than two million people were affected by the seismic event.

President Bachelet declared the country to be in a "state of catastrophe" and instituted emergency measures in six regions. As well, the Chilean army was being deployed to assist the police in preventing unrest, and also to take a lead role in the distribution of aid. To that end, the particularly hard-hit areas of Concepcion and Maule were at the top of the list to receive humanitarian assistance. At the logistical level, public transportation was incrementally being resumed, while efforts were being made to restore electricity to as many places as feasibly possible.

In an address televised internationally, President Bachelet noted that "forces of nature" were testing

her country and she urged her fellow Chileans to "stay strong" in the face of adversity. President Bachelet also said that her country was prepared to deal with the tragedy without foreign assistance. To that end, rescue teams were already in place searching for survivors amidst the wreckage of collapsed buildings. Nevertheless, the global community, including the United States, led by President Barack Obama, said that it stood ready to assist, if needed.

Chile was hit by successive aftershocks in the week following the earthquake, effectively weakening already-compromised structures in the central part of the country. Also in the week after the main seismic event, the death toll was estimated to be around 800. Rescue operations were underway, even as the navy was under fire for failing to issue a clear tsunami warning. While there was no Pacific-wide event, large waves nonetheless left many people dead in coastal areas. Meanwhile, with looting on the rise, a curfew implemented to ensure security.

Editor's Note:

Located along the south western length of South America facing the Pacific Ocean and the earthquake prone "Ring of Fire," Chile is subject to frequent seismic events. On May 22, 1960, Chile endured another catastrophic earthquake just to the south of the city of Concepcion in the city of Valdivia, which left 1,655 people dead and two million people homeless. The 1960 earthquake also triggered a tsunami that devastated parts of Hawaii, the Philippines and Japan, and left a hefty death toll in those places as well. Indeed, that 1960 earthquake holds the notorious distinction of being the largest earthquake ever recorded in the world. As a well-developed South American country, in recent decades, Chilean construction has adhered to strict building codes intended to withstand strong earthquakes. Chile has also instituted sophisticated disaster planning mechanisms, in anticipation of particularly destructive earthquakes that might ravage the country. In these regards, Chile was expected to endure this seismic event -- despite its notorious distinction of being one of the strongest earthquakes ever recorded -- with less challenges than impoverished Haiti, which was ravaged by an earthquake a month earlier and whose capital laid in ruins.

Update

Only weeks after suffering a a devastating earthquake -- indeed, one of the most intense on record -- Chile heralded the inauguration of its new president even as it suffered further aftershocks. While Sebastian Pinera was sworn into office as president of Chile, a series of strong aftershocks wracked the country. One tremor measuring 7.2-magnitude was centered in O'Higgins Region to the south of the city of Valparaiso, where the swearing in ceremony took place.

Meanwhile, outgoing President Michelle Bachelet left office with a popularity rate of 84 percent despite prevailing criticism of her government's response to the aforementioned devastating earthquake and resulting tsunami that left hundreds of people dead. For her part, she left office saying: "I'm leaving office with sadness for the suffering of our people, but also with my head held

high, satisfied with what we have accomplished."

Former President Bachelet would not stay off the global stage for long, though. On September 14, 2010, Bachelet was appointed as the head of United Nations Women by United Nations Secretary-General Ban Ki-Moon. She was scheduled to commence her new position at the helm of the United Nations agency on September 19, 2010.

In July 2011, Chilean President Sebastian Pinera carried out a cabinet shuffle in a bid to quell political criticism and opposition. It was the second shuffle in only a space of months; this time, there were changes to the ministerial portfolios for the economy, energy, and justice. For example, Mining Minister Laurence Golborne was being moved to the Public Works Ministry, Hernan de Solminihac now holding the Mining Ministry portfolio. As well, Felipe Bulnes, the former justice minister, was being tapped for the Education Ministry.

In 2011, Chilean President Sebastian Pinera has found himself in political difficulty, dealing with mass protests and falling approval ratings. Pinera saw his favorability spike following the rescue of 33 miners in October 2010 -- an event that drew international attention. Now, less than a year later, public unrest has led to a precipitous drop in Pinera's popularity, resulting in approval ratings in the dismal 30 percent range. Of particular note have been student protests aimed at registering discontent over a government proposal for changes to the education system including increased school fees, as well as demonstrations by copper miners railing against restructuring plans. In a bid to quell discontent in the mining sector, President Pinera denied there were any serious plans to privatize the state-run copper company, Codelco.

On Aug. 4, 2011, the student protest movement gained greater steam as throngs of youth demonstrators and angry teachers took to the streets of the Chilean capital of Santiago in anti-government rallies to register opposition to a new education reform package, and to demand a greater investment in the educational sector of Chile. Riot police used tear gas and water cannons to try to disperse the crowds. More than one hundred people were arrested as they attempted to march on the city center in defiance of warnings from the authorities, who asserted that such demonstrations were illegal. Indeed, Interior Minister Rodrigo Hinzpeter warned that police were empowered to use force against the illegal gatherings, saying, "The time for marching has run out." On the other side of the equation, Camila Vallejo, a spokeswoman for the student protest movement, characterized the situation as "state of siege" and likened the Pinera government's hard line threats to the military dictatorship that administered Chile from 1973 to 1990. She said, "I imagine it must have been like this 30 years ago. Even the right to congregate in public places isn't assured."

As August 2011 drew to a close, not only were student and union protests ongoing, but they had taken on greater furor when a teenager was shot to death. The death of Manuel Gutierrez Reinoso during the anti-government protests fueled the outrage of students and union activists who were

demanding the "trial and punishment of the murderers." The funeral for Gutierrez Reinoso on Aug. 28, 2011 served only to raise the ire of activists even further, who were now in mourning for the movement's first fatal victim. It was also apparent that the protests, which had been spurred by objections to the new education reform package, had now morphed into a broader opposition movement, with comprehensive demands ranging from improved pension plans and ameliorated labor laws to constitutional reform and increased corporate taxes.

Under fire and amidst demands for some semblance of accountability, President Pinera kept trying to reassure the public that his government's determination sought to understand the circumstances that led to the death of the youth. Speaking at a public event, President Pinera said, "The government is doing everything necessary to shed light on the circumstances and the responsibility for that death."

Meanwhile, earlier on January 27, 2011, an inquiry was launched into the 1973 death of former Chilean President Salvador Allende. In April 2011, a Chilean court ordered that President Allende's body be exhumed as part of the historic human rights inquiry into his death. President Allende's daughter, Isabel Allende who was now a senator in the Chilean parliament, confirmed that her family has called for the president's body to be re-examined through autopsy.

While President Allende's death was officially ruled a suicide, there have been prevailing suspicions that he was killed by the Chilean military, then under the control of former Chilean dictator, General Augusto Pinochet. Allende's body was discovered in the La Moneda presidential palace following an attack on the building by soldiers on the ground, even as the air force bombed the compound from the sky. The 1973 military coup d'etat brought right-wing General Pinochet to power as he sought to end the rule of socialist Allende. This inquiry was aimed at resolving the question of whether Allende actually committed suicide in keeping with the official narrative, or, if he was assassinated in the military coup d'etat, as believed by many Chileans. The inquiry into Allende's death, though, is only one of many cases involving human rights abuses that have come before the courts in Chile. The case was sure to spark tensions between those on the right who viewed socialist Allende as a threat to Chile's democracy, and those on the left, who recall unfavorably the undemocratic and abusive rein of terror during the Pinochet years.

In July 2011, the conclusion of the scientific investigation on the death of Salvador Allende was that the former Chilean president committed suicide during the 1973 coup d'etat that brought dictator General Augusto Pinochet to power. Experts involved in the investigation said that Allende shot himself and noted that there was no evidence of the involvement of others in the former president's death. Allende's family expressed relief at the findings, saying that it confirmed their beliefs.

In late April 2012, tens of thousands of angry student protesters took to the streets of the capital of Santiago to register their outrage over President Sebastian Pinera's wide-ranging education

reforms, which would be funded by new taxes, as well as the high tuition fees and other educational costs. Protests also took place in Valparaiso and Concepcion. These protests were something of a redux since in 2011, student protests ensued due to President Pinera's educational reform agenda when it was still in the proposal phase.

It should be noted that education in Chile is very expensive. The new reforms have served to make university a serious financial consideration for most Chileans. Moreover, they accentuated class differences and systemic inequalities whereby university education is a far more feasible option for the wealthy elite rather than the majority of the students who are economically struggling to pay for tuition.

In June 2012, following a screening of a documentary featuring the military regime of former Chilean dictator Augusto Pinochet, hundreds of demonstrators took to the streets of the capital of Santiago to register their outrage. The demonstrations turned violent as protesters clashed with police, who used tear gas and water cannons to disperse the angry crowds. While supporters of Pinochet said that the documentary was an exercise in free speech, relatives of Pinochet's victims, as well as human rights activists, were horrified that the dark chapter of Chilean history was being lionized on the so-called "big screen." At issue was the fact that the right-wing Pinochet regime of the 1970s through the 1990s was noted for its economic successes along with its excessive human rights violations. The screening of the documentary, "Pinochet," was attended by right-wing politicians, former members of the Chilean military dictatorship, as well as Pinochet's grandson, Augusto Pinochet Molina, who said in an interview with BBC News: "This [documentary is not just an homage to my grandfather, I believe it is an homage to the entire military junta." For that cadre of Chileans, the documentary was an opportunity to look back fondly on the Pinochet years when that power base held sway. Of course, as noted here, for the families of victims, the documentary was regarded as the proverbial "slap in the face," given their suffering. The scene suggested that as of 2012, Pinochet remains a highly divisive figure on the political scene, even after decades the end of his regime in 1990 and his death in 2006.

A Bachelet Resurgence?

In Chile, the president is elected by popular vote for a single four-year term. Although an individual can contest another term in office, a sitting president is not eligible for a consecutive term in office. The last election was held in late 2009 with a runoff election held at the start of 2010; the winner of that election was a conservative, Sebastian Pinera Echenique, who garnered a narrow victory over center-left candidate, Eduardo Frei. In 2013, with an election expected to be held at the close of the year, Chileans were training their attention on future prospects for the presidency. To that end, the clear favorite was former Chilean President Michelle Bachelet.

In a poll by Contemporary Reality Research Center (CERC) in late 2012, Bachelet was supported

by 43 percent of likely voters, with Public Works Minister Laurence Golborne in a distant second place, with 13 percent, and trailing behind was Congressman Marco Enriquez-Ominami with seven percent. The director of CERC, Carlos Huneeus, noted that the former president was so popular that the other candidates faced an uphill battle, should Bachelet decide to contest the election. It should also be noted that the poll also showed the current president and his government to be highly unpopular. In fact, President Sebastian Pinera's government had an approval rating of 32 percent, with a dominant perception being that the current government was composed of the business elite. Whether or not that perception influenced the public's poor approval of the government was a question left unanswered by the poll.

By the close of March 2013, Bachelet herself entered the fray and said that she intended to run again for the highest office in Chile. As reported by the Santiago Times, Bachelet said: "I told you before that we would talk [about my candidacy] in March. And here I am, ready to fulfill this challenge. I have made the decision to be a candidate." At this time in March 2013, polling data continued to show Bachelet with a lead of close to 30 percent ahead of her closest prospective rival for the presidency -- Golborne.

Editor's Note on Bachelet:

In January 2006, leftist candidate Michelle Bachelet became Chile's first female president. In her victory speech, Bachelet thanked her supporters and asked, "Who would have said, 10, 15 years ago, that a woman would be elected president?" Outgoing President Ricardo Lagos, a political ally of Bachelet, described the election of Chile's first female president as a "historic triumph." Bachelet enjoys the distinction of being Chile's first female president and one of few female world leaders. In the Western Hemisphere, that special circle includes leaders such as Isabel Martinez de Peron in Argentina, Lidia Gueiler Tejada in Bolivia, Rosalia Arteaga in Ecuador, Janet Jagan in Guyana, Violeta Chamorro in Nicaragua, and Mireya Moscoso in Panama.

Bachelet was also the fourth consecutive leader from the center-left coalition known as Concertacion, which governed Chile from the end of Augusto Pinochet's multi-year dictatorship in 1990. As the successor to former President Ricardo Lagos, she continued Lagos' agenda of free market economic policies matched by social programs. She was an advocate of poverty alleviation, job creation, and social justice. To that latter end, she worked to enshrine women and indigenous people with more voice in the affairs of government. Her election victory in 2006 was seen as an illustration of the movement to the political left across Latin America in recent years. The victory of her successor, conservative Sebastian Pinera, in 2010, brought a (temporary) end to the dominance of the left not only in Chile but in Latin America. However, the unpopularity of the Pinera presidency, together with the enduring embrace of the Bachelet presidency, could mean a return to power for the center-left Concertacion bloc in the 2013-2014 election season.

Bachelet has strong political roots and a personal story that has resonated strongly with many

Chileans. Her father was an air force general and a loyalist of Chile's assassinated leftist leader Salvador Allende. He was imprisoned and tortured to death by General Pinochet's regime. Two years after her father's death, Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. She went on to be educated as a doctor and later served as Chile's Defense Minister. In a country known to be one of the most conservative in Latin America, Bachelet's status as a single mother has been viewed as rather unexpected. Nevertheless, her personal story has clearly contributed to her mass appeal. In the realm of politics, Bachelet represents the political legacy of the Popular Unity government of Salvador Allende, who came to power in 1970. Biographer Andrea Insunza has said: "Michelle Bachelet belongs to the generation that suffered the most after the coup*. The majority of those imprisoned, killed, tortured and exiled came from that group, which is why I say her election represents the triumph of history's defeated."

*The coup of 1973 ended Salvador Allende's elected government and led to rule by General Augusto Pinochet. Throughout his time in power from 1973 to 1990, Pinochet's regime gained notoriety across the globe for its economic successes along with its excessive human rights violations.

Primer on 2013 Presidential and Parliamentary Elections

Presidential and parliamentary elections were set to be held in Chile in 2013. The first round of the presidential contest was set to take place on Nov. 17, 2013, which was the same day set for the parliamentary elections; the second round of the presidential contest was to take place on Dec. 15, 2013.

At the executive level, the president is elected by popular vote for a four-year term by popular vote. The last presidential election was held on Dec. 13, 2009, with a runoff on Jan. 17, 2010. The presidency was a close battle and ultimately won by right-wing Sebastian Pinera Echenique against center-left candidate, Eduardo Frei. The 2013 election would determine who would succeed outgoing President Pinera.

At the legislative level, the action would be in the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado de la República" (Senate of the Republic) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado de la República" (Senate of the Republic), there are 38 seats; members elected by popular vote to serve eight-year terms; one-half are elected every four years. In the "Cámara de Diputados" (Chamber of Deputies), there are 120 seats; members are popularly elected for four-year terms in two-seat constituencies.

At the presidential level, possible contenders representing the left-wing Concertacion bloc (known as New Majority coalition) included former President Michele Bachelet (Socialist Party), as well as

Jose Antonio Gomez (Radical Social Democratic Party), Andres Velasco (independent), and Claudio Orrego (Christian Democrats).

From the right-wing Alianza bloc (known as Alliance for Chile), possible contenders were Pablo Longueira (Independent Democratic Union), since Public Works Minister Laurence Golborne opted to stay out of the contest. Andres Alleman (National Renewal) was another possibility.

Separate from the two main blocs, there was also Marcel Claude (Independent Party), Marc Enrique Ominami (Progressive Party), Roxana Miranda (Equality Party), Tomas Jocelyn-Holt (Independent), Franco Parisi (Independent), Gustavo Ruiz (independent), and Alfredo Sfeir Younis (Green Ecologists), who were likely to contest the election.

At the parliamentary level, the parties contesting the elections could be split into the following groupings:

center-left bloc New Majority (also sometimes referred to as Concertacion) -
Socialist Party, Communist Party, Radical Social Democratic Party, Christian Democratic Party, Broad Social Movement

center-right bloc Alianza (Alliance for Chile)
National Renewal and Independent Democratic Union or UDI

Other -
Green Ecologists, Humanist Party, Liberal Party, Equality Party, Progressive Party, Independent Party

NOTE:

Note that on June 30, 2013, former President Michelle Bachelet secured her place as a presidential contender following the primary election for the left-wing New Majority coalition with 74 percent of the total vote share. Her closest rival was Velasco who had 13 percent.

A primary election was also held for the governing conservative Alliance for Chile. Results indicated a close race between two former ministers, Andres Allamand and Pablo Longueira. However, Longueira secured a narrow win over Allamand with 51 percent of the vote to 49 percent.

But Longueira was not to remain as the conservative alliance's presidential nominee for long. In mid-July 2013, he resigned saying he was suffering from depression. Days later on July 20, 2013, Labor Minister Evelyn Matthei was appointed to contest the presidential election on behalf of the conservatives.

In terms of their policy agendas, the two female presidential contenders offered contrasting visions for Chile. Matthei has endorsed outgoing President Pinera's pro-business economic policies, which the conservative government has argued has bolstered growth. Bachelet has promised to address social inequality in Chile and also to offer free university education to Chilean students.

The difference between the economic agendas of the two presidential candidates aside, the presidential contest was also becoming something of a referendum of Chile's military legacy. Matthei's background was a clear contrast to that of her rival, Bachelet. Alberto Bachelet -- the father of Michele Bachelet -- was a stalwart of former President Salvador Allende, who was himself democratically elected to power and ousted in the 1973 military coup, led by Augusto Pinochet. Alberto Bachelet was imprisoned and tortured to death by Pinochet's regime. Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. By contrast, Matthei's father was a general in Pinochet's military junta that came to power in the notorious 1973 coup and then went on to rule Chile for 17 years. In something of an ironic development, the Nov. 17, 2013, election date marked the 40th anniversary of the 1973 coup that ousted Allende from power and marked the start of Chile's darkest chapter in modern history.

In July 2013, polling data by the private Contemporary Reality Study Center suggested that Bachelet had the advantage months ahead of election day, as she was forecast to garner as much as 51 percent of the vote share. That result, should it actually occur, would mean that Bachelet would achieve outright victory in the first round and would not have to contest a second round of voting. However, all expectations were that the contest would become more competitive closer to election day, and that Bachelet's rival, Matthei, would put up a tough fight.

At the close of August 2013, the dynamics of the race had not changed much. Although Bachelet had slipped slightly in the race in terms of support, one could not argue that the race had become substantially more competitive. According to polling data by Center for Public Studies, Bachelet had 44 percent support against Matthei with 12 percent. In September 2013, this trend prevailed with the polling firm, Conecta Media Research (CMR), saying that its survey data showed Bachelet attracting 39 percent of the votes while Matthei was attracting 17 percent.

In October 2013, the dynamics of the race had changed slightly -- but to the detriment of Matthei rather than Bachelet. The former president's political fortune remained intact as she continued to lead the polls. However, Matthei's position as the "main rival" was being threatened by Franco Parisi, an independent candidate (listed above). Parisi's popularity was sufficiently notable as to cause incumbent President Pinera to attack him publicly for not paying teachers and employees at two private schools owned by his family. It was to be seen if such attacks would gain traction, or, if Parisi could catapult past Matthei into position as the "main rival" to Bachelet in the presidential contest.

In November 2013, polling data showed that center-left candidate, Bachelet, was positioned to possibly win the presidency in the first round with an outright majority. According to the polling survey orchestrated by electoral expert Pepe Auth, Bachelet would secure 54 percent of the vote, while her closest rival, the right-wing candidate, Matthei, would garner only 21 percent.

In an interview with the Al Jazeera news outlet at the start of November 2013, Bachelet said her bid to return to the presidency was being made out of patriotism and a desire to heed the populist call from her supporters. She said, "I love my country and I love the people of my country. And I couldn't, if I would say, be deaf to the call of millions of people asking me to come back to my country, to lead the process that we need to achieve in this new period in Chile." Speaking of the challenges facing Chile, Bachelet said: "Chile is a country which has had positive development, and as such has been respected across the world, and has a lot of things to show and a lot of things to share with many countries. But we still have challenges, challenges like inequality." She continued, "But what really changed, I would say, is probably as a consequence of democracy, people are more aware of their rights, people are more empowered, people want not only to vote but also to influence ... the decisions of the leaders, of the people who are making the decisions at all levels. People want to be part of the construction of a more equal, more just, society."

Round 1 (Nov. 17, 2013) --

The first round of Chile's highly-anticipated presidential and parliamentary elections ensued on Nov. 17, 2013. When the polls closed and the ballots were tabulated, it was Bachelet who garnered the most votes, as expected. The candidate of the left wing, Bachelet, secured the plurality of the vote share -- 46 percent -- but not an outright majority. Her closest rival was the right-wing candidate, Matthei, who took 25 percent. The two women -- Bachelet and Matthei -- were set to go head to head in the second and final round of the presidential contest on Dec. 15, 2013.

Via Twitter, Bachelet expressed her satisfaction in moving onto the runoff election, writing: "Reaching the second is undoubtedly a great triumph." In an address to her supporters in the Chilean capital of Santiago, she promised victory in December saying, "We won tonight and we will work to win by an ample margin in December." Of course, Matthei was promising a different outcome, and wasted no time in trying to garner support from the supporters of the other candidates who did not make it to the second round. Via Twitter, Matthei wrote: "Let us fight for the votes of the other seven candidates now, and for those of Michelle Bachelet."

Note that at the parliamentary level, results indicated that Bachelet's center-left coalition secured a simple majority in both chambers of the bicameral "Congreso Nacional" (National Congress). It should be noted that the new parliament would include several fresh faces, including Camila Vallejo, one of the leaders of Chile's student uprising in 2011 who took to the streets to protest President Pinera's conservative policies and the impact on students and education. Three other

student leaders were poised to join Vallejo in the Congress.

Round 2 (Dec. 15, 2013) --

The second round of Chile's highly-anticipated presidential election ensued on Dec. 15, 2013. When the polls closed and the ballots were tabulated, it was the leftist candidate and former president, Michelle Bachelet, who had won a landslide victory to become Chile's new president. Bachelet secured 62 percent of the vote share over her right-wing rival, Matthei, who garnered 38 percent.

Bachelet's victory ensures that she will enter the history books as the first leader in Chile to serve two (albeit non-consecutive) terms in office since the notorious dictatorship of General Augusto Pinochet who led Chile from 1973 to 1990. Of course, Bachelet already secured a place in those history books having become Chile's first female president in 2006. She was barred from a consecutive term due to constitutional limitations but left office with strong public approval ratings.

Bachelet was succeeded in 2010 by right-wing President Pinera, whose tenure was marked by buyers' remorse as Chileans were not keen on many of his conservative reforms. Of particular concern were his proposed changes to the system of higher education, which spurred a popular outcry among youth and students. Pinera's time in office also appeared to bolster Chileans' nostalgia for the Bachelet presidency. Thus, when Bachelet became eligible to return to the helm in the 2013 elections, she decided to contest these polls -- with obvious positive results.

Declaring victory in the country's capital city of Santiago, Bachelet said to her fellow Chileans, "I am happy with the result and victory and I shall be a president for everyone in Chile." Addressing her supporters, she added, "I am proud to be your president-elect today. I am proud of the country we've built but I am even more proud of the country we will build."

For her part, Matthei conceded defeat, saying in an interview with the media, "It is clear at this point. She won. And we congratulate her. Later on, I will go speak with her personally."

Why are these elections important?

The victory of President Pinera marked a shift on the Chilean political scene as it ended the left wing's two-decade long lock on power in Chile and ushered a return to conservative governance in Chile. The previous right-wing president of Chile was the notorious military dictator, General Augusto Pinochet, who seized power in 1973 and ruled until 1990. While Pinera was not remotely the controversial figure as Pinochet, whose human rights abuses marked a dark chapter in Chilean history, Pinera's policies nonetheless raised the ire of many Chileans. Specifically, his conservative reform agenda managed to spark mass protests in Chile as students took to the streets to register outrage over the government's plan to raise school fees, and as copper miners launched

demonstrations to rail against restructuring plans.

There were suggestions that Chilean voters were having some degree of "buyer's remorse" over their foray into conservatism, making the prospect of former President Michelle Bachelet -- Chile's first female president -- returning to the political ring quite attractive. In Chile, although an individual can contest another term in office, a sitting president is not eligible for a consecutive term in office. Since Bachelet's tenure ended in 2009 with the election of Pinera, she was eligible to contest the 2013 polls on behalf of the center-left coalition. Polling data indicated that the popular Bachelet would likely have the advantage against any number of candidates from the right wing.

To that end, the speculation translated into actual votes and Bachelet claimed victory -- perhaps not only for herself, but for the collective center-left and the left-wing elements of the Chilean political spectrum. Her victory signaled that Chile was finished (for now) with its conservative experiment and wanted to return to leadership that protected the country's social safety net.

Bachelet essentially symbolized the center-left as her father was an air force general and a loyalist of Chile's assassinated leftist leader Salvador Allende. He was imprisoned and tortured to death by General Pinochet's regime, while Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. Bachelet's resurgence from torture victim to become president of Chile has always been regarded as the victory of moral justice on the Chilean political scene.

Plagued by poor popularity ratings Chilean President Bachelet conducts wholesale cabinet shuffle

In May 2015, President Michelle Bachelet of Chile announced that she would carry out an entire cabinet shuffle. In an interview with Chilean media, President Bachelet said, "A few hours ago I requested the resignation of all the ministers, and I will take 72 hours to decide who will stay and who will go."

The center-left Chilean leader was believed to be acting in response to an alarming collapse of her popularity ratings at a time when the country has been beset by a campaign finance scandal. While the scandal has involved opposition politicians predominantly, the entire political establishment has been affected, with repercussions for Bachelet herself. At issue was a bank loan and lucrative land deal that may have benefited Bachelet's daughter-in-law, of which Bachelet herself was not aware although her response on the matter was regarded as lax.

Now, with her popular support taking a serious hit, President Bachelet was aiming to press the proverbial "reset" button with a wholesale cabinet shuffle. Significantly, Finance Minister Alberto

Arenas, who advanced a series of unpopular reforms and had a poor relationship with the market place was among those sacked. He was replaced by a market-friendly economist, Rodrigo Valdes. In another notable move, Interior Minister Rodrigo Penailillo, a Bachelet stalwart, was replaced by Jorge Burgos, a political veteran and the person holding the defense portfolio until this time.

It should be noted that President Bachelet's decision to ultimately remove her closest cadre of cabinet ministers delivered the message that she was determined to turn the page. As such, her government shake-up was being applauded by her political allies, who hailed the news as a step in the right direction.

-- June 2015

Written by Dr. Denise Youngblood Coleman, Editor in Chief, www.countrywatch.com; see Bibliography for list of reference resources.

Political Risk Index

Political Risk Index

The **Political Risk Index** is a proprietary index measuring the level of risk posed to governments, corporations, and investors, based on a myriad of political and economic factors. The [Political Risk Index](#) is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on varied criteria* including the following consideration: political stability, political representation, democratic accountability, freedom of expression, security and crime, risk of conflict, human development, jurisprudence and regulatory transparency, economic risk, foreign investment considerations, possibility of sovereign default, and corruption. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the highest political risk, while a score of 10 marks the lowest political risk. Stated differently, countries with the lowest scores pose the greatest political risk. A score of 0 marks the most dire level of political risk and an ultimate nadir, while a score of 10 marks the lowest possible level of political risk, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater risk.

Country	Assessment
Afghanistan	2
Albania	4
Algeria	6
Andorra	9
Angola	4
Antigua	8
Argentina	4
Armenia	4-5
Australia	9.5
Austria	9.5
Azerbaijan	4
Bahamas	8.5
Bahrain	6
Bangladesh	3.5
Barbados	8.5-9

Belarus	3
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	5
Bosnia-Herzegovina	4
Botswana	7
Brazil	7
Brunei	7
Bulgaria	6
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	3
Cambodia	4
Cameroon	5
Canada	9.5
Cape Verde	6

Central African Republic	3
Chad	4
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7
Comoros	5
Congo DRC	3
Congo RC	4
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4-4.5
Cyprus	5
Czech Republic	8
Denmark	9.5
Djibouti	4.5

Dominica	7
Dominican Republic	6
East Timor	5
Ecuador	6
Egypt	5
El Salvador	7
Equatorial Guinea	4
Eritrea	3
Estonia	8
Ethiopia	4
Fiji	5
Finland	9
Fr. Yugoslav Rep. Macedonia	5
France	9
Gabon	5
Gambia	4
Georgia	5
Germany	9.5

Ghana	6
Greece	4.5-5
Grenada	8
Guatemala	6
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	3.5
Holy See (Vatican)	9
Honduras	4.5-5
Hungary	7
Iceland	8.5-9
India	7.5-8
Indonesia	6
Iran	3.5-4
Iraq	2.5-3
Ireland	8-8.5
Israel	8

Italy	7.5
Jamaica	6.5-7
Japan	9
Jordan	6.5
Kazakhstan	6
Kenya	5
Kiribati	7
Korea, North	1
Korea, South	8
Kosovo	4
Kuwait	7
Kyrgyzstan	4.5
Laos	4.5
Latvia	7
Lebanon	5.5
Lesotho	6
Liberia	3.5
Libya	2

Liechtenstein	9
Lithuania	7.5
Luxembourg	9
Madagascar	4
Malawi	4
Malaysia	8
Maldives	4.5
Mali	4
Malta	8
Marshall Islands	6
Mauritania	4.5-5
Mauritius	7
Mexico	6.5
Micronesia	7
Moldova	5
Monaco	9
Mongolia	5
Montenegro	6

Morocco	6.5
Mozambique	4.5-5
Namibia	6.5-7
Nauru	6
Nepal	4
Netherlands	9.5
New Zealand	9.5
Nicaragua	5
Niger	4
Nigeria	4.5
Norway	9.5
Oman	7
Pakistan	3.5
Palau	7
Panama	7.5
Papua New Guinea	5
Paraguay	6.5-7
Peru	7

Philippines	6
Poland	8
Portugal	7.5
Qatar	7.5
Romania	5.5
Russia	5.5
Rwanda	5
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	8
Samoa	7
San Marino	9
Sao Tome and Principe	5.5
Saudi Arabia	6
Senegal	6
Serbia	5
Seychelles	7
Sierra Leone	4.5

Singapore	9
Slovak Republic (Slovakia)	8
Slovenia	8
Solomon Islands	6
Somalia	2
South Africa	7
Spain	7.5
Sri Lanka	5
Sudan	3.5
Suriname	5
Swaziland	5
Sweden	9.5
Switzerland	9.5
Syria	2
Tajikistan	4.5
Tanzania	6
Thailand	6.5
Togo	4.5

Tonga	7
Trinidad and Tobago	8
Tunisia	6
Turkey	7
Turkmenistan	4.5
Tuvalu	7
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7
United Kingdom	9
United States	9.5
Uruguay	8
Uzbekistan	4
Vanuatu	7
Venezuela	4
Vietnam	5
Yemen	3
Zambia	4.5

Zimbabwe	3
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*Methodology

The [Political Risk Index](#) is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. political stability (record of peaceful transitions of power, ability of government to stay in office and carry out policies as a result of productive executive-legislative relationship, perhaps with popular support vis a vis risk of government collapse)
2. political representation (right of suffrage, free and fair elections, multi-party participation, and influence of foreign powers)
3. democratic accountability (record of respect for political rights, human rights, and civil liberties, backed by constitutional protections)
4. freedom of expression (media freedom and freedom of expression, right to dissent or express political opposition, backed by constitutional protections)
5. security and crime (the degree to which a country has security mechanisms that ensures safety of citizens and ensures law and order, without resorting to extra-judicial measures)
6. risk of conflict (the presence of conflict; record of coups or civil disturbances; threat of war; threats posed by internal or external tensions; threat or record of terrorism or insurgencies)
7. human development (quality of life; access to education; socio-economic conditions; systemic concern for the status of women and children)
8. jurisprudence and regulatory transparency (the impartiality of the legal system, the degree of transparency within the regulatory system of a country and the durability of that structure)
9. economic conditions (economic stability, investment climate, degree of nationalization of industries, property rights, labor force development)
10. corruption (the degree of corruption in a country and/or efforts by the government to address graft and other irregularities)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world.

North Korea, [Afghanistan](#), [Somalia](#), and [Zimbabwe](#) -- retain their low rankings.

Several Middle Eastern and North African countries, such as [Tunisia](#), [Egypt](#), [Libya](#), [Syria](#), [Iraq](#) and [Yemen](#) were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. The worst downgrades affected [Syria](#) where civil war is at play, along with the rampage of terror being carried out by Islamist terrorists who have also seized control over part of Syrian territory. [Iraq](#) has been further downgraded due to the rampage of Islamist terrorists and their takeover of wide swaths of Iraqi territory. [Libya](#) has also been downgraded further due to its slippage into failed state status; at issue in [Libya](#) have been an ongoing power struggle between rival militias. [Yemen](#) continues to hold steady with a poor ranking due to continued unrest at the hands of Houthi rebels, secessionists, al-Qaida in the Arabian Peninsula, and Islamic State. Its landscape has been further complicated by the fact that it is now the site of a proxy war between [Iran](#) and [Saudi Arabia](#). Conversely, [Tunisia](#) and [Egypt](#) have seen slight upgrades as these countries stabilize.

In Africa, [Zimbabwe](#) continues to be one of the bleak spots of the world with the Mugabe regime effectively destroying the country's once vibrant economy, and miring [Zimbabwe](#) with an exceedingly high rate of inflation, debilitating unemployment, devolving public services, and critical food shortages; rampant crime and political oppression round out the landscape. [Somalia](#) also sports a poor ranking due to the continuing influence of the terror group, al-Shabab, which was not operating across the border in [Kenya](#). On the upside, [Nigeria](#), which was ineffectively dealing with the threat posed by the terror group, Boko Haram, was making some strides on the national security front with its new president at the helm. [Mali](#) was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. But the [Central African Republic](#) was downgraded due to the takeover of the government by Muslim Seleka rebels and a continued state of lawlessness in that country. South [Sudan](#) -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. [Burkina Faso](#), [Burundi](#) and [Guinea](#) have been downgraded due to political unrest, with [Guinea](#) also having to deal with the burgeoning Ebola crisis.

In Europe, [Ukraine](#) was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. [Russia](#) was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. Strains on the infrastructure of southern and eastern European countries, such as [Serbia](#), [Croatia](#), and [Hungary](#), due to an influx of

refugees was expected to pose social and economic challenges, and slight downgrades were made accordingly. So too, a corruption crisis for the Romanian prime minister has affected the ranking of that country. Meanwhile, the rankings for [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#) were maintained due to debt woes and the concomitant effect on the euro zone. [Greece](#), another euro zone nation, was earlier downgraded due to its sovereign debt crisis; however, no further downgrade was added since the country was able to successfully forge a bailout rescue deal with creditor institutions. Cyprus' exposure to Greek banks yielded a downgrade in its case.

In Asia, [Nepal](#) was downgraded in response to continuous political instability and a constitutional crisis that prevails well after landmark elections were held. Both [India](#) and [China](#) retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability. Increasing violence and political instability in [Pakistan](#) resulted in a downgrade for this country's already low rating. Meanwhile, [Singapore](#) retained its strong rankings due to its continued effective stewardship of the economy and political stability.

In the Americas, ongoing political and economic woes, as well as crime and corruption have affected the rankings for [Mexico](#), [Guatemala](#), and [Brazil](#). [Argentina](#) was downgraded due to its default on debt following the failure of talks with bond holders. [Venezuela](#) was downgraded due to its mix of market unfriendly policies and political oppression. For the moment, the [United States](#) maintains a strong ranking along with [Canada](#), and most of the English-speaking countries of the Caribbean; however, a renewed debt ceiling crisis could cause the [United States](#) to be downgraded in a future edition. Finally, a small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

2015

Political Stability

Political Stability

The **Political Stability Index** is a proprietary index measuring a country's level of stability, standard of good governance, record of constitutional order, respect for human rights, and overall strength of democracy. The [Political Stability Index](#) is calculated using an established methodology* by CountryWatch's Editor-in-Chief and is based on a given country's record of peaceful transitions of power, ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse. Threats include coups, domestic violence and instability, terrorism, etc. This index measures the dynamic between the quality of a country's government and the threats that can compromise and undermine stability. Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of political stability and an ultimate nadir, while a score of 10 marks the highest level of political stability possible, according to this proprietary index. Rarely will there be scores of 0 or 10 due to the reality that countries contain complex landscapes; as such, the index offers a range of possibilities ranging from lesser to greater stability.

Country	Assessment
Afghanistan	2
Albania	4.5-5
Algeria	5
Andorra	9.5
Angola	4.5-5
Antigua	8.5-9
Argentina	7
Armenia	5.5
Australia	9.5

Austria	9.5
Azerbaijan	5
Bahamas	9
Bahrain	6
Bangladesh	4.5
Barbados	9
Belarus	4
Belgium	9
Belize	8
Benin	5
Bhutan	5
Bolivia	6
Bosnia-Herzegovina	5
Botswana	8.5
Brazil	7
Brunei	8
Bulgaria	7.5
Burkina Faso	4

Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5-5
Cameroon	6
Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4.5
Chile	9
China	7
China: Hong Kong	8
China: Taiwan	8
Colombia	7.5
Comoros	5
Congo DRC	3
Congo RC	5
Costa Rica	9.5
Cote d'Ivoire	3.5

Croatia	7.5
Cuba	4.5
Cyprus	8
Czech Republic	8.5
Denmark	9.5
Djibouti	5
Dominica	8.5
Dominican Republic	7
East Timor	5
Ecuador	7
Egypt	4.5-5
El Salvador	7.5-8
Equatorial Guinea	4.5
Eritrea	4
Estonia	9
Ethiopia	4.5
Fiji	5
Finland	9

Fr.YugoslavRep.Macedonia	6.5
France	9
Gabon	5
Gambia	4.5
Georgia	5
Germany	9.5
Ghana	7
Greece	6
Grenada	8.5
Guatemala	7
Guinea	3.5-4
Guinea-Bissau	4
Guyana	6
Haiti	3.5-4
Holy See (Vatican)	9.5
Honduras	6
Hungary	7.5
Iceland	9

India	8
Indonesia	7
Iran	3.5
Iraq	2.5
Ireland	9.5
Israel	8
Italy	8.5-9
Jamaica	8
Japan	9
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	8
Korea, North	2
Korea, South	8.5
Kosovo	5.5
Kuwait	7
Kyrgyzstan	5

Laos	5
Latvia	8.5
Lebanon	5.5
Lesotho	5
Liberia	3.5-4
Libya	2
Liechtenstein	9
Lithuania	9
Luxembourg	9.5
Madagascar	4
Malawi	5
Malaysia	8
Maldives	4.5-5
Mali	4.5-5
Malta	9
Marshall Islands	8
Mauritania	6
Mauritius	8

Mexico	6.5-7
Micronesia	8
Moldova	5.5
Monaco	9.5
Mongolia	6.5-7
Montenegro	8
Morocco	7
Mozambique	5
Namibia	8.5
Nauru	8
Nepal	4.5
Netherlands	9.5
New Zealand	9.5
Nicaragua	6
Niger	4.5
Nigeria	4.5
Norway	9.5
Oman	7

Pakistan	3
Palau	8
Panama	8.5
Papua New Guinea	6
Paraguay	8
Peru	7.5
Philippines	6
Poland	9
Portugal	9
Qatar	7
Romania	7
Russia	6
Rwanda	5
Saint Kitts and Nevis	9
Saint Lucia	9
Saint Vincent and Grenadines	9
Samoa	8
San Marino	9.5

Sao Tome and Principe	7
Saudi Arabia	6
Senegal	7.5
Serbia	6.5
Seychelles	8
Sierra Leone	4.5
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	9
Solomon Islands	6.5-7
Somalia	2
South Africa	7.5
Spain	9
Sri Lanka	5
Sudan	3
Suriname	5
Swaziland	5
Sweden	9.5

Switzerland	9.5
Syria	2
Tajikistan	4.5
Tanzania	6
Thailand	6
Togo	5
Tonga	7
Trinidad and Tobago	8
Tunisia	5
Turkey	7.5
Turkmenistan	5
Tuvalu	8.5
Uganda	6
Ukraine	3.5-4
United Arab Emirates	7
United Kingdom	9
United States	9
Uruguay	8.5

Uzbekistan	4
Vanuatu	8.5
Venezuela	4.5-5
Vietnam	4.5
Yemen	2.5
Zambia	5
Zimbabwe	3

*Methodology

The Political Stability Index is calculated by CountryWatch's Editor-in-Chief and is based on the combined scoring of varied criteria as follows --

1. record of peaceful transitions of power (free and fair elections; adherence to political accords)
2. record of democratic representation, presence of instruments of democracy; systemic accountability
3. respect for human rights; respect for civil rights
4. strength of the system of jurisprudence, adherence to constitutional order, and good governance
5. ability of a government to stay in office and carry out its policies vis a vis risk credible risks of government collapse (i.e. government stability versus a country being deemed "ungovernable")
6. threat of coups, insurgencies, and insurrection
7. level of unchecked crime and corruption
8. risk of terrorism and other threats to national security

9. relationship with regional powers and international community; record of bilateral or multilateral cooperation

10. degree of economic strife (i.e. economic and financial challenges)

Editor's Note:

As of 2015, the current climate of upheaval internationally -- both politically and economically -- has affected the ratings for several countries across the world. The usual suspects -- North Korea, [Afghanistan](#), and [Somalia](#) -- retain their low rankings. The reclusive and ultra-dictatorial North Korean regime, which has terrified the world with its nuclear threats, has exhibited internal instability. Of note was a cut-throat purge of hundreds of high ranking officials deemed to be a threat to Kim Jung-un. Despite their attempts to recover from years of lawlessness, war, and warlordism, both [Afghanistan](#) and [Somalia](#) continue to be beset by terrorism and turmoil. In [Afghanistan](#), while international forces have seen success in the effort against the terror group, al-Qaida, the other Islamist extremist group, the Taliban, continues to carry out a vicious insurgency using terrorism. In [Somalia](#), while the government attempts to do the nation's business, the terror group, al-Shabab continues to make its presence known not only in [Somalia](#), but across the border into [Kenya](#) with devastating results/ Also in this category is [Iraq](#), which continues to be rocked by horrific violence and terrorism at the hands of Islamic State, which has taken over wide swaths of Iraqi territory.

Syria, [Libya](#), and [Yemen](#) have been added to this unfortunate echelon of the world's most politically unstable countries. [Syria](#) has been mired by the twin hazards of 1. a civil war as rebels oppose the Assad regime; and 2. the rampage of terror being carried out by Islamic State, which also seized control over vast portions of Syrian territory. Meanwhile, the post-Qaddhafi landscape of [Libya](#) has devolved into chaos as rival militias battle for control -- the elected government of the country notwithstanding. Rounding out this grim triad is [Yemen](#), which was dealing with a Houthi rebellion, secessionists in the south, as well as the threat of terrorism from al-Qaida in the Arabian Peninsula as well as Islamic State, while also being the site of a proxy war between Shi'a [Iran](#) and Sunni [Saudi Arabia](#).

Meanwhile, several Middle Eastern and North African countries, such as [Tunisia](#), [Egypt](#), and [Bahrain](#) were downgraded in recent years due to political instability occurring in the "season of unrest" sweeping the region since 2011 and continuing today. All three of these countries have stabilized in recent years and have been upgraded accordingly. In [Bahrain](#), the landscape had calmed. In [Egypt](#), the secular military-backed government has generated criticism for its crackdown on the Muslim Brotherhood; however, the country had ratified the presidency via democratic elections and were on track to hold parliamentary elections as the country moved along the path of democratization. Perhaps the most impressive story was coming out of [Tunisia](#) -- the

country whose Jasmine Revolution sparked the entire Arab Spring -- and where after a few years of strife, a new progressive constitution was passed into law and a secular government had been elected to power. [Tunisia](#), [Egypt](#), and [Bahrain](#) have seen slight upgrades as these countries stabilize.

In Africa, the [Central African Republic](#) was downgraded the previous year due to the takeover of the government by Muslim Seleka rebels. Although the country has been trying to emerge from this crisis, the fact of the matter was that it was difficult to halt the precipitous decline into lawlessness in that country. [Zimbabwe](#) has maintained its consistently poor ranking due to the dictatorial regime of Mugabe, who continues to hold a tight grip on power, intimidates the opposition, squashes dissent, and oppresses the white farmer population of the country. Moving in a slightly improved direction is [Nigeria](#), which has sported abysmal ratings due to the government's fecklessness in dealing with the threat posed by the Islamist terror group, Boko Haram. Under its newly-elected government, there appears to be more of a concerted effort to make national security a priority action item. [Mali](#) was also slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Political instability has visited [Burkina Faso](#) and [Burundi](#) as the leaders of those countries attempted to side-step constitutional limits to hold onto power. In [Burundi](#), an attempted coup ensued but quelled, and the president won a (questionable) new term in office; unrest has since punctuated the landscape. In [Burkina Faso](#), the political climate has turned stormy as a result of a successful coup that ended the rule of the president, and then a putsch against the transitional government. These two African countries have been downgraded as a result.

It should be noted that the African country of South [Sudan](#) -- the world's newest nation state -- has not been officially included in this assessment; however, it can be unofficially assessed to be in the vicinity of "3" due to its manifold political and economic challenges. [Guinea](#) has endured poor rankings throughout, but was slightly downgraded further over fears of social unrest and the Ebola heath crisis.

In Europe, [Ukraine](#) was downgraded due to the unrest facing that country following its Maidan revolution that triggered a pro-Russian uprising in the eastern part of the country. [Russia](#) was also implicated in the Ukrainian crisis due to its intervention on behalf of pro-Russian separatists, as well as its annexation of the Ukrainian territory of Crimea. [Serbia](#) and [Albania](#) were slightly downgraded due to eruptions of unrest, while [Romania](#) was slightly downgraded on the basis of corruption charges against the prime minister. [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#) were downgraded due to debt woes and the concomitant effect on the euro zone. [Greece](#), another euro zone nation, was downgraded the previous year due to its sovereign debt crisis; however, the country successfully forged a rescue deal with international creditors and stayed within the Euro zone. Greek voters rewarded the hitherto unknown upstart party at the polls for these efforts. As a result, [Greece](#) was actually upgraded slightly as it proved to the world that it could endure the political and economic storms. Meanwhile, [Germany](#), [France](#), [Switzerland](#), the [United Kingdom](#),

the [Netherlands](#), and the Scandinavian countries continue to post impressive ranking consistent with these countries' strong records of democracy, freedom, and peaceful transfers of power.

In Asia, [Nepal](#) was downgraded in response to continuous political instability well after landmark elections that prevails today. [Cambodia](#) was very slightly downgraded due to post-election instability that has resulted in occasional flares of violence. Despite the "trifecta of tragedy" in [Japan](#) in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both [India](#) and [China](#) retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability. Increasing violence and political instability in [Pakistan](#) resulted in a downgrade for this country's already low rating.

In the Americas, [Haiti](#) retained its downgraded status due to ongoing political and economic woes. [Mexico](#) was downgraded due to its alarming rate of crime. [Guatemala](#) was downgraded due to charges of corruption, the arrest of the president, and uncertainty over the outcome of elections. [Brazil](#) was downgraded due to the corruption charges erupting on the political landscape, the stalling of the economy, and the increasingly loud calls for the impeachment of President Rousseff. [Argentina](#) was downgraded due to its default on debt following the failure of talks with bond holders. [Venezuela](#) was downgraded due to the fact that the country's post-Chavez government is every bit as autocratic and nationalistic, but even more inclined to oppress its political opponents. [Colombia](#) was upgraded slightly due to efforts aimed at securing a peace deal with the FARC insurgents. A small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States. Meanwhile, the [United States](#), [Canada](#), [Costa Rica](#), [Panama](#), and most of the English-speaking countries of the Caribbean retain their strong rankings due to their records of stability and peaceful transfers of power.

In the Pacific, [Fiji](#) was upgraded due to its return to constitutional order and democracy with the holding of the first elections in eight years.

In Oceania, [Maldives](#) has been slightly downgraded due to the government's continued and rather relentless persecution of the country's former pro-democracy leader - former President Nasheed.

Source:

Dr. Denise Youngblood Coleman, Editor in Chief, CountryWatch Inc. www.countrywatch.com

Updated:

2015

Freedom Rankings

Freedom Rankings

Freedom in the World

Editor's Note: This ranking by Freedom House quantifies political freedom and civil liberties into a single combined index on each sovereign country's level of freedom and liberty. The initials "PR" and "CL" stand for Political Rights and Civil Liberties, respectively. The number 1 represents the most free countries and the number 7 represents the least free. Several countries fall in the continuum in between. The freedom ratings reflect an overall judgment based on survey results.

Country	PR	CL	Freedom Status	Trend Arrow
Afghanistan	6 ?	6	Not Free	
Albania*	3	3	Partly Free	
Algeria	6	5	Not Free	
Andorra*	1	1	Free	
Angola	6	5	Not Free	
Antigua and Barbuda*	3 ?	2	Free	

Argentina*	2	2	Free
Armenia	6	4	Partly Free
Australia*	1	1	Free
Austria*	1	1	Free
Azerbaijan	6	5	Not Free
Bahamas*	1	1	Free
Bahrain	6 ?	5	Not Free ?
Bangladesh*	3 ?	4	Partly Free
Barbados*	1	1	Free
Belarus	7	6	Not Free
Belgium*	1	1	Free
Belize*	1	2	Free
Benin*	2	2	Free
Bhutan	4	5	Partly Free
Bolivia*	3	3	Partly Free
Bosnia-Herzegovina*	4	3	Partly Free
Botswana*	3 ?	2	Free
Brazil*	2	2	Free

Brunei	6	5	Not Free	
Bulgaria*	2	2	Free	
Burkina Faso	5	3	Partly Free	
Burma	7	7	Not Free	
Burundi*	4	5	Partly Free	↑
Cambodia	6	5	Not Free	↓
Cameroon	6	6	Not Free	
Canada*	1	1	Free	
Cape Verde*	1	1	Free	
Central African Republic	5	5	Partly Free	
Chad	7	6	Not Free	
Chile*	1	1	Free	
China	7	6	Not Free	
Colombia*	3	4	Partly Free	
Comoros*	3	4	Partly Free	
Congo (Brazzaville)	6	5	Not Free	↓
Congo (Kinshasa)	6	6	Not Free	↓
Costa Rica*	1	1	Free	

Cote d'Ivoire	6	5	Not Free	
Croatia*	1 ?	2	Free	
Cuba	7	6	Not Free	
Cyprus*	1	1	Free	
Czech Republic*	1	1	Free	
Denmark*	1	1	Free	
Djibouti	5	5	Partly Free	
Dominica*	1	1	Free	
Dominican Republic*	2	2	Free	↓
East Timor*	3	4	Partly Free	
Ecuador*	3	3	Partly Free	
Egypt	6	5	Not Free	
El Salvador*	2	3	Free	
Equatorial Guinea	7	7	Not Free	
Eritrea	7	7 ?	Not Free	
Estonia*	1	1	Free	
Ethiopia	5	5	Partly Free	↓
Fiji	6	4	Partly Free	

Finland*	1	1	Free	
France*	1	1	Free	
Gabon	6	5 ?	Not Free ?	
The Gambia	5	5 ?	Partly Free	
Georgia	4	4	Partly Free	
Germany*	1	1	Free	
Ghana*	1	2	Free	
Greece*	1	2	Free	
Grenada*	1	2	Free	
Guatemala*	4 ?	4	Partly Free	
Guinea	7	6 ?	Not Free	
Guinea-Bissau*	4	4	Partly Free	
Guyana*	2	3	Free	
Haiti*	4	5	Partly Free	
Honduras	4 ?	4 ?	Partly Free	
Hungary*	1	1	Free	
Iceland*	1	1	Free	
India*	2	3	Free	

Indonesia*	2	3	Free	
Iran	6	6	Not Free	↓
Iraq	5 ?	6	Not Free	
Ireland*	1	1	Free	
Israel*	1	2	Free	
Italy*	1	2	Free	
Jamaica*	2	3	Free	
Japan*	1	2	Free	
Jordan	6 ?	5	Not Free ?	
Kazakhstan	6	5	Not Free	↓
Kenya	4	4 ?	Partly Free	
Kiribati*	1	1	Free	
Kosovo	5 ?	4 ?	Partly Free ?	
Kuwait	4	4	Partly Free	
Kyrgyzstan	6 ?	5 ?	Not Free ?	
Laos	7	6	Not Free	
Latvia*	2	1	Free	
Lebanon	5	3 ?	Partly Free	

Lesotho*	3 ?	3	Partly Free ?	
Liberia*	3	4	Partly Free	
Libya	7	7	Not Free	
Liechtenstein*	1	1	Free	
Lithuania*	1	1	Free	
Luxembourg*	1	1	Free	
Macedonia*	3	3	Partly Free	↑
Madagascar	6 ?	4 ?	Partly Free	
Malawi*	3 ?	4	Partly Free	
Malaysia	4	4	Partly Free	
Maldives*	3 ?	4	Partly Free	
Mali*	2	3	Free	
Malta*	1	1	Free	↓
Marshall Islands*	1	1	Free	
Mauritania	6	5	Not Free	
Mauritius*	1	2	Free	
Mexico*	2	3	Free	
Micronesia*	1	1	Free	

Moldova*	3 ?	4	Partly Free	
Monaco*	2	1	Free	
Mongolia*	2	2	Free	↑
Montenegro*	3	2 ?	Free ?	
Morocco	5	4	Partly Free	↓
Mozambique	4 ?	3	Partly Free	
Namibia*	2	2	Free	
Nauru*	1	1	Free	
Nepal	4	4	Partly Free	
Netherlands*	1	1	Free	
New Zealand*	1	1	Free	
Nicaragua*	4	4 ?	Partly Free	
Niger	5 ?	4	Partly Free	
Nigeria	5	4	Partly Free	↓
North Korea	7	7	Not Free	↓
Norway*	1	1	Free	
Oman	6	5	Not Free	
Pakistan	4	5	Partly Free	

Palau*	1	1	Free	
Panama*	1	2	Free	
Papua New Guinea*	4	3	Partly Free	
Paraguay*	3	3	Partly Free	
Peru*	2	3	Free	
Philippines	4	3	Partly Free	↓
Poland*	1	1	Free	
Portugal*	1	1	Free	
Qatar	6	5	Not Free	
Romania*	2	2	Free	
Russia	6	5	Not Free	↓
Rwanda	6	5	Not Free	
Saint Kitts and Nevis*	1	1	Free	
Saint Lucia*	1	1	Free	
Saint Vincent and Grenadines*	2	1	Free	
Samoa*	2	2	Free	
San Marino*	1	1	Free	
Sao Tome and Principe*	2	2	Free	

Saudi Arabia	7	6	Not Free	
Senegal*	3	3	Partly Free	
Serbia*	2 ?	2	Free	
Seychelles*	3	3	Partly Free	
Sierra Leone*	3	3	Partly Free	
Singapore	5	4	Partly Free	
Slovakia*	1	1	Free	↓
Slovenia*	1	1	Free	
Solomon Islands	4	3	Partly Free	
Somalia	7	7	Not Free	
South Africa*	2	2	Free	
South Korea*	1	2	Free	
Spain*	1	1	Free	
Sri Lanka*	4	4	Partly Free	
Sudan	7	7	Not Free	
Suriname*	2	2	Free	
Swaziland	7	5	Not Free	
Sweden*	1	1	Free	

Switzerland*	1	1	Free	↓
Syria	7	6	Not Free	
Taiwan*	1 ?	2 ?	Free	
Tajikistan	6	5	Not Free	
Tanzania	4	3	Partly Free	
Thailand	5	4	Partly Free	
Togo	5	4 ?	Partly Free	
Tonga	5	3	Partly Free	
Trinidad and Tobago*	2	2	Free	
Tunisia	7	5	Not Free	
Turkey*	3	3	Partly Free	↓
Turkmenistan	7	7	Not Free	
Tuvalu*	1	1	Free	
Uganda	5	4	Partly Free	
Ukraine*	3	2	Free	
United Arab Emirates	6	5	Not Free	
United Kingdom*	1	1	Free	
United States*	1	1	Free	

Uruguay*	1	1	Free	
Uzbekistan	7	7	Not Free	
Vanuatu*	2	2	Free	
Venezuela	5 ?	4	Partly Free	
Vietnam	7	5	Not Free	↓
Yemen	6 ?	5	Not Free ?	
Zambia*	3	4 ?	Partly Free	
Zimbabwe	6 ?	6	Not Free	

Methodology:

PR and CL stand for political rights and civil liberties, respectively; 1 represents the most free and 7 the least free rating. The ratings reflect an overall judgment based on survey results.

? ? up or down indicates a change in political rights, civil liberties, or status since the last survey.

↑ ↓ up or down indicates a trend of positive or negative changes that took place but that were not sufficient to result in a change in political rights or civil liberties ratings of 1-7.

* indicates a country's status as an electoral democracy.

Source:

This data is derived from the latest edition of Freedom House's Freedom in the World 2010 edition.

Available at URL: <http://www.freedomhouse.org>

Updated:

Reviewed in 2015

Human Rights

Human Rights in Chile

Overview

Chile is a multiparty democracy. The current government and ruling Concertacion coalition -- in stark contrast with the military dictatorship of former President Pinochet -- works to respect the human rights of its citizens. There were only a few areas of concern reported in recent years, mainly in terms of suspect and prisoners rights.

Suspects complain that, once arrested, they are not told what charges are actually being brought against them, nor do they have access to a timely hearing. International monitors note the sub-standard prison conditions all around Chile. There have also been reports of excessive use of force and violence by guards in jails and prisons. The introduction of new criminal codes should work to improve due process guarantees for those facing trial.

Editor's Note: Pinochet has never stood trial for any of the charges he has been accused of committing during his years in power. The Pinochet's regime was responsible for excessive human rights abuses. Human rights abuses aside, the Pinochet years were also rife with the worst kinds of violence, such as political assassinations. Dissidents, political opponents and those believed to have links with the former Allende regime or with leftist sympathies were particularly targeted. Political assassinations were not limited to Chilean soil either. In the past, Pinochet had enjoyed immunity from prosecution, largely on the basis of ill health. But such immunity has not lasted indefinitely as court rulings have gradually stripped him of immunity in several instances – albeit on a case-by-case basis. The hope that Pinochet might one day face accountability for his apparent crimes ended in 2006 with his death.

Human Development Index (HDI) Rank:

See full listing of the Human Development Index located in the Social Overview of this report for this country's current rank.

Human Poverty Index Rank:

2nd out of 103

Gini Index:

57.1

Life Expectancy at Birth (years):

76.96

Unemployment Rate:

8%

Population living on \$1 a day (%):

<2%

Population living on \$2 a day (%):

9.6%

Population living beneath the Poverty Line (%):

18.2%

Internally Displaced People:

N/A

Note-2,000 refugees currently in Chile

Total Crime Rate (%):

N/A

Health Expenditure (% of GDP):

Public: 2.6%

% of GDP Spent on Education:

4.2%

Human Rights Conventions Party to:

- International Convention on the Prevention and Punishment of the Crime of Genocide
- International Convention on the Elimination of All Forms of Racial Discrimination
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Convention on the Elimination of All Forms of Discrimination against Women
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- Conventions on the Rights of the Child
- Convention relating to the Status of Refugees
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (Signed but not yet ratified)
- Rome Statute of the International Criminal Court (Signed but not yet ratified)

*Human Development Index (HDI) is a composite index that measures the level of well-being in 177 nations in the world. It uses factors such as poverty, literacy, life-expectancy, education, gross domestic product, and purchasing power parity to assess the average achievements in each nation. It has been used in the United Nation's Human Development Report since 1993.

*Human Poverty Index Ranking is based on certain indicators used to calculate the Human Poverty Index. Probability at birth of not surviving to age 40, adult literacy rate, population without sustainable access to an improved water source, and population below income poverty line are the indicators assessed in this measure.

*The Gini Index measures inequality based on the distribution of family income or consumption. A value of 0 represents perfect equality (income being distributed equally), and a value of 100 perfect inequality (income all going to one individual).

*The calculation of the total crime rate is the % of the total population which has been effected by property crime, robbery, sexual assault, assault, or bribery (corruption) related occurrences.

Government Functions

Constitution

Chile's constitution was approved in a September 1980 national plebiscite. It entered into force in March 1981. After military dictator Augusto Pinochet's defeat in a 1988 plebiscite, the constitution was amended to ease provisions for future amendments to the constitution, to create nine appointed or "institutional" senators, and to diminish the role of the National Security Council by equalizing the number of civilian and military members (four members each). Amendments occurred in amended 1989, 1991, 1997, 1999, 2000, 2003, and 2005 .

Executive Authority

At the executive level, the president is the head of state and head of government. The president is elected by popular vote for a single four-year term and presides over cabinet.

Legislative Authority

Chile's bicameral parliament is a National Congress or Congreso Nacional, which consists of the Senate or Senado (38 seats; members elected by popular vote to serve eight-year terms; one-half elected every four years) and the Chamber of Deputies or Camara de Diputados (120 seats; members are elected by popular vote to serve four-year terms).

Legal System and Judicial Authority

Chile's judiciary is independent and includes a court of appeal, a system of military courts, a constitutional tribunal and the Supreme Court. The legal system is based on Code of 1857 derived from Spanish law and subsequent codes influenced by French and Austrian law. In 2005, Chile completed overhaul of its criminal justice system to a new, American-style adversarial format.

Government Structure

Names:

conventional long form:

Republic of Chile

conventional short form:

Chile

local long form:

Republica de Chile

local short form:

Chile

Type:

Republic; constitutional and democratic system

Executive Branch:

Chief of state and head of government:

Michelle Bachelet elected as president in 2013 for a four-year term by popular vote; the president is both the chief of state and head of government; see Primer below for information about the 2013 presidential election

Primer on 2013 Presidential and Parliamentary Elections

Parliamentary and first presidential round on Nov. 17, 2013; second round for presidential on Dec. 15, 2013 --

Presidential and parliamentary elections were set to be held in Chile in 2013. The first round of the presidential contest was set to take place on Nov. 17, 2013, which was the same day set for the parliamentary elections; the second round of the presidential contest was to take place on Dec. 15, 2013.

At the executive level, the president is elected by popular vote for a four-year term by popular vote. The last presidential election was held on Dec. 13, 2009, with a runoff on Jan. 17, 2010. The presidency was a close battle and ultimately won by right-wing Sebastian Pinera Echenique against center-left candidate, Eduardo Frei. The 2013 election would determine who would succeed outgoing President Pinera.

At the legislative level, the action would be in the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado de la República" (Senate of the Republic) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado de la República" (Senate of the Republic), there are 38 seats; members elected by popular vote to serve eight-year terms; one-half are elected every four years. In the "Cámara de Diputados" (Chamber of Deputies), there are 120 seats; members are popularly elected for four-year terms in two-seat constituencies.

At the presidential level, possible contenders representing the left-wing Concertacion bloc (known as New Majority coalition) included former President Michele Bachelet (Socialist Party), as well as Jose Antonio Gomez (Radical Social Democratic Party), Andres Velasco (independent), and

Claudio Orrego (Christian Democrats).

From the right-wing Alianza bloc (known as Alliance for Chile), possible contenders were Pablo Longueira (Independent Democratic Union), since Public Works Minister Laurence Golborne opted to stay out of the contest. Andres Alleman (National Renewal) was another possibility.

Separate from the two main blocs, there was also Marcel Claude (Independent Party), Marc Enrique Ominami (Progressive Party), Roxana Miranda (Equality Party), Tomas Jocelyn-Holt (Independent), Franco Parisi (Independent), Gustavo Ruiz (independent), and Alfredo Sfeir Younis (Green Ecologists), who were likely to contest the election.

At the parliamentary level, the parties contesting the elections could be split into the following groupings:

center-left bloc New Majority (also sometimes referred to as Concertacion) - Socialist Party, Communist Party, Radical Social Democratic Party, Christian Democratic Party, Broad Social Movement

center-right bloc Alianza (Alliance for Chile)
National Renewal and Independent Democratic Union or UDI

Other -
Green Ecologists, Humanist Party, Liberal Party, Equality Party, Progressive Party, Independent Party

NOTE:

Note that on June 30, 2013, former President Michelle Bachelet secured her place as a presidential contender following the primary election for the left-wing New Majority coalition with 74 percent of the total vote share. Her closest rival was Velasco who had 13 percent.

A primary election was also held for the governing conservative Alliance for Chile. Results indicated a close race between two former ministers, Andres Allamand and Pablo Longueira. However, Longueira secured a narrow win over Allamand with 51 percent of the vote to 49 percent.

But Longueira was not to remain as the conservative alliance's presidential nominee for long. In mid-July 2013, he resigned saying he was suffering from depression. Days later on July 20, 2013, Labor Minister Evelyn Matthei was appointed to contest the presidential election on behalf of the conservatives.

In terms of their policy agendas, the two female presidential contenders offered contrasting visions for Chile. Matthei has endorsed outgoing President Pinera's pro-business economic policies, which the conservative government has argued has bolstered growth. Bachelet has promised to address social inequality in Chile and also to offer free university education to Chilean students.

The difference between the economic agendas of the two presidential candidates aside, the presidential contest was also becoming something of a referendum of Chile's military legacy. Matthei's background was a clear contrast to that of her rival, Bachelet. Alberto Bachelet -- the father of Michele Bachelet -- was a stalwart of former President Salvador Allende, who was himself democratically elected to power and ousted in the 1973 military coup, led by Augusto Pinochet. Alberto Bachelet was imprisoned and tortured to death by Pinochet's regime. Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. By contrast, Matthei's father was a general in Pinochet's military junta that came to power in the notorious 1973 coup and then went on to rule Chile for 17 years. In something of an ironic development, the Nov. 17, 2013, election date marked the 40th anniversary of the 1973 coup that ousted Allende from power and marked the start of Chile's darkest chapter in modern history.

In July 2013, polling data by the private Contemporary Reality Study Center suggested that Bachelet had the advantage months ahead of election day, as she was forecast to garner as much as 51 percent of the vote share. That result, should it actually occur, would mean that Bachelet would achieve outright victory in the first round and would not have to contest a second round of voting. However, all expectations were that the contest would become more competitive closer to election day, and that Bachelet's rival, Matthei, would put up a tough fight.

At the close of August 2013, the dynamics of the race had not changed much. Although Bachelet had slipped slightly in the race in terms of support, one could not argue that the race had become substantially more competitive. According to polling data by Center for Public Studies, Bachelet had 44 percent support against Matthei with 12 percent. In September 2013, this trend prevailed with the polling firm, Conecta Media Research (CMR), saying that its survey data showed Bachelet attracting 39 percent of the votes while Matthei was attracting 17 percent.

In October 2013, the dynamics of the race had changed slightly -- but to the detriment of Matthei rather than Bachelet. The former president's political fortune remained intact as she continued to lead the polls. However, Matthei's position as the "main rival" was being threatened by Franco Parisi, an independent candidate (listed above). Parisi's popularity was sufficiently notable as to cause incumbent President Pinera to attack him publicly for not paying teachers and employees at two private schools owned by his family. It was to be seen if such attacks would gain traction, or, if Parisi could catapult past Matthei into position as the "main rival" to Bachelet in the presidential contest.

In November 2013, polling data showed that center-left candidate, Bachelet, was positioned to

possibly win the presidency in the first round with an outright majority. According to the polling survey orchestrated by electoral expert Pepe Auth, Bachelet would secure 54 percent of the vote, while her closest rival, the right-wing candidate, Matthei, would garner only 21 percent.

In an interview with the Al Jazeera news outlet at the start of November 2013, Bachelet said her bid to return to the presidency was being made out of patriotism and a desire to heed the populist call from her supporters. She said, "I love my country and I love the people of my country. And I couldn't, if I would say, be deaf to the call of millions of people asking me to come back to my country, to lead the process that we need to achieve in this new period in Chile." Speaking of the challenges facing Chile, Bachelet said: "Chile is a country which has had positive development, and as such has been respected across the world, and has a lot of things to show and a lot of things to share with many countries. But we still have challenges, challenges like inequality." She continued, "But what really changed, I would say, is probably as a consequence of democracy, people are more aware of their rights, people are more empowered, people want not only to vote but also to influence ... the decisions of the leaders, of the people who are making the decisions at all levels. People want to be part of the construction of a more equal, more just, society."

Round 1 (Nov. 17, 2013) --

The first round of Chile's highly-anticipated presidential and parliamentary elections ensued on Nov. 17, 2013. When the polls closed and the ballots were tabulated, it was Bachelet who garnered the most votes, as expected. The candidate of the left wing, Bachelet, secured the plurality of the vote share -- 46 percent -- but not an outright majority. Her closest rival was the right-wing candidate, Matthei, who took 25 percent. The two women -- Bachelet and Matthei -- were set to go head to head in the second and final round of the presidential contest on Dec. 15, 2013.

Via Twitter, Bachelet expressed her satisfaction in moving onto the runoff election, writing: "Reaching the second is undoubtedly a great triumph." In an address to her supporters in the Chilean capital of Santiago, she promised victory in December saying, "We won tonight and we will work to win by an ample margin in December." Of course, Matthei was promising a different outcome, and wasted no time in trying to garner support from the supporters of the other candidates who did not make it to the second round. Via Twitter, Matthei wrote: "Let us fight for the votes of the other seven candidates now, and for those of Michelle Bachelet."

Note that at the parliamentary level, results indicated that Bachelet's center-left coalition secured a simple majority in both chambers of the bicameral "Congreso Nacional" (National Congress). It should be noted that the new parliament would include several fresh faces, including Camila Vallejo, one of the leaders of Chile's student uprising in 2011 who took to the streets to protest President Pinera's conservative policies and the impact on students and education. Three other student leaders were poised to join Vallejo in the Congress.

Round 2 (Dec. 15, 2013) --

The second round of Chile's highly-anticipated presidential election ensued on Dec. 15, 2013. When the polls closed and the ballots were tabulated, it was the leftist candidate and former president, Michelle Bachelet, who had won a landslide victory to become Chile's new president. Bachelet secured 62 percent of the vote share over her right-wing rival, Matthei, who garnered 38 percent.

Bachelet's victory ensures that she will enter the history books as the first leader in Chile to serve two (albeit non-consecutive) terms in office since the notorious dictatorship of General Augusto Pinochet who led Chile from 1973 to 1990. Of course, Bachelet already secured a place in those history bookies having become Chile's first female president in 2006. She was barred from a consecutive term due to constitutional limitations but left office with strong public approval ratings.

Bachelet was succeeded in 2010 by right-wing President Pinera, whose tenure was marked by buyers' remorse as Chileans were not keen on many of his conservative reforms. Of particular concern were his proposed changes to the system of higher education, which spurred a popular outcry among youth and students. Pinera's time in office also appeared to bolster Chileans' nostalgia for the Bachelet presidency. Thus, when Bachelet became eligible to return to the helm in the 2013 elections, she decided to contest these polls -- with obvious positive results.

Declaring victory in the country's capital city of Santiago, Bachelet said to her fellow Chileans, "I am happy with the result and victory and I shall be a president for everyone in Chile." Addressing her supporters, she added, "I am proud to be your president-elect today. I am proud of the country we've built but I am even more proud of the country we will build."

For her part, Matthei conceded defeat, saying in an interview with the media, "It is clear at this point. She won. And we congratulate her. Later on, I will go speak with her personally."

Why are these elections important?

The victory of President Pinera marked a shift on the Chilean political scene as it ended the left wing's two-decade long lock on power in Chile and ushered a return to conservative governance in Chile. The previous right-wing president of Chile was the notorious military dictator, General Augusto Pinochet, who seized power in 1973 and ruled until 1990. While Pinera was not remotely the controversial figure as Pinochet, whose human rights abuses marked a dark chapter in Chilean history, Pinera's policies nonetheless raised the ire of many Chileans. Specifically, his conservative reform agenda managed to spark mass protests in Chile as students took to the streets to register outrage over the government's plan to raise school fees, and as copper miners launched demonstrations to rail against restructuring plans.

There were suggestions that Chilean voters were having some degree of "buyer's remorse" over their foray into conservatism, making the prospect of former President Michelle Bachelet -- Chile's first female president -- returning to the political ring quite attractive. In Chile, although an individual can contest another term in office, a sitting president is not eligible for a consecutive term in office. Since Bachelet's tenure ended in 2009 with the election of Pinera, she was eligible to contest the 2013 polls on behalf of the center-left coalition. Polling data indicated that the popular Bachelet would likely have the advantage against any number of candidates from the right wing.

To that end, the speculation translated into actual votes and Bachelet claimed victory -- perhaps not only for herself, but for the collective center-left and the left-wing elements of the Chilean political spectrum. Her victory signaled that Chile was finished (for now) with its conservative experiment and wanted to return to leadership that protected the country's social safety net.

Bachelet essentially symbolized the center-left as her father was an air force general and a loyalist of Chile's assassinated leftist leader Salvador Allende. He was imprisoned and tortured to death by General Pinochet's regime, while Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. Bachelet's resurgence from torture victim to become president of Chile has always been regarded as the victory of moral justice on the Chilean political scene.

Cabinet:

Appointed by the president

Legislative Branch:

Bicameral "Congreso Nacional" (National Congress):

Consists of the "Senado de la República" (Senate of the Republic) and the "Cámara de Diputados" (Chamber of Deputies)

"Senado de la República" (Senate of the Republic):

38 seats; members elected by popular vote to serve eight-year terms; one-half elected every four years

2013 Elections:

See "Primer" above

"Cámara de Diputados" (Chamber of Deputies):

120 members; popularly elected for four-year terms in two-seat constituencies

2013 Elections:

See "Primer" above

Judicial Branch:

Supreme Court or Corte Suprema (judges are appointed by the president and ratified by the Senate from lists of candidates provided by the court itself; the president of the Supreme Court is elected by the 21-member court); Constitutional Tribunal

Constitution:

September 1980, effective March 1981; amended 1989, 1991, 1997, 1999, 2000, 2003, and 2005

Legal System:

Based on the Code of 1857 derived from Spanish law and subsequent codes influenced by French and Austrian law; judicial review of legislative acts in the Supreme Court; does not accept compulsory ICJ jurisdiction.

Political Parties and Leaders:

Broad Social Movement or MAS [Alejandro NAVARRO Brain]

Citizen Left or IC

Coalition for Change or CC (also known as the Alliance for Chile (Alianza) or APC) (including National Renewal or RN [Carlos LARRAIN Pena], and Independent Democratic Union or UDI [Patricio MELERO])

Coalition of Parties for Democracy (Concertacion) or CPD (including Christian Democratic Party or PDC [Ignacio WALKER Prieto], Party for Democracy or PPD [Jaime Daniel QUINTANA Leal], Radical Social Democratic Party or PRSD [Jose Antonio GOMEZ Urrutia], and Socialist Party or PS [Osvaldo ANDRADE Lara])

Communist Party of Chile (Partido Comunista de Chile) or PC [Guillermo TEILLIER del Valle]

Ecological Green Party [Cristian VILLAROEL Novoa]

Equality Party [Lautaro GUANCA Vallejos]

Humanist Party or PH [Danilo MONTEVERDE Reyes]

Independent Democratic Union or UDI [Ernesto SILVA]

Independent Regionalist Party or PRI [Carlos OLIVARES Zepeda]

Liberal Party [Vlado MIROSEVIC]

National Renewal or RN [Carlos LARRAIN]

Progressive Party or PRO [Marco ENRIQUEZ-OMINAMI Gumucio]

Suffrage:

18 years of age; universal and compulsory

Administrative Divisions:

15 regions (regiones, singular - region); Aisen del General Carlos Ibanez del Campo, Antofagasta, Araucania, Arica y Parinacota, Atacama, Biobio, Coquimbo, Libertador General Bernardo O'Higgins, Los Lagos, Los Rios, Magallanes y de la Antartica Chilena, Maule, Region Metropolitana (Santiago), Tarapaca, Valparaiso

Note:

The United States does not recognize claims to Antarctica

Principal Government Officials

Government of Chile

Pres. Michelle BACHELET Jeria
Min. of Agriculture Carlos FURCHE
Min. of Communications & the Press Marcelo DIAZ
Min. of Economy, Development, & Tourism Luis Felipe CESPEDES
Min. of Education Adriana DELPIANO
Min. of Energy Maximo PACHECO Matte
Min. of the Environment Pablo BADENIER
Min. of Finance Rodrigo VALDES Pulido
Min. of Foreign Affairs Heraldo MUNOZ Valenzuela
Min. of Health Carmen CASTILLO
Min. of Housing & Urban Development Paulina SABALL
Min. of Interior & Public Security Jorge BURGOS Varela
Min. of Justice Ximena RINCON Gonzalez
Min. of Labor & Social Security Javiera BLANCO
Min. of Mining Aurora WILLIAMS
Min. of National Assets Victor OSORIO Reyes
Min. of the National Council for Culture & the Arts Ernesto OTTONE
Min. of National Defense Jose Antonio GOMEZ
Min. of the National Service for Women Claudia PASCUAL

Min. of Policy Coordination Nicolas EYZAGUIRRE
Min. of Public Works Alberto UNDURRAGA
Min. of Social Development Marcos BARRAZA
Min. of Sports Natalia RIFFO
Min. of Transport & Telecommunications Andres GOMEZ-LOBO
Pres., Central Bank Rodrigo VERGARA Montes
Ambassador to the US Juan Gabriel VALDES Soublette
Permanent Representative to the UN, New York Cristian BARROS Melet

-- as of 2015

Leader Biography

Leader Biography

President of Chile

Introduction --

Please find below a briefing on President Michelle Bachelet, who first won election in 2006, but was succeeded in 2010 by Sebastien Pinera, and won election again in the 2013 presidential contest to succeed Pinera as Chile's new head of state and head of government. As noted here, Bachelet served as president prior to Pinera's tenure but was constitutionally barred from contesting a consecutive term in office. The 2013 election, however, returned her to the fore. See a Briefing below on Bachelet relating to her 2006 election win, followed by a 2013 election primer.

Briefing on President Bachelet --

In the second round on Jan. 15, 2006, Michelle Bachelet became Chile's first female president with 53.5 percent of the votes cast. Her opponent, conservative businessman Sebastian Pinera, garnered 46.5 percent of the vote share. In this way, Michelle Bachelet became the fourth consecutive leader from the center-left coalition known as Concertacion, which has governed Chile since the end of Augusto Pinochet's multi-year dictatorship in 1990.

As the successor to Ricardo Lagos, she was expected to continue Lagos' policies of free market economic policies along with social programs. At the same time, Bachelet promised some degree of change in focus. She said that one of her priorities would be to bridge the chasm between wealth and poverty, and to enshrine women and indigenous people with more voice in the affairs of government. She also vowed to work on both job creation and social justice. Her election victory has been another illustration of the movement to the political left across Latin America in recent years.

Bachelet has strong political roots and a personal story that has resonated strongly with many Chileans. Her father was an air force general and a loyalist of Chile's assassinated leftist leader Salvador Allende. He was imprisoned and tortured to death by General Pinochet's regime. Two years after her father's death, Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. She went on to be educated as a doctor and later served as Chile's Defense Minister. In a country known to be one of the most conservative in Latin America, Bachelet's status as a single mother has been viewed as rather unexpected. Nevertheless, her personal story has clearly contributed to her mass appeal.

Meanwhile, Bachelet now enjoys the distinction of being Chile's first female president and one of few female world leaders. In the Western Hemisphere, that special circle includes:

- Isabel Martinez de Peron in Argentina

- Lidia Gueiler Tejada in Bolivia
- Rosalia Arteaga in Ecuador
- Janet Jagan in Guyana
- Violeta Chamorro in Nicaragua
- Mireya Moscoso in Panama

Editor's Note:

Lagos and Bachelet have represented the political legacy of the Popular Unity government of Salvador Allende, who came to power in 1970. In 1973, Allende's government was overthrown in the military coup d'etat led by General Augusto Pinochet. During the 1973-1990 right-wing dictatorship of Pinochet, approximately 3,000 people died or disappeared after being arrested. Tens of thousands were either tortured or exiled. Although many members of the military and secret police have since been convicted of human rights abuses carried out during the time of Pinochet's regime, the aging dictator has never faced trial. His defense has argued that he is too ill to stand for trial. Of the new Chilean president, biographer Andrea Insunza has said: "Michelle Bachelet belongs to the generation that suffered the most after the coup. The majority of those imprisoned, killed, tortured and exiled came from that group, which is why I say her election represents the triumph of history's defeated."

President Michelle Bachelet left office in 2010 with a an extraordinarily high popularity rate of 84 percent despite prevailing criticism of her government's response to the devastating earthquake and resulting tsunami that left hundreds of people dead in her country. Bachelet's high approval ratings were a result of her social policies, poverty alleviation policies, and prudent stewardship of the economy, manifest by her decision to use copper exports to offset the deleterious effects of the global economic crisis. For her part, she left office saying: "I'm leaving office with sadness for the suffering of our people, but also with my head held high, satisfied with what we have accomplished."

Former President Bachelet would not stay off the global stage for long, though. On September 14,

2010, Bachelet was appointed as the head of United Nations Women by United Nations Secretary-General Ban Ki-Moon. She was scheduled to commence her new position at the helm of the United Nations agency on September 19, 2010.

Primer on 2013 Presidential and Parliamentary Elections --

Presidential and parliamentary elections were set to be held in Chile in 2013. The first round of the presidential contest was set to take place on Nov. 17, 2013, which was the same day set for the parliamentary elections; the second round of the presidential contest was to take place on Dec. 15, 2013.

At the executive level, the president is elected by popular vote for a four-year term by popular vote. The last presidential election was held on Dec. 13, 2009, with a runoff on Jan. 17, 2010. The presidency was a close battle and ultimately won by right-wing Sebastian Pinera Echenique against center-left candidate, Eduardo Frei. The 2013 election would determine who would succeed outgoing President Pinera.

At the legislative level, the action would be in the bicameral "Congreso Nacional" (National Congress), which consists of the "Senado de la República" (Senate of the Republic) and the "Cámara de Diputados" (Chamber of Deputies). In the "Senado de la República" (Senate of the Republic), there are 38 seats; members elected by popular vote to serve eight-year terms; one-half are elected every four years. In the "Cámara de Diputados" (Chamber of Deputies), there are 120 seats; members are popularly elected for four-year terms in two-seat constituencies.

At the presidential level, possible contenders representing the left-wing Concertacion bloc (known as New Majority coalition) included former President Michele Bachelet (Socialist Party), as well as Jose Antonio Gomez (Radical Social Democratic Party), Andres Velasco (independent), and Claudio Orrego (Christian Democrats).

From the right-wing Alianza bloc (known as Alliance for Chile), possible contenders were Pablo Longueira (Independent Democratic Union), since Public Works Minister Laurence Golborne opted to stay out of the contest. Andres Alleman (National Renewal) was another possibility.

Separate from the two main blocs, there was also Marcel Claude (Independent Party), Marc Enrique Ominami (Progressive Party), Roxana Miranda (Equality Party), Tomas Jocelyn-Holt (Independent), Franco Parisi (Independent), Gustavo Ruiz (independent), and Alfredo Sfeir Younis (Green Ecologists), who were likely to contest the election.

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Socialist Party, Communist Party, Radical Social Democratic Party, Christian Democratic Party, Broad Social Movement

center-right bloc Alianza (Alliance for Chile)

National Renewal and Independent Democratic Union or UDI

Other -

Green Ecologists, Humanist Party, Liberal Party, Equality Party, Progressive Party, Independent Party

NOTE:

Note that on June 30, 2013, former President Michelle Bachelet secured her place as a presidential contender following the primary election for the left-wing New Majority coalition with 74 percent of the total vote share. Her closest rival was Velasco who had 13 percent.

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But Longueira was not to remain as the conservative alliance's presidential nominee for long. In mid-July 2013, he resigned saying he was suffering from depression. Days later on July 20, 2013, Labor Minister Evelyn Matthei was appointed to contest the presidential election on behalf of the conservatives.

In terms of their policy agendas, the two female presidential contenders offered contrasting visions for Chile. Matthei has endorsed outgoing President Pinera's pro-business economic policies, which the conservative government has argued has bolstered growth. Bachelet has promised to address social inequality in Chile and also to offer free university education to Chilean students.

The difference between the economic agendas of the two presidential candidates aside, the presidential contest was also becoming something of a referendum of Chile's military legacy. Matthei's background was a clear contrast to that of her rival, Bachelet. Alberto Bachelet -- the father of Michele Bachelet -- was a stalwart of former President Salvador Allende, who was himself democratically elected to power and ousted in the 1973 military coup, led by Augusto Pinochet. Alberto Bachelet was imprisoned and tortured to death by Pinochet's regime. Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. By contrast, Matthei's father was a general in Pinochet's military junta that came to power in the notorious 1973 coup and then went on to rule Chile for 17 years. In something of an ironic development, the Nov. 17, 2013, election date marked the 40th anniversary of the 1973 coup that ousted Allende from power and marked the start of Chile's darkest chapter in modern history.

In July 2013, polling data by the private Contemporary Reality Study Center suggested that Bachelet had the advantage months ahead of election day, as she was forecast to garner as much as 51 percent of the vote share. That result, should it actually occur, would mean that Bachelet would achieve outright victory in the first round and would not have to contest a second round of

voting. However, all expectations were that the contest would become more competitive closer to election day, and that Bachelet's rival, Matthei, would put up a tough fight.

At the close of August 2013, the dynamics of the race had not changed much. Although Bachelet had slipped slightly in the race in terms of support, one could not argue that the race had become substantially more competitive. According to polling data by Center for Public Studies, Bachelet had 44 percent support against Matthei with 12 percent. In September 2013, this trend prevailed with the polling firm, Conecta Media Research (CMR), saying that its survey data showed Bachelet attracting 39 percent of the votes while Matthei was attracting 17 percent.

In October 2013, the dynamics of the race had changed slightly -- but to the detriment of Matthei rather than Bachelet. The former president's political fortune remained intact as she continued to lead the polls. However, Matthei's position as the "main rival" was being threatened by Franco Parisi, an independent candidate (listed above). Parisi's popularity was sufficiently notable as to cause incumbent President Pinera to attack him publicly for not paying teachers and employees at two private schools owned by his family. It was to be seen if such attacks would gain traction, or, if Parisi could catapult past Matthei into position as the "main rival" to Bachelet in the presidential contest.

In November 2013, polling data showed that center-left candidate, Bachelet, was positioned to possibly win the presidency in the first round with an outright majority. According to the polling survey orchestrated by electoral expert Pepe Auth, Bachelet would secure 54 percent of the vote, while her closest rival, the right-wing candidate, Matthei, would garner only 21 percent.

In an interview with the Al Jazeera news outlet at the start of November 2013, Bachelet said her bid to return to the presidency was being made out of patriotism and a desire to heed the populist call from her supporters. She said, "I love my country and I love the people of my country. And I couldn't, if I would say, be deaf to the call of millions of people asking me to come back to my country, to lead the process that we need to achieve in this new period in Chile." Speaking of the challenges facing Chile, Bachelet said: "Chile is a country which has had positive development, and

as such has been respected across the world, and has a lot of things to show and a lot of things to share with many countries. But we still have challenges, challenges like inequality." She continued, "But what really changed, I would say, is probably as a consequence of democracy, people are more aware of their rights, people are more empowered, people want not only to vote but also to influence ... the decisions of the leaders, of the people who are making the decisions at all levels. People want to be part of the construction of a more equal, more just, society."

Round 1 (Nov. 17, 2013) --

The first round of Chile's highly-anticipated presidential and parliamentary elections ensued on Nov. 17, 2013. When the polls closed and the ballots were tabulated, it was Bachelet who garnered the most votes, as expected. The candidate of the left wing, Bachelet, secured the plurality of the vote share -- 46 percent -- but not an outright majority. Her closest rival was the right-wing candidate, Matthei, who took 25 percent. The two women -- Bachelet and Matthei -- were set to go head to head in the second and final round of the presidential contest on Dec. 15, 2013.

Via Twitter, Bachelet expressed her satisfaction in moving onto the runoff election, writing: "Reaching the second is undoubtedly a great triumph." In an address to her supporters in the Chilean capital of Santiago, she promised victory in December saying, "We won tonight and we will work to win by an ample margin in December." Of course, Matthei was promising a different outcome, and wasted no time in trying to garner support from the supporters of the other candidates who did not make it to the second round. Via Twitter, Matthei wrote: "Let us fight for the votes of the other seven candidates now, and for those of Michelle Bachelet."

Note that at the parliamentary level, results indicated that Bachelet's center-left coalition secured a simple majority in both chambers of the bicameral "Congreso Nacional" (National Congress). It should be noted that the new parliament would include several fresh faces, including Camila Vallejo, one of the leaders of Chile's student uprising in 2011 who took to the streets to protest President Pinera's conservative policies and the impact on students and education. Three other

student leaders were poised to join Vallejo in the Congress.

Round 2 (Dec. 15, 2013) --

The second round of Chile's highly-anticipated presidential election ensued on Dec. 15, 2013. When the polls closed and the ballots were tabulated, it was the leftist candidate and former president, Michelle Bachelet, who had won a landslide victory to become Chile's new president. Bachelet secured 62 percent of the vote share over her right-wing rival, Matthei, who garnered 38 percent.

Bachelet's victory ensures that she will enter the history books as the first leader in Chile to serve two (albeit non-consecutive) terms in office since the notorious dictatorship of General Augusto Pinochet who led Chile from 1973 to 1990. Of course, Bachelet already secured a place in those history books having become Chile's first female president in 2006. She was barred from a consecutive term due to constitutional limitations but left office with strong public approval ratings.

Bachelet was succeeded in 2010 by right-wing President Pinera, whose tenure was marked by buyers' remorse as Chileans were not keen on many of his conservative reforms. Of particular concern were his proposed changes to the system of higher education, which spurred a popular outcry among youth and students. Pinera's time in office also appeared to bolster Chileans' nostalgia for the Bachelet presidency. Thus, when Bachelet became eligible to return to the helm in the 2013 elections, she decided to contest these polls -- with obvious positive results.

Declaring victory in the country's capital city of Santiago, Bachelet said to her fellow Chileans, "I am happy with the result and victory and I shall be a president for everyone in Chile." Addressing her supporters, she added, "I am proud to be your president-elect today. I am proud of the country we've built but I am even more proud of the country we will build."

For her part, Matthei conceded defeat, saying in an interview with the media, "It is clear at this point. She won. And we congratulate her. Later on, I will go speak with her personally."

Why are these elections important?

The victory of President Pinera marked a shift on the Chilean political scene as it ended the left wing's two-decade long lock on power in Chile and ushered a return to conservative governance in Chile. The previous right-wing president of Chile was the notorious military dictator, General Augusto Pinochet, who seized power in 1973 and ruled until 1990. While Pinera was not remotely the controversial figure as Pinochet, whose human rights abuses marked a dark chapter in Chilean history, Pinera's policies nonetheless raised the ire of many Chileans. Specifically, his conservative reform agenda managed to spark mass protests in Chile as students took to the streets to register outrage over the government's plan to raise school fees, and as copper miners launched demonstrations to rail against restructuring plans.

There were suggestions that Chilean voters were having some degree of "buyer's remorse" over their foray into conservatism, making the prospect of former President Michelle Bachelet -- Chile's first female president -- returning to the political ring quite attractive. In Chile, although an individual can contest another term in office, a sitting president is not eligible for a consecutive term in office. Since Bachelet's tenure ended in 2009 with the election of Pinera, she was eligible to contest the 2013 polls on behalf of the center-left coalition. Polling data indicated that the popular Bachelet would likely have the advantage against any number of candidates from the right wing.

To that end, the speculation translated into actual votes and Bachelet claimed victory -- perhaps not only for herself, but for the collective center-left and the left-wing elements of the Chilean political spectrum. Her victory signaled that Chile was finished (for now) with its conservative experiment and wanted to return to leadership that protected the country's social safety net.

Bachelet essentially symbolized the center-left as her father was an air force general and a loyalist of Chile's assassinated leftist leader Salvador Allende. He was imprisoned and tortured to death by General Pinochet's regime, while Bachelet and her mother were themselves arrested and tortured during Pinochet's notorious rule. Bachelet's resurgence from torture victim to become

president of Chile has always been regarded as the victory of moral justice on the Chilean political scene.

Foreign Relations

General Relations

Since its return to democracy in 1990, Chile has been an active participant in the international political arena. Chile rejoined the Non-Aligned Movement and became an active member of the Rio Group. Chile was also a driving force in the world summit for social development held in Copenhagen in March 1995.

Chile completed a two-year non-permanent position on the United Nations Security Council in January 2005. Jose Miguel Insulza, a Chilean national, was elected Secretary General of the Organization of American States in May 2005. Chile served as a member of the International Atomic Energy Agency (IAEA) Board of Governors in 2007-2008, and as the Union of South American Nations (UNASUR) president pro tempore until August 2009. The country is an active member of the United Nations family of agencies and participates in United Nations peacekeeping activities, including UNSCOM in Iraq. Chile currently has over 500 peacekeepers in Haiti.

Chile hosted the Asia Pacific Economic Cooperation (APEC) summit and related meetings in 2004. It hosted the Ibero-American Summit in November 2007 and the Progressive Governance Network in March 2009. An associate member of Mercosur, a full member of APEC, a member of the Arco del Pacifico, and a member of the Pathways to Prosperity, Chile has been an important actor on international economic issues and hemispheric free trade. Chile hosted the Americas Competitiveness Forum in September 2009.

The Chilean Government has diplomatic relations with most countries. It settled its territorial disputes with Argentina during the 1990s. Chile and Bolivia severed diplomatic ties in 1978 over Bolivia's desire to reacquire territory it lost to Chile in 1879-83 War of the Pacific. The two countries maintain consular relations and are represented at the Consul General level. In January 2008, Peru submitted a case to the International Court of Justice in The Hague asking for a decision on a new maritime border with Chile. Chile acceded to the International Criminal Court in June 2009.

In May 2008, then-President Bachelet announced government plans to significantly increase scholarships for Chileans to study abroad. The new Government of Chile scholarship program was launched with a goal of sending over 1,000 students/scholars overseas in 2008 and 2,500 in 2009. Program leaders estimated that approximately one-third might choose to study in the U.S.

On September 14, 2010, former President Bachelet was appointed as the head of United Nations Women by United Nations Secretary-General Ban Ki-Moon. She was scheduled to commence her new position at the helm of the United Nations agency on September 19, 2010.

Regional Relations

The Chilean government has diplomatic relations with most countries, including Cuba.

Chile's association with the MERCOSUR countries in 1996 and its continuing interest in hemispheric free trade (NAFTA), as well as its membership in the Asia-Pacific Economic Cooperation (APEC) grouping auger well for even closer international economic ties in the future. Politically, Chile has been one of the most active countries in supporting the implementation of the 1994 Summit of the Americas, hosting the second Summit of the Americas in Santiago in April 1998.

With democratization in the region have come improved relations between Chile and its neighbors in the last decade despite a recent history of varying diplomatic and territorial antagonism.

Chile has been engaged in several territorial disputes its neighbors. The Atacama Corridor, which Bolivia relinquished to Chile during the War of the Pacific in 1884, is at the center of one such dispute. Not only is the region rich in nitrates, it also forms what was once Bolivia's only coastline. The absence of a port has been a constant impediment to Bolivia's economic development. The landlocked Bolivia has pressed Chile for the return of its former territory, or, alternatively, guaranteed access to the Pacific coast, but to no avail, perpetuating the tension between the two nations. Diplomatic relations were severed entirely from 1962 to 1975, purportedly over rights to the Lauca River, which springs from the Parinacota volcano in northern Chile and flows across the border into Bolivia. The Bolivian government allegedly took exception to the use of the river to irrigate fields in Chile's Azapa valley, but the age-old dispute over coastal access was most certainly a driving force behind the conflict. Diplomatic relations resumed in 1975, but disintegrated again three years later, this time due to an impasse on an agreement that would grant Bolivia sovereign access to the Pacific. Diplomatic relations have been since been restored between the two countries.

In addition to its longstanding conflict with Bolivia, Chile was engaged in a territorial dispute with Argentina. Papal mediation facilitated the resolution of the dispute between the two countries, over

the Beagle Channel Islands (located south of Tierra del Fuego) in 1984. Chile was granted possession. However, since the 1992 discovery of oil there, hostilities between the two nations over the matter resurfaced and escalated to periodic armed confrontations. Ultimately, Chile settled its territorial disputes with Argentina during the 1990s.

Chile was engaged in a less intense territorial dispute over the economic zone demarcated by its maritime boundary with Peru. In January 2008, Peru submitted a case to the International Court of Justice in The Hague asking for a decision on a new maritime border with Chile.

In mid-November 2009, a diplomatic imbroglio erupted between Chile and Peru. The situation was sparked when a court in Peru ordered the arrest of two Chilean military officers in connection with allegations of spying. At issue was the claim that the two Chilean military officers tried to bribe a Peruvian air force officer to reveal national security details. The situation reached the uppermost reaches of the two countries' executive branches of government with Peruvian President Garcia cancelling a scheduled meeting with Chilean President Michelle Bachelet. A week later, the Chilean government insisted it was not involved in spying activities against its neighbor, Peru.

This spy scandal served only to exacerbate already-strained bilateral ties. In October 2009, military exercises conducted by Chile close to a disputed portion of the border with Peru raised the ire of the Peruvian government. The two countries have been ensconced in an acrimonious border dispute since the late 19th century when Chile was victorious over Peru in the War of the Pacific. Meanwhile, Peru sought a resolution from the international court at The Hague for its claims over a disputed maritime border. Chile acceded to the International Criminal Court in June 2009.

Also, Chile is one of seven nations that claim portions of the Antarctic region. Its claim overlaps that of Argentina and the United Kingdom. The United States does not recognize Chile's claim to Antarctica.

Relations with the United States

Relations between the United States and Chile have reached historic highs in recent years. Relations between the United States and Chile improved in the 1980s and 1990s more than at any other time in history. The United States government applauded the rebirth of democratic practices in Chile in the late 1980s and early 1990s and saw the maintenance of a vibrant democracy and a healthy and sustainable economy as among the most important United States interests in Chile.

Former President Eduardo Frei's February 1997 state visit to the United States forged close ties with President Clinton, leading to the latter's state visit to Chile in April 1998. The two governments consulted frequently on issues of mutual concern, and dialogue took place in four

bilateral commissions (on defense, global security, agriculture and science).

Many other prominent Americans and senior United States officials visited Chile during the period 1995-1998, addressing issues ranging from education to international trade. They included: First Lady Hillary Rodham Clinton, former Presidents Carter, Bush and Ford, former Secretary of State Warren Christopher, Secretary of State Madeline Albright, Secretary of Defense William Cohen, many other members of the Cabinet and Congress and senior members of the United States military.

The warm relationship enjoyed by the United States and Chile in those years was markedly different from the difficult period of relations during Augusto Pinochet's military regime from 1973-90. A 1976 car bomb attack in Washington, D.C., which killed Orlando Letelier, former Chilean ambassador to the United States and a member of President Salvador Allende's cabinet, and U.S. citizen Ronni Moffitt, caused a sharp deterioration in relations, including a ban on security assistance and arms sales to Chile. In response to a commitment by Chilean President Aylwin's government to pursue the Letelier-Moffitt case within the Chilean judicial system, President Bush lifted the sanctions. A Chilean court subsequently convicted two Chilean military officers of having ordered the assassination.

Relations between Chile, at the time led by Ricardo Lagos, and the United States, then under the administration of former President George W. Bush, cooled after the 2003 war in Iraq. Chile, which was on the United Nations Security Council was hesitant to support a second United Nations resolution expressly calling for military action. Instead, Chile called for clear benchmarks measuring Iraq's progress on compliance with the existing resolutions. Given the fact that the new president (since 2006), Michelle Bachelet, was an ally of Lagos, Chile maintained its stance on the matter of Iraq.

Besides the landmark U.S.-Chile FTA, the two governments consult frequently on issues of mutual concern, including in the areas of multilateral diplomacy, security, culture, and science.

In June 2008, then-President Michelle Bachelet and Californian Governor Arnold Schwarzenegger launched the Chile-California Partnership for the 21st Century. The partnership fosters collaboration between individuals, government, and the private sector in areas such as agriculture, energy efficiency, environmental resource management, and education.

The United States Chile Equal Opportunities Scholarship Program, inaugurated in 2007, was established to sponsor English and academic studies for Chilean Ph.D. students who come from disadvantaged and rural areas that have not traditionally had access to English language schools or study abroad opportunities. The program has been quite successful, becoming a model for other international scholarships programs with Chile.

The United States Government and the Government of Chile have frequent high-level interaction. President Bachelet met with President Barack Obama at the Summit of the Americas in April 2009 and traveled to Washington for another visit in June 2009. Vice President Joseph Biden traveled to Chile in March 2009 to participate in meetings of the Progressive Governance Network and hold bilateral talks with President Bachelet. On March 2, 2010, in the wake of the February 27, 2010 earthquake, Secretary of State Hillary Clinton visited Chile to extend the sympathy and solidarity of the American people. She also brought with her the first of the supplies and assistance sent by the United States government in support of Chile's relief efforts.

Other Significant Relationships

Relations between Chile and Great Britain have been strained over a protracted court battle regarding former Chilean dictator General Augusto Pinochet's extradition to Spain, to stand trial for crimes committed against Spanish nationals during his tenure from 1973 to 1990. Under Pinochet, more than 3,000 people have allegedly been tortured, murdered or have simply disappeared. The controversy began when Spanish judges asked the British government to detain Pinochet, in Britain for back surgery, for extradition to Spain. Pinochet held a diplomatic passport and is a life senator in Chile, which entitles him to immunity from prosecution in Chile. The Chilean foreign minister has since admitted that the diplomatic passport was issued in error for a mission that never existed.

In October 1998, the High Court of London supported Pinochet's claim that, as a former head of state, he enjoyed immunity from prosecution for actions committed while in power. Later, the House of Lords, Britain's highest court, reversed that decision in a three-two ruling, after which the British Home Secretary Jack Straw issued an authority to proceed with extradition proceedings. When it was discovered one of the lords had ties to the human rights group Amnesty International, raising the possibility of bias, that decision was set aside and a new panel of lords reconsidered the case. The ultimate determination was that Pinochet was not immune from prosecution, but could not be tried for crimes committed prior to 1988, when Britain signed the International Convention on Torture. The ruling dramatically reduced the number of charges against Pinochet, and the Lords asked Straw to reconsider his position. In April 1999, Straw reissued the authority to proceed. Although Pinochet's supporters requested judicial review of Straw's decision, it was denied.

In Chile, the legal decisions occasionally resulted in violence both by Pinochet's supporters and his detractors. Spanish judges reportedly planned to add over forty offenses committed after 1988 to their warrant for Pinochet. Chile said it would ask the International Court of Justice to determine if Spain has the appropriate jurisdiction, claiming the United Nations Convention on Torture stipulates such trials can proceed only in the country in which the crimes were committed or where the accused is detained. A Chilean law passed under Pinochet renders him immune from prosecution for human rights abuses. In addition, Chile lodged a formal protest against Britain, withdrew its ambassador to London, suspended official meetings and visits, encouraged the

suspension of flights to the Falkland Islands, and threatened to cancel defense contracts worth millions.

Pinochet's scheduled extradition hearing for September 1999 was postponed due to medical reasons. Since then, Jack Straw released Pinochet based on medical examinations that indicated the retired general was suffering from a number of ailments. However, Straw failed to disclose medical examination results to the public, prompting several non-government and government organizations to appeal the decision.

Pinochet remained in England for more than 17 months and was released on March 3, 2000. The British government declared him medically unfit to stand trial. None of the countries that originally supported Pinochet's detention such as Spain, Belgium, and France, contested Britain's decision. The former dictator returned to Chile and faced being tried for human rights abuses. Shortly after these events, Chile's relations with these countries were normalized.

Relations between Spain and Chile stabilized after the Spanish relinquished demand for Pinochet's extradition. Chile argued that Spain had no jurisdiction to try the former general. Historically speaking, Spain and Chile have been political allies. Spain has also been a big investor in Chile.

(Note: In August 2004, the Chilean Supreme Court stripped ex-dictator Pinochet of his immunity from prosecution and deemed him fit for trial for human rights abuses. However, in 2005, the question of whether or not he would face trial was still undecided, and in 2006, Pinochet died without having to face trial. Please see "Political Conditions" for more details.)

In early 2000, Heraldo Munez, Chile's deputy foreign minister met with his Spanish counterpart, indicating that relations have vastly improved. In 2003, however, Chile and Spain were not in unison about the war in Iraq. Spain was a vocal supporter of the United States-led war and occupation of Iraq, while Chile staked out far more cautious territory on the matter.

Written by Dr. Denise Youngblood Coleman, Editor in Chief at CountryWatch.com. See Bibliography for general research sources.

National Security

External Threats

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Also, Chile is one of seven nations that claim portions of the Antarctic region. Its claim overlaps that of Argentina and the United Kingdom. The United States does not recognize Chile's claim to Antarctica.

Crime

Chile has been forced to contend with the mounting threat to security that a growing narcotics industry poses. Domestic cocaine use is on the rise and traffickers use Chile as a transshipment point for cocaine bound for Europe and the United States (U.S.). Likewise, Chile's financial system and overall economic prosperity render it somewhat vulnerable to the laundering of revenue generated from the drug trade, especially through the Iquique Free Trade Zone. In addition to drug-related crime, the U.S. Department of State reports that street crime is prevalent in Chile's major urban centers, particularly in areas frequented by tourists.

Insurgencies

In recent times, facilitated by a strong economy, Chile is politically very stable. It has a very turbulent recent past, however.

The now-famed 1973 coup d'etat that ousted President Salvador Allende, an avowed Marxist and member of Chile's socialist party, and brought General Augusto Pinochet to power, ushered in an extremely controversial period in the nation's history. Pinochet's regime is credited -- in some circles -- with implementing a comprehensive economic policy that facilitated long-term economic growth. Such success, however, has been vitiated by the pervasive view that Pinochet's regime was responsible for excessive human rights abuses. Human rights abuses aside, the Pinochet years were also rife with the worst kinds of violence, such as political assassinations. Dissidents, political opponents and those believed to have links with the former Allende regime or with leftist sympathies were particularly targeted. Political assassinations were not limited to Chilean soil either.

In 1974, Orlando Letelier -- a former member of President Allende's cabinet, relocated to the United States. Following the 1973 coup that brought Pinochet to power, Letelier, like many members of the Allende government, had been subjected to torture. Realizing that his prospects would be better outside of Chile, Letelier relocated his family and began to work at the Institute for Policy Studies. In 1976, Letelier was assassinated on United States soil, along with his American aide, Ronni Moffitt. In 2004, Letelier's son penned an opinion piece in the Los Angeles Times stating that his father's assassination had been part of Pinochet's infamous Operation Condor in which regional authoritarian regimes worked together to eliminate dissidents. Among those

prosecuted and convicted for his assassination were two members of Pinochet's secret service -- Manuel Contreras and Pedro Espinoza Bravo -- and United States expatriate and former CIA employee, Michael Townley. Years later, Townley admitted that he had been responsible for attaching explosives to Letelier's car. Later information released by the CIA and also research carried out by correspondent John Dinges, linked Letelier's murder with anti-Castro Cuban factions, connected the CIA with Contreras, and even suggested that the CIA had been aware that that such an assassination was in the offing.

Political conditions in Chile gradually stabilized. In 1989, Chile held multiparty elections and Pinochet was voted out of office. Although he stepped down as president, he remained an influential force in government, particularly within the ranks of Chile's military. In 1998, he was arrested and detained in London at the behest of a Spanish judge who sought to try him for the deaths of Spaniards in Chile during the brutal years of his reign. The case reopened old wounds. Many felt that Pinochet deserved to stand trial for the excesses of his administration and others felt that the arrest and detention were a violation of Chile's sovereignty. Pinochet was eventually released and returned home.

In 2002 he escaped a second attempt to try him, when Chile's Supreme Court ruled that the onset of mental illness had rendered him unfit to stand trial. By 2004, however, the Chilean Supreme Court stripped Pinochet of his immunity from prosecution and deemed him fit for trial for human rights abuses. In 2005, the Supreme Court upheld a previous ruling made in the human rights abuse case against former President Pinochet, in which he was charged with ordering Operation Condor. In this particular ruling, the Supreme Court upheld a determination made by the Appeals Court in which Pinochet was deemed too infirmed to face trial. Nevertheless, the Supreme Court stripped him of his immunity from prosecution in another case. The court ruled he could face criminal charges in relation to the disappearance of over 100 Chilean dissidents, a case which dated back to 1975. He was also stripped of immunity from prosecution on tax fraud charges. In 2006, the Supreme Court of Chile upheld a lower court ruling that Pinochet could be prosecuted on charges of misusing public funds.

Note: Pinochet has been accused of several charges ranging from fraud to human rights abuses. In the past, he had enjoyed immunity from prosecution, largely on the basis of ill health. But such immunity has not lasted indefinitely as court rulings have gradually stripped him of immunity in several instances – albeit on a case-by-case basis. However, by 2006, Pinochet died without ever actually having to face trial and legal accountability for any of the human rights abuses he was believed to have committed.

Terrorism

Although Chile has not been a major target of terrorism in recent years, it has played host to a

flurry of terrorist related activity of late. In September 2001, the United States embassy in Chile received a letter bomb, which police safely destroyed in a controlled demolition. That same month, Dr. Antonio Bafi Pacheco, a doctor in Santiago, received an anthrax-tainted letter. Chilean authorities arrested, tried, convicted and sentenced two individuals to 10 years and 300 days in prison for sending the letter bomb. The alleged motivation behind the crime was to generate business for a security-consulting firm owned by one of the perpetrators. No arrests have been made in the anthrax case. With assistance from authorities in the United States, Chilean officials have determined that the letter was contaminated locally. Also in 2001, Chilean authorities initiated an investigation into the business dealings of Assad Ahmad Barakat, a Brazilian businessman of Lebanese descent suspected of opening two businesses in northern Chile with the intent of using them to mask clandestine contributions to Lebanese Hezbollah. Although Barakat was later arrested in Brazil, the investigation in Chile did not add any evidence of his ties to terrorism. In August and September of 2002 Chilean authorities uncovered multiple small weapon caches in Santiago and other Chilean cities that are believed to be the property of the Manuel Rodriguez Patriotic front (FPMR), a largely defunct Chilean terrorist organization. Chilean authorities remain engaged in addressing the threat of terrorism, as well as other crimes, emanating from the tri-border region where neighboring Argentina, Brazil and Paraguay converge.

Chile also has a recent history of domestic terrorism. The Pinochet regime routinely engaged in acts of violence, including torture and murder, to inspire the fear and submission of Chile's populace and to maintain a firm grip on power.

Chile has actively cooperated with the global community to combat terrorism. It is party to 11 of the 12 international conventions and protocols on terrorism. Chile has also collaborated closely with the United States on counter-terrorism initiatives.

Sources: John Dinges' The Condor Years; Dinges' and Landau's Assassination on Embassy Row; Letelier in Los Angeles Times.

Defense Forces

Military Data

Military Branches:

Army of the Nation, National Navy (includes naval air, Coast Guard, and Marine Corps), Chilean Air Force

Eligible age to enter service:

18 for compulsory and voluntary service

Mandatory Service Terms:

12 months for conscripted Army service; 24 months for both Navy and Air Force (conscripted)

Manpower in general population-fit for military service:

males age 16-49: 3,621,475

females age 16-49: 3,561,099

Manpower reaching eligible age annually:

Male: 141,500

Female: 135,709

Military Expenditures-Percent of GDP:

2.04%

Chapter 3

Economic Overview

Economic Overview

Overview

Chile has a market-oriented economy characterized by a high level of foreign trade. Since the early 20th century, its economy has been dominated by the production of copper, which is Chile's main export commodity. Chile is the world's largest copper producer, with one third of global supply. The copper sector accounts for 15 percent of Chile's GDP and more than 40 percent of its total exports. During the early 1990s, Chile was the fastest-growing economy in Latin America as a result of the deepening of the economic reforms, with its GDP growth averaging 8 percent between 1991 and 1997. In 1998, a sharp drop in the terms of trade, combined with the impact of the global financial turmoil, initiated a prolonged period of slow growth and led to a jump in the unemployment rate. This was compounded by a sharp increase in domestic interest rates, which contributed to a contraction in consumer spending. With the improvement in the global economy and the rise in copper prices, economic growth had rebounded in recent years. The recovery was also attributable to Chile's consistent prudent macroeconomic policies, the strength of its institutions, and continued structural reforms.

Being highly integrated to the global economy, Chile's economy was severely affected by the more recent global economic crisis through declining trade and tightening financial markets. However, Chile's economy has proved resilient and entered the crisis with a fundamentally strong position. This owes much to its sound policy framework, including an inflation-targeting regime, a flexible exchange rate, and a prudent budget rule. Large fiscal savings accumulated in past years have been critical to preserving macroeconomic stability and covering financial needs, while the banking system remains well-capitalized. The policy response has also played an important role in buffering the impact of the crisis. The government's bank liquidity support and economic stimulus measures have been sizable, well balanced, and coordinated. As a result, economic growth turned negative in 2009. The country's economy began to rebound toward the end of 2009 and GDP growth resumed in 2010 despite an 8.8 magnitude earthquake that struck the country in February of that year. The earthquake and subsequent tsunamis it generated caused significant damage near the epicenter, located about 70 miles from Concepcion - and about 200 miles southwest of Santiago. In May 2010, Chile signed the OECD Convention, becoming the first South American country to join the OECD. Robust domestic demand supported growth in 2011 although headwinds from the global economy were expected to impact economic activity in 2012. On the positive side, Chile's unemployment rate reached a historically low level in 2011 as wage growth picked up. In late September, President Sebastian Pinera unveiled budget proposal that would hike public spending by 5 percent to more than \$60 billion and bolster funds for education amid mounting student

protests for better, free schooling. In early October 2011, the country's finance minister predicted growth moderating as high interest rates take effect and amid global turmoil and a steep decline in copper prices. Goldman Sachs slightly trimmed its 2012 growth projection for Chile amid the expected slowdown in global economic growth and prices. Meanwhile, GDP grew by an estimated 6.5 percent in 2011. Plus, the surge in domestic demand fueled import growth, turning the external current account into deficit in 2011, despite record high copper prices.

As of September 2012, Chile's unemployment rate was at a historically low level, which has led to strong wage growth. In November 2012, Chile's consumer prices rose by double what the market expected in October, mainly owing to the cost of food, non-alcoholic beverages, housing and electricity. "You're starting to have inflation that's more in line with the economy's reduced output gaps ... it better reflects the cyclical situation of the Chilean economy," Alejandro Puente, chief economist at BBVA in Santiago, was quoted as saying in a Reuters article. "Looking forward, we clearly see more inflationary pressures, but with a lot of volatility in the short term." Looking ahead, the IMF predicted that real GDP would grow at a slower pace than in the previous two years – at about 4.75 percent. Also, the current account deficit was expected to widen further in 2012 due to less favorable terms of trade. Overall, though, growth remained strong in 2012 – a year that saw foreign direct investment inflows reach \$28.2 billion, an increase of 63 percent over the previous record set in 2011.

The Chilean government has historically followed a countercyclical fiscal policy, accumulating surpluses in sovereign wealth funds during periods of high copper prices and economic growth, and generally allowing deficit spending only during periods of low copper prices and growth. By the end of 2012, those sovereign wealth funds - kept mostly outside the country and separate from Central Bank reserves - totaled more than \$20.9 billion.

Chile's jobless rate for the July to September period in 2013 remained steady at a multi-year low of 5.7 percent, as expected. Unemployment had not fallen below 5.7 percent since Chile's statistics institute changed its methodology in 2010. But by October 2013, it was clear there were signs that the economy was losing steam in the face of a weakening global economy. The central bank unexpectedly cut rates to 4.75 percent in an effort to stimulate economic growth and it was expected that more cuts might follow. Also in October 2013, Chilean manufacturing output fell below market expectations for the second month in a row due to a decline in the iron and steel production. Meanwhile, retail sales – which had helped fuel the economy in recent years – was up 7 percent in September from a year prior, the lowest annual rise to that point in 2013. Overall, the central bank was expecting growth of between 4 and 4.5 percent for the year, down compared to 2012.

By mid-2014, Chile was facing a challenging macroeconomic environment. After its decade-long run of strong economic performance, the country's investment had weakened and growth slowed markedly due in part to a weaker copper price outlook. The economy was performing slightly below potential. At the same time, the depreciation of the peso was feeding into higher inflation,

while medium-term expectations remained anchored around the Central Bank's target. The current account deficit narrowed rapidly to 3.1 percent of GDP in the first quarter of 2014, but gross external financing needs, though smaller than in 2013, remained high at 17 percent of GDP. The labor market —albeit still tight — had softened.

In early October 2014, Chile's government said it expected domestic demand to rebound in 2015 and for inflation to return to the central bank's target after remaining above its tolerance range for most of 2014. By this time, the economy had slowed to four-year lows on the back of dwindling investment, especially in mining, and cooling consumption. However, the government and central bank were projecting a gradual recovery, beginning in the fourth quarter of 2014. Domestic demand was seen growing 3.9 percent in 2015, well above the projected 0.1 percent expansion for 2014. Overall, the economy was expected to grow 3.6 percent in 2015, and at around 2 percent in 2014.

Indeed, growth slowed in 2014. During the year, President Michelle Bachelet introduced tax reforms aimed at delivering her campaign promise to fight inequality and to provide access to education and health care. The reforms were expected to ultimately generate additional tax revenues equal to 3 percent of Chile's GDP, mostly by increasing corporate tax rates to OECD averages.

But in August 2015, the IMF noted that President Bachelet's ambitious reform program and the uncertainty it had generated had likely hurt the economy in the short-term. The Fund was advising stricter fiscal controls in 2016. GDP in Chile was expected to grow 2.5 percent for the year, slightly lower than previously forecast, and then rising to 3.1 percent in 2016, the IMF said in its annual report on the country.

The end of the commodities cycle has hurt Latin America's resources-based economies, and an expected rebound in 2015 has been slower to take hold than expected, impacted by global factors including weaker growth in China, noted the IMF. However, external events were not the only factor behind lackluster growth and a sharp fall in investment in Chile, the IMF said.

It said President Bachelet's reforms still had the potential to boost productivity and long-term growth, but that more clarity and a "careful design" was needed.

Economic Performance

Following an annual average growth rate of 5.2 percent from 2004 to 2007, real GDP slowed in 2008 and turned negative in 2009, as the economy was hit by the global crisis. By 2010, real GDP growth had rebounded and remained strong in 2011 and 2012.

According to CountryWatch estimated calculations for 2014:

Real GDP growth rate was: 4.8 percent

Inflation was measured at: 4.2 percent

The fiscal deficit/surplus as percent of GDP (%) was: 0.5 percent

Updated in 2015

**Please note that the figures in our Economic Performance section are estimates or forecasts based on IMF-based data that are formulated using CountryWatch models of analysis.*

Supplementary Sources: International Monetary Fund, Roubini Global Economics and Reuters

Nominal GDP and Components

Nominal GDP and Components					
	2011	2012	2013	2014	2015
Nominal GDP (LCU billions)	121,319.46	129,027.55	137,028.98	147,184.93	156,133.74
Nominal GDP Growth Rate (%)	9.298	6.354	6.201	7.412	6.080
Consumption (LCU billions)	74,017.75	80,664.66	87,567.10	94,532.90	99,040.60
Government Expenditure (LCU billions)	14,690.61	15,674.30	17,071.66	18,953.97	19,857.77
Gross Capital Formation (LCU billions)	28,784.63	32,944.55	33,289.45	31,514.81	34,886.52

	2011	2012	2013	2014	2015
Exports of Goods & Services (LCU billions)	46,162.81	44,265.71	44,406.96	49,715.75	51,560.03
Imports of Goods & Services (LCU billions)	42,336.34	44,521.67	45,306.18	47,532.50	49,211.19

Population and GDP Per Capita

Population and GDP Per Capita					
	2011	2012	2013	2014	2015
Population, total (million)	17.256	17.445	17.632	17.819	18.006
Population growth (%)	1.113	1.095	1.072	1.061	1.049
Nominal GDP per Capita (LCU 1000s)	7,030,566.86	7,396,248.35	7,771,607.50	8,259,999.16	8,671,206.1

Real GDP and Inflation

Real GDP and Inflation					
	2011	2012	2013	2014	2015
Real Gross Domestic Product (LCU billions 2005 base)	103,925.46	109,623.16	114,307.99	116,441.93	119,068.81
Real GDP Growth Rate (%)	5.707	5.482	4.274	1.867	2.256
GDP Deflator (2005=100.0)	116.737	117.701	119.877	126.402	131.129
Inflation, GDP Deflator (%)	3.398	0.8258	1.849	5.443	3.740

Government Spending and Taxation

Government Spending and Taxation					
	2011	2012	2013	2014	2015
Government Fiscal Budget (billions)	28,195.53	30,614.14	32,746.37	36,618.48	40,879.10
Fiscal Budget Growth Rate (percentage)	6.401	8.578	6.965	11.825	11.635
National Tax Rate Net of Transfers (%)	24.647	24.413	23.425	23.364	22.884
Government Revenues Net of Transfers (LCU billions)	29,901.27	31,499.66	32,098.89	34,387.98	35,729.46
Government Surplus(-) Deficit(+) (LCU billions)	1,705.74	885.518	-647.4780	-2230.4980	-5149.6380
Government Surplus(+) Deficit(-) (%GDP)	1.406	0.6863	-0.4725	-1.5154	-3.2982

Money Supply, Interest Rates and Unemployment

Money Supply, Interest Rates and Unemployment					
	2011	2012	2013	2014	2015
Money and Quasi-Money (M2) (LCU billions)	91,470.84	100,893.05	112,740.79	122,597.17	130,051.05
Money Supply Growth Rate (%)	22.877	10.301	11.743	8.743	6.080
Lending Interest Rate (%)	9.030	10.057	9.262	8.098	6.880
Unemployment Rate (%)	7.119	6.432	5.932	6.392	6.562

Foreign Trade and the Exchange Rate

Foreign Trade and the Exchange Rate					
	2011	2012	2013	2014	2015
Official Exchange Rate (LCU/\$US)	484.017	486.650	495.299	570.447	650.446
Trade Balance NIPA (\$US billions)	7.906	-0.5260	-1.8155	3.827	3.611
Trade Balance % of GDP	3.154	-0.1984	-0.6562	1.483	1.504
Total Foreign Exchange Reserves (\$US billions)	41.944	41.649	41.093	40.447	32.154

Data in US Dollars

Data in US Dollars					
	2011	2012	2013	2014	2015
Nominal GDP (\$US billions)	250.651	265.134	276.659	258.017	240.041
Exports (\$US billions)	95.374	90.960	89.657	87.152	79.269
Imports (\$US billions)	87.469	91.486	91.472	83.325	75.658

Energy Consumption and Production Standard Units

Energy Consumption and Production Standard Units					
	2011	2012	2013	2014	2015
Petroleum Consumption (TBPD)	332.152	340.015	339.704	321.827	329.483
Petroleum Production (TBPD)	19.236	18.312	17.104	15.005	14.789
Petroleum Net Exports (TBPD)	-312.9164	-321.7032	-322.5999	-306.8223	-314.6939
Natural Gas Consumption (bcf)	201.401	180.919	166.157	164.073	176.783
Natural Gas Production (bcf)	55.781	44.252	33.512	31.613	32.710
Natural Gas Net Exports (bcf)	-145.6200	-136.6667	-132.6451	-132.4607	-144.0727
Coal Consumption (1000s st)	10,825.80	11,486.08	13,040.89	11,469.96	11,768.23
Coal Production	707.145	744.579	2,152.09	3,109.72	3,113.87

	2011	2012	2013	2014	2015
(1000s st)					
Coal Net Exports (1000s st)	-10118.6544	-10741.5055	-10888.8026	-8360.2358	-8654.3649
Nuclear Production (bil kwh)	0.0000	0.0000	0.0000	0.0000	0.0000
Hydroelectric Production (bil kwh)	20.799	19.956	19.538	23.523	24.507
Renewables Production (bil kwh)	3.738	5.263	5.564	8.041	8.845

Energy Consumption and Production QUADS

Energy Consumption and Production QUADS					
	2011	2012	2013	2014	2015
Petroleum Consumption (Quads)	0.7092	0.7260	0.7254	0.6872	0.7035
Petroleum Production (Quads)	0.0411	0.0394	0.0366	0.0328	0.0252
Petroleum Net Exports (Quads)	-0.6682	-0.6866	-0.6887	-0.6544	-0.6783
Natural Gas Consumption (Quads)	0.2054	0.1845	0.1695	0.1674	0.1803
Natural Gas Production (Quads)	0.0568	0.0450	0.0341	0.0327	0.0286
Natural Gas Net Exports (Quads)	-0.1486	-0.1395	-0.1354	-0.1346	-0.1518
Coal Consumption (Quads)	0.2165	0.2297	0.2608	0.2294	0.2354
Coal Production (Quads)	0.0144	0.0158	0.0452	0.0622	0.0562
Coal Net Exports (Quads)	-0.2021	-0.2139	-0.2156	-0.1672	-0.1792
Nuclear Production (Quads)	0.0000	0.0000	0.0000	0.0000	0.0000
Hydroelectric Production (Quads)	0.2080	0.1996	0.1954	0.2352	0.2451
Renewables Production (Quads)	0.0374	0.0526	0.0556	0.0804	0.0884

World Energy Price Summary

World Energy Price Summary					
	2011	2012	2013	2014	2015
Petroleum-WTI (\$/bbl)	95.054	94.159	97.943	93.112	48.709
Natural Gas-Henry Hub (\$/mmbtu)	3.999	2.752	3.729	4.369	2.614
Coal Thermal-Australian (\$/mt)	121.448	96.364	84.562	70.130	57.511

CO2 Emissions

CO2 Emissions					
	2011	2012	2013	2014	2015
Petroleum Based (mm mt C)	15.845	16.220	16.205	15.352	15.718
Natural Gas Based (mm mt C)	3.268	2.935	2.696	2.662	2.868
Coal Based (mm mt C)	6.204	6.583	7.474	6.573	6.744
Total CO2 Emissions (mm mt C)	25.317	25.738	26.375	24.588	25.330

Agriculture Consumption and Production

Agriculture Consumption and Production					
	2011	2012	2013	2014	2015
Corn Total Consumption (1000 metric tons)	2,057.26	2,287.35	2,515.63	2,406.53	2,248.76
Corn Production (1000 metric tons)	1,434.90	1,488.75	1,512.36	1,204.27	1,122.39
Corn Net Exports (1000 metric tons)	-622.3666	-798.6024	-1003.2760	-1202.2543	-1126.3676
Soybeans Total Consumption (1000 metric tons)	127.754	40.162	25.232	20.558	18.695
Soybeans Production (1000 metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Soybeans Net Exports (1000 metric tons)	-127.7540	-40.1620	-25.2320	-20.5575	-18.6950

	2011	2012	2013	2014	2015
Rice Total Consumption (1000 metric tons)	130.375	149.790	130.307	134.884	122.793
Rice Production (1000 metric tons)	130.463	149.786	130.250	134.831	130.143
Rice Net Exports (1000 metric tons)	0.0879	-0.0045	-0.0571	-0.0530	7.349
Coffee Total Consumption (metric tons)	11,469.00	10,909.00	13,724.00	13,242.95	12,673.92
Coffee Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Coffee Net Exports (metric tons)	-11469.0000	-10909.0000	-13724.0000	-13242.9527	-12673.9244
Cocoa Beans Total Consumption (metric tons)	0.2000	0.2000	0.2000	0.2000	0.2000
Cocoa Beans Production (metric tons)	0.0000	0.0000	0.0000	0.0000	0.0000
Cocoa Beans Net Exports	-0.2000	-0.2000	-0.2000	-0.2000	-0.2000

	2011	2012	2013	2014	2015
(metric tons)					
Wheat Total Consumption (1000 metric tons)	2,231.24	2,124.05	2,415.00	2,431.35	2,080.27
Wheat Production (1000 metric tons)	1,572.32	1,219.52	1,472.35	1,362.61	1,135.21
Wheat Net Exports (1000 metric tons)	-658.9166	-904.5293	-942.6468	-1068.7465	-945.0633

World Agriculture Pricing Summary

World Agriculture Pricing Summary					
	2011	2012	2013	2014	2015
Corn Pricing Summary (\$/metric ton)	291.684	298.417	259.389	192.881	169.750
Soybeans Pricing Summary (\$/metric ton)	540.667	591.417	538.417	491.771	390.417
Rice Pricing Summary (\$/metric ton)	458.558	525.071	473.989	425.148	386.033
Coffee Pricing Summary (\$/kilogram)	5.976	4.111	3.076	4.424	3.526
Cocoa Beans Pricing Summary (\$/kilogram)	2.980	2.392	2.439	3.062	3.135
Wheat Pricing Summary (\$/metric ton)	316.264	313.242	312.248	284.895	203.177

Metals Consumption and Production

Metals Consumption and Production					
	2011	2012	2013	2014	2015
Copper Consumption (1000 mt)	43,613.17	95,246.13	40,528.53	40,528.53	40,528.53
Copper Production (1000 mt)	3,068,574.40	2,874,637.04	2,739,740.89	2,779,505.15	2,378,592.00
Copper Net Exports (1000 mt)	3,024,961.23	2,779,390.90	2,699,212.36	2,738,976.62	2,338,064.00
Zinc Consumption (1000 mt)	11,323.62	10,107.42	10,198.51	8,172.43	7,500.40
Zinc Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Zinc Exports (1000 mt)	-11323.6190	-10107.4200	-10198.5100	-8172.4330	-7500.4800
Lead Consumption (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Lead Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000

	2011	2012	2013	2014	2015
Lead Exports (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Tin Consumption (1000 mt)	246.525	374.786	254.538	257.250	243.158
Tin Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Tin Exports (1000 mt)	-246.5250	-374.7860	-254.5380	-257.2497	-243.1580
Nickel Consumption (1000 mt)	95.266	58.148	173.594	99.622	81.593
Nickel Production (1000 mt)	0.0000	0.0000	0.0000	0.0000	0.0000
Nickel Exports (1000 mt)	-95.2660	-58.1480	-173.5940	-99.6220	-81.5930
Gold Consumption (kg)	14,938.26	18,214.58	19,737.93	28,295.87	25,428.00
Gold Production (kg)	48,001.47	52,777.23	54,447.59	59,479.85	59,685.30
Gold Exports (kg)	33,063.21	34,562.65	34,709.66	31,183.98	34,257.20

	2011	2012	2013	2014	2015
Silver Consumption (mt)	1,012,186.00	963,484.25	1,107,557.00	1,101,783.51	927,432.
Silver Production (mt)	1,327,279.47	1,231,478.11	1,216,539.78	1,177,314.76	1,057,315
Silver Exports (mt)	315,093.47	267,993.86	108,982.78	75,531.25	129,883.

World Metals Pricing Summary

World Metals Pricing Summary					
	2011	2012	2013	2014	2015
Copper (\$/mt)	8,828.19	7,962.35	7,332.10	6,863.40	5,510.46
Zinc (\$/mt)	2,193.90	1,950.41	1,910.26	2,160.97	1,931.68
Tin (\$/mt)	26,053.68	21,125.99	22,282.80	21,898.87	16,066.63
Lead (\$/mt)	2,400.81	2,064.64	2,139.79	2,095.46	1,787.82
Nickel (\$/mt)	22,910.36	17,547.55	15,031.80	16,893.38	11,862.64
Gold (\$/oz)	1,569.21	1,669.52	1,411.46	1,265.58	1,160.66
Silver (\$/oz)	35.224	31.137	23.850	19.071	15.721

Economic Performance Index

Economic Performance Index

The Economic Performance rankings are calculated by CountryWatch's editorial team, and are based on criteria including sustained economic growth, monetary stability, current account deficits, budget surplus, unemployment and structural imbalances. Scores are assessed from 0 to 100 using this aforementioned criteria as well as CountryWatch's proprietary economic research data and models.

	Bank stability risk	Monetary/ Currency stability	Government Finances	Empl./ Unempl.	Econ.GNP growth or decline/ forecast
	0 - 100	0 - 100	0 - 100	0 - 100	%
North Americas					
Canada	92	69	35	38	3.14%
United States	94	76	4	29	3.01%
Western Europe					
Austria	90	27	30	63	1.33%
Belgium	88	27	19	23	1.15%
Cyprus	81	91	16	80	-0.69%
Denmark	97	70	45	78	1.20%
Finland	89	27	41	33	1.25%

France	87	27	18	27	1.52%
Germany	86	27	22	21	1.25%
Greece	79	27	5	24	-2.00%
Iceland	90	17	2	34	-3.04%
Italy	85	27	37	24	0.84%
Ireland	92	27	11	10	-1.55%
Luxembourg	99	27	28	66	2.08%
Malta	77	27	41	51	0.54%
Netherlands	91	27	26	74	1.30%
Norway	98	44	10	76	1.08%
Portugal	77	27	13	20	0.29%
Spain	83	27	9	3	-0.41%
Sweden	94	72	54	32	1.23%
Switzerland	97	86	55	77	1.53%
United Kingdom	85	12	9	37	1.34%
Central and Eastern Europe					
Albania	44	60	33	6	2.30%
Armenia	45	59	49	30	1.80%

Azerbaijan	56	4	84	99	2.68%
Belarus	59	21	83	98	2.41%
Bosnia and Herzegovina	34	68	69	N/A	0.50%
Bulgaria	58	75	88	49	0.20%
Croatia	69	68	94	9	0.18%
Czech Republic	80	89	29	70	1.67%
Estonia	72	90	66	92	0.80%
Georgia	36	60	53	56	2.00%
Hungary	70	66	26	54	-0.16%
Latvia	67	100	65	44	-3.97%
Lithuania	65	91	87	79	-1.65%
Macedonia (FYR)	53	69	56	2	2.03%
Moldova	23	36	81	67	2.50%
Poland	74	74	38	12	2.72%
Romania	62	56	70	62	0.75%
Russia	73	18	90	8	4.00%
Serbia	48	49	52	5	1.97%

Montenegro	39	27	73	1	-1.70%
Slovak Republic	80	62	30	14	4.06%
Slovenia	81	27	36	65	1.12%
Ukraine	41	11	57	N/A	3.68%
Africa					
Algeria	57	18	96	7	4.55%
Angola	49	1	97	N/A	7.05%
Benin	19	91	20	N/A	3.22%
Botswana	68	58	76	N/A	6.33%
Burkina Faso	16	91	13	N/A	4.41%
Burundi	2	91	6	N/A	3.85%
Cameroon	26	91	91	N/A	2.58%
Cape Verde	52	87	4	N/A	4.96%
Central African Republic	9	91	32	N/A	3.18%
Chad	22	91	89	N/A	4.42%
Congo	52	87	87	N/A	12.13%
Côte d'Ivoire	25	91	82	28	2.98%
Dem. Republic					

Congo	4	91	47	N/A	5.44%
Djibouti	31	76	50	N/A	4.47%
Egypt	37	20	24	69	5.01%
Equatorial Guinea	82	91	85	N/A	0.94%
Eritrea	1	3	1	18	1.81%
Ethiopia	6	45	8	N/A	6.96%
Gabon	64	91	96	N/A	5.36%
Gambia	8	48	86	N/A	4.82%
Ghana	9	11	69	N/A	4.50%
Guinea	10	7	91	N/A	3.03%
Guinea-Bissau	5	91	46	N/A	3.47%
Kenya	20	41	59	N/A	4.11%
Lesotho	13	40	12	N/A	2.98%
Liberia	12	73	74	N/A	5.92%
Libya	73	2	94	N/A	5.22%
Madagascar	4	22	24	N/A	-1.02%
Malawi	7	25	55	N/A	5.96%
Mali	20	91	82	N/A	5.12%

Mauritania	15	13	93	N/A	4.58%
Mauritius	65	52	56	55	4.10%
Morocco	37	72	48	26	3.23%
Mozambique	12	23	71	N/A	6.45%
Namibia	40	39	62	N/A	1.70%
Niger	10	91	21	N/A	4.41%
Nigeria	30	6	61	N/A	6.98%
Rwanda	21	40	68	N/A	5.39%
Sao Tome & Principe	1	61	100	N/A	3.40%
Senegal	24	91	63	N/A	3.44%
Seychelles	60	67	97	N/A	4.01%
Sierra Leone	5	10	39	N/A	4.77%
Somalia	2	38	59	N/A	3.19%
South Africa	61	37	70	N/A	2.59%
Sudan	16	5	73	N/A	5.52%
Swaziland	32	44	79	N/A	1.09%
Tanzania	15	45	32	N/A	6.17%
Togo	8	91	92	N/A	2.56%

Tunisia	50	61	44	39	4.00%
Uganda	11	17	54	N/A	5.59%
Zambia	29	20	49	N/A	5.84%
Zimbabwe	0	8	16	N/A	2.24%
South and Central America					
Argentina	66	3	80	36	3.50%
Belize	47	76	80	N/A	1.00%
Bolivia	32	51	61	81	3.99%
Brazil	71	47	78	11	5.50%
Chile	78	25	92	73	4.72%
Columbia	47	52	34	47	2.25%
Costa Rica	60	42	39	57	3.45%
Ecuador	43	76	75	64	2.51%
El Salvador	35	76	67	N/A	1.04%
Guatemala	46	59	58	N/A	2.52%
Honduras	27	47	58	N/A	2.00%
Mexico	69	42	52	61	4.07%
Nicaragua	23	49	42	N/A	1.75%

Panama	66	76	72	45	5.00%
Paraguay	35	46	66	16	5.27%
Peru	59	66	75	22	6.33%
Suriname	58	26	81	59	4.02%
Uruguay	70	26	27	N/A	5.71%
Venezuela	55	1	28	13	-2.63%
Caribbean					
Antigua & Barbuda	72	76	15	N/A	-2.01%
Bahamas	74	76	45	87	-0.50%
Barbados	67	76	33	15	-0.50%
Bermuda	N/A	N/A	N/A	N/A	N/A
Cuba	45	76	18	95	0.25%
Dominica	53	76	65	N/A	1.40%
Dominican Republic	54	39	43	4	3.50%
Grenada	63	76	48	N/A	0.80%
Guyana	28	56	17	N/A	4.36%
Haiti	11	27	89	N/A	-8.50%
Jamaica	42	9	85	19	-0.28%

St Lucia	55	76	67	N/A	1.14%
St Vincent & Grenadines	49	76	95	N/A	0.50%
Trinidad & Tobago	82	37	77	72	2.13%
Middle East					
Bahrain	84	76	62	91	3.48%
Iran	51	19	40	58	3.01%
Iraq	48	9	8	N/A	7.27%
Israel	87	62	12	48	3.20%
Jordan	41	51	3	N/A	4.10%
Kuwait	96	4	99	N/A	3.10%
Lebanon	63	54	2	N/A	6.00%
Oman	76	16	88	N/A	4.71%
Qatar	99	16	83	N/A	18.54%
Saudi Arabia	76	8	98	N/A	3.70%
Syria	61	24	40	N/A	5.00%
Turkey	75	23	27	60	5.20%
United Arab Emirates	96	24	98	94	1.29%

Yemen	28	2	78	N/A	7.78%
Asia					
Afghanistan	17	70	74	N/A	8.64%
Bangladesh	13	43	25	N/A	5.38%
Bhutan	24	55	5	N/A	6.85%
Brunei	78	19	99	75	0.48%
Cambodia	18	67	42	N/A	4.77%
China	54	90	19	68	11.03%
Hong Kong	89	76	14	82	5.02%
India	31	38	34	35	8.78%
Indonesia	42	46	37	31	6.00%
Japan	88	89	6	71	1.90%
Kazakhstan	62	13	76	42	2.40%
Korea North	18	65	23	N/A	1.50%
Korea South	83	63	22	85	4.44%
Kyrgyz Republic	24	15	84	88	4.61%
Laos	17	54	7	N/A	7.22%
Macao	91	76	14	82	3.00%

Malaysia	68	65	44	90	4.72%
Maldives	44	55	17	N/A	3.45%
Mongolia	33	5	77	93	7.22%
Myanmar	3	41	72	N/A	5.26%
Nepal	3	14	25	N/A	2.97%
Pakistan	19	15	31	41	3.00%
Papua New Guinea	75	50	11	N/A	7.96%
Philippines	30	48	53	43	3.63%
Singapore	93	75	63	40	5.68%
Sri Lanka	38	22	10	N/A	5.50%
Taiwan	84	88	35	89	6.50%
Tajikistan	6	6	60	97	4.00%
Thailand	56	64	90	96	5.46%
Turkmenistan	51	53	68	N/A	12.00%
Uzbekistan	40	10	60	100	8.00%
Vietnam	25	12	20	N/A	6.04%
Pacific					
Australia	96	63	31	46	2.96%

Fiji	46	53	3	N/A	2.06%
Marshall Islands	27	76	46	N/A	1.08%
Micronesia (Fed. States)	N/A	N/A	N/A	N/A	N/A
New Caledonia	96	73	51	52	2.00%
New Zealand	98	73	51	52	2.00%
Samoa	34	88	64	N/A	-2.77%
Solomon Islands	14	71	1	N/A	3.36%
Tonga	26	57	38	N/A	0.60%
Vanuatu	33	58	47	N/A	3.80%

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

This material was produced in 2010; it is subject to updating in 2012.

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Chapter 4

Investment Overview

Foreign Investment Climate

Background

Chile has a market-oriented economy characterized by a high level of foreign trade and a reputation for strong financial institutions and sound policy that have given it the strongest sovereign bond rating in South America. Exports account for more than one-fourth of GDP, with commodities making up some three-quarters of total exports. Copper alone provides one-third of government revenue.

During the early 1990s, Chile's reputation as a role model for economic reform was strengthened when the democratic government of Patricio AYLWIN - which took over from the military in 1990 - deepened the economic reform initiated by the military government. Growth in real GDP averaged 8% during 1991-97, but fell to half that level in 1998 because of tight monetary policies implemented to keep the current account deficit in check and because of lower export earnings - the latter a product of the global financial crisis. A severe drought exacerbated the situation in 1999, reducing crop yields and causing hydroelectric shortfalls and electricity rationing, and Chile experienced negative economic growth for the first time in more than 15 years. In the years since then, growth has averaged 4% per year.

Chile deepened its longstanding commitment to trade liberalization with the signing of a free trade agreement with the United States, which took effect on 1 January 2004. Chile claims to have more bilateral or regional trade agreements than any other country. It has 57 such agreements (not all of them full free trade agreements), including with the European Union, Mercosur, China, India, South Korea, and Mexico.

In recent years, foreign direct investment inflows have quadrupled, but FDI dropped to about \$7 billion in 2009 in the face of diminished investment throughout the world.

The Chilean government conducts a rule-based countercyclical fiscal policy, accumulating surpluses in sovereign wealth funds during periods of high copper prices and economic growth, and allowing deficit spending only during periods of low copper prices and growth. As of September 2008, those sovereign wealth funds - kept mostly outside the country and separate from Central Bank reserves - amounted to more than \$20 billion. Chile used \$4 billion from this fund to finance a fiscal stimulus package to fend off recession.

In December 2009, the OECD invited Chile to become a full member, after a two year period of compliance with organization mandates. The magnitude 8.8 earthquake that struck Chile in February 2010 was one of the top ten strongest earthquakes on record. It caused considerable damage near the epicenter, located about 70 miles from Concepcion - and about 200 miles southwest of Santiago.

Foreign Investment Assessment

Its government's longstanding policy of encouraging foreign direct investment, a high degree of stability, and a comparatively low degree of corruption have all contributed to Chile's favorable investment climate.

Industries

copper, other minerals, foodstuffs, fish processing, iron and steel, wood and wood products, transport equipment, cement, textiles.

Import Commodities

consumer goods, chemicals, motor vehicles, fuels, electrical machinery, heavy industrial machinery, food

Import Partners

Argentina 19.4%, US 13%, Brazil 10.4%, China 6.6%

Export Commodities

copper, fish, fruits, paper and pulp, chemicals, wine

Export Partners

US 16.2%, Japan 10.5%, China 8.6%, South Korea 4.7%, Mexico 4.3%, Italy 4.2%

Ports and Harbors

Antofagasta, Arica, Chanaral, Coquimbo, Iquique, Puerto Montt, Punta Arenas, San Antonio, San Vicente, Talcahuano, Valparaiso

Telephone System

modern system based on extensive microwave radio relay facilities; country code: 56

Internet Use

3.575 million

Labor Force

6 million; agriculture 13.6%, industry 23.4%, services 63%

Judicial System

Chile's highly reliable legal system is based on based on Code of 1857 derived from Spanish law and subsequent codes influenced by French and Austrian law.

Corruption Perception Ranking

See full list, as reported by Transparency International, elsewhere in this Country Review.

Cultural Considerations

Chilean society is governed by the same basic rules of etiquette that apply throughout the rest of South America.

Country Website

www.chile-usa.org

Foreign Investment Index

Foreign Investment Index

The Foreign Investment Index is a proprietary index measuring attractiveness to international investment flows. The Foreign Investment Index is calculated using an established methodology by CountryWatch's Editor-in-Chief and is based on a given country's economic stability (sustained economic growth, monetary stability, current account deficits, budget surplus), economic risk (risk of non-servicing of payments for goods or services, loans and trade-related finance, risk of sovereign default), business and investment climate (property rights, labor force and laws, regulatory transparency, openness to foreign investment, market conditions, and stability of

government). Scores are assigned from 0-10 using the aforementioned criteria. A score of 0 marks the lowest level of foreign investment viability, while a score of 10 marks the highest level of foreign investment viability, according to this proprietary index.

Country	Assessment
Afghanistan	2
Albania	4.5
Algeria	6
Andorra	9
Angola	4.5-5
Antigua	8.5
Argentina	5
Armenia	5
Australia	9.5
Austria	9-9.5
Azerbaijan	5
Bahamas	9
Bahrain	7.5

Bangladesh	4.5
Barbados	9
Belarus	4
Belgium	9
Belize	7.5
Benin	5.5
Bhutan	4.5
Bolivia	4.5
Bosnia-Herzegovina	5
Botswana	7.5-8
Brazil	8
Brunei	7
Bulgaria	5.5
Burkina Faso	4
Burma (Myanmar)	4.5
Burundi	4
Cambodia	4.5
Cameroon	5

Canada	9.5
Cape Verde	6
Central African Republic	3
Chad	4
Chile	9
China	7.5
China: Hong Kong	8.5
China: Taiwan	8.5
Colombia	7
Comoros	4
Congo DRC	4
Congo RC	5
Costa Rica	8
Cote d'Ivoire	4.5
Croatia	7
Cuba	4.5
Cyprus	7
Czech Republic	8.5

Denmark	9.5
Djibouti	4.5
Dominica	6
Dominican Republic	6.5
East Timor	4.5
Ecuador	5.5
Egypt	4.5-5
El Salvador	6
Equatorial Guinea	4.5
Eritrea	3.5
Estonia	8
Ethiopia	4.5
Fiji	5
Finland	9
Former Yugoslav Rep. of Macedonia	5
France	9-9.5
Gabon	5.5
Gambia	5

Georgia	5
Germany	9-9.5
Ghana	5.5
Greece	5
Grenada	7.5
Guatemala	5.5
Guinea	3.5
Guinea-Bissau	3.5
Guyana	4.5
Haiti	4
Holy See (Vatican)	n/a
Hong Kong (China)	8.5
Honduras	5.5
Hungary	8
Iceland	8-8.5
India	8
Indonesia	5.5
Iran	4

Iraq	3
Ireland	8
Israel	8.5
Italy	8
Jamaica	5.5
Japan	9.5
Jordan	6
Kazakhstan	6
Kenya	5
Kiribati	5.5
Korea, North	1
Korea, South	9
Kosovo	4.5
Kuwait	8.5
Kyrgyzstan	4.5
Laos	4
Latvia	7
Lebanon	5

Lesotho	5.5
Liberia	3.5
Libya	3
Liechtenstein	9
Lithuania	7.5
Luxembourg	9-9.5
Madagascar	4.5
Malawi	4.5
Malaysia	8.5
Maldives	6.5
Mali	5
Malta	9
Marshall Islands	5
Mauritania	4.5
Mauritius	7.5-8
Mexico	6.5-7
Micronesia	5
Moldova	4.5-5

Monaco	9
Mongolia	5
Montenegro	5.5
Morocco	7.5
Mozambique	5
Namibia	7.5
Nauru	4.5
Nepal	4
Netherlands	9-9.5
New Zealand	9.5
Nicaragua	5
Niger	4.5
Nigeria	4.5
Norway	9-9.5
Oman	8
Pakistan	4
Palau	4.5-5
Panama	7

Papua New Guinea	5
Paraguay	6
Peru	6
Philippines	6
Poland	8
Portugal	7.5-8
Qatar	9
Romania	6-6.5
Russia	6
Rwanda	4
Saint Kitts and Nevis	8
Saint Lucia	8
Saint Vincent and Grenadines	7
Samoa	7
San Marino	8.5
Sao Tome and Principe	4.5-5
Saudi Arabia	7
Senegal	6

Serbia	6
Seychelles	5
Sierra Leone	4
Singapore	9.5
Slovak Republic (Slovakia)	8.5
Slovenia	8.5-9
Solomon Islands	5
Somalia	2
South Africa	8
Spain	7.5-8
Sri Lanka	5.5
Sudan	4
Suriname	5
Swaziland	4.5
Sweden	9.5
Switzerland	9.5
Syria	2.5
Tajikistan	4

Taiwan (China)	8.5
Tanzania	5
Thailand	7.5-8
Togo	4.5-5
Tonga	5.5-6
Trinidad and Tobago	8-8.5
Tunisia	6
Turkey	6.5-7
Turkmenistan	4
Tuvalu	7
Uganda	5
Ukraine	4.5-5
United Arab Emirates	8.5
United Kingdom	9
United States	9
Uruguay	6.5-7
Uzbekistan	4
Vanuatu	6

Venezuela	5
Vietnam	5.5
Yemen	3
Zambia	4.5-5
Zimbabwe	3.5

Editor's Note:

As of 2015, the global economic crisis (emerging in 2008) had affected many countries across the world, resulting in changes to their rankings. Among those countries affected were top tier economies, such as the [United Kingdom](#), [Iceland](#), [Switzerland](#) and [Austria](#). However, in all these cases, their rankings have moved back upward in the last couple of years as anxieties have eased. Other top tier countries, such as [Spain](#), [Portugal](#), [Ireland](#), and [Italy](#), suffered some effects due to debt woes and the concomitant effect on the euro zone. Greece, another euro zone nation, was also downgraded due to its sovereign debt crisis; however, Greece's position on the precipice of default incurred a sharper downgrade than the other four euro zone countries mentioned above. Cyprus' exposure to Greek bank yielded a downgrade in its case. Slovenia and [Latvia](#) have been slightly downgraded due to a mix of economic and political concerns but could easily be upgraded in a future assessment, should these concerns abate. Meanwhile, the crisis in eastern [Ukraine](#) fueled downgrades in that country and neighboring [Russia](#).

Despite the "trifecta of tragedy" in [Japan](#) in 2011 -- the earthquake, the ensuing tsunami, and the resulting nuclear crisis -- and the appreciable destabilization of the economic and political terrain therein, this country has only slightly been downgraded. Japan's challenges have been assessed to be transient, the government remains accountable, and there is little risk of default. Both [India](#) and China retain their rankings; [India](#) holds a slightly higher ranking than [China](#) due to its record of democratic representation and accountability.

There were shifts in opposite directions for [Mali](#) and [Nigeria](#) versus the [Central African Republic](#), [Burkina Faso](#), and [Burundi](#). [Mali](#) was slightly upgraded due to its efforts to return to constitutional order following the 2012 coup and to neutralize the threat of separatists and Islamists. Likewise, a new government in [Nigeria](#) generated a slight upgrade as the country attempts to confront corruption, crime, and terrorism. But the [Central African Republic](#) was downgraded due to the

takeover of the government by Seleka rebels and the continued decline into lawlessness in that country. Likewise, the attempts by the leaders of [Burundi](#) and [Burkina Faso](#) to hold onto power by by-passing the constitution raised eyebrows and resulted in downgrades.

Political unrest in [Libya](#) and [Algeria](#) have contributed to a decision to marginally downgrade these countries as well. [Syria](#) incurred a sharper downgrade due to the devolution into de facto civil war and the dire security threat posed by Islamist terrorists. [Iraq](#) saw a similar downgrade as a result of the takeover of wide swaths of territory and the threat of genocide at the hands of Islamist terrorists. [Yemen](#), likewise, has been downgraded due to political instability at the hands of secessionists, terrorists, Houthi rebels, and the intervention of external parties. Conversely, [Egypt](#) and [Tunisia](#) saw slight upgrades as their political environments stabilize.

At the low end of the spectrum, devolving security conditions and/or economic crisis have resulted in countries like [Pakistan](#), [Afghanistan](#), [Somalia](#), and [Zimbabwe](#) maintaining their low ratings.

The [United States](#) continues to retain its previous slight downgrade due to the enduring threat of default surrounding the debt ceiling in that country, matched by a conflict-ridden political climate. In the case of [Mexico](#), there is limited concern about default, but increasing alarm over the security situation in that country and the government's ability to contain it. In [Argentina](#), a default to bond holders resulted in a downgrade to that country. Finally, a small but significant upgrade was attributed to [Cuba](#) due to its recent pro-business reforms and its normalization of ties with the United States.

Source:

CountryWatch Inc. www.countrywatch.com

Updated:

2015

Corruption Perceptions Index

Corruption Perceptions Index

Transparency International: [Corruption Perceptions Index](#)

Editor's Note:

Transparency International's [Corruption Perceptions Index](#) is a composite index which ranks countries in terms of the degree to which corruption is perceived to exist among public officials. This index indicates the views of national and international business people and analysts about the levels of corruption in each country. The highest (and best) level of transparency is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

Rank	Country/Territory	CPI 2009 Score	Surveys Used	Confidence Range
1	New Zealand	9.4	6	9.1 - 9.5
2	Denmark	9.3	6	9.1 - 9.5
3	Singapore	9.2	9	9.0 - 9.4
3	Sweden	9.2	6	9.0 - 9.3
5	Switzerland	9.0	6	8.9 - 9.1
6	Finland	8.9	6	8.4 - 9.4
6	Netherlands	8.9	6	8.7 - 9.0
8	Australia	8.7	8	8.3 - 9.0
8	Canada	8.7	6	8.5 - 9.0
8	Iceland	8.7	4	7.5 - 9.4
11	Norway	8.6	6	8.2 - 9.1
12	Hong Kong	8.2	8	7.9 - 8.5
12	Luxembourg	8.2	6	7.6 - 8.8

14	Germany	8.0	6	7.7 - 8.3
14	Ireland	8.0	6	7.8 - 8.4
16	Austria	7.9	6	7.4 - 8.3
17	Japan	7.7	8	7.4 - 8.0
17	United Kingdom	7.7	6	7.3 - 8.2
19	United States	7.5	8	6.9 - 8.0
20	Barbados	7.4	4	6.6 - 8.2
21	Belgium	7.1	6	6.9 - 7.3
22	Qatar	7.0	6	5.8 - 8.1
22	Saint Lucia	7.0	3	6.7 - 7.5
24	France	6.9	6	6.5 - 7.3
25	Chile	6.7	7	6.5 - 6.9
25	Uruguay	6.7	5	6.4 - 7.1
27	Cyprus	6.6	4	6.1 - 7.1
27	Estonia	6.6	8	6.1 - 6.9
27	Slovenia	6.6	8	6.3 - 6.9
30	United Arab Emirates	6.5	5	5.5 - 7.5
31	Saint Vincent and the Grenadines	6.4	3	4.9 - 7.5

32	Israel	6.1	6	5.4 - 6.7
32	Spain	6.1	6	5.5 - 6.6
34	Dominica	5.9	3	4.9 - 6.7
35	Portugal	5.8	6	5.5 - 6.2
35	Puerto Rico	5.8	4	5.2 - 6.3
37	Botswana	5.6	6	5.1 - 6.3
37	Taiwan	5.6	9	5.4 - 5.9
39	Brunei Darussalam	5.5	4	4.7 - 6.4
39	Oman	5.5	5	4.4 - 6.5
39	Korea (South)	5.5	9	5.3 - 5.7
42	Mauritius	5.4	6	5.0 - 5.9
43	Costa Rica	5.3	5	4.7 - 5.9
43	Macau	5.3	3	3.3 - 6.9
45	Malta	5.2	4	4.0 - 6.2
46	Bahrain	5.1	5	4.2 - 5.8
46	Cape Verde	5.1	3	3.3 - 7.0
46	Hungary	5.1	8	4.6 - 5.7
49	Bhutan	5.0	4	4.3 - 5.6

49	Jordan	5.0	7	3.9 - 6.1
49	Poland	5.0	8	4.5 - 5.5
52	Czech Republic	4.9	8	4.3 - 5.6
52	Lithuania	4.9	8	4.4 - 5.4
54	Seychelles	4.8	3	3.0 - 6.7
55	South Africa	4.7	8	4.3 - 4.9
56	Latvia	4.5	6	4.1 - 4.9
56	Malaysia	4.5	9	4.0 - 5.1
56	Namibia	4.5	6	3.9 - 5.1
56	Samoa	4.5	3	3.3 - 5.3
56	Slovakia	4.5	8	4.1 - 4.9
61	Cuba	4.4	3	3.5 - 5.1
61	Turkey	4.4	7	3.9 - 4.9
63	Italy	4.3	6	3.8 - 4.9
63	Saudi Arabia	4.3	5	3.1 - 5.3
65	Tunisia	4.2	6	3.0 - 5.5
66	Croatia	4.1	8	3.7 - 4.5
66	Georgia	4.1	7	3.4 - 4.7

66	Kuwait	4.1	5	3.2 - 5.1
69	Ghana	3.9	7	3.2 - 4.6
69	Montenegro	3.9	5	3.5 - 4.4
71	Bulgaria	3.8	8	3.2 - 4.5
71	FYR Macedonia	3.8	6	3.4 - 4.2
71	Greece	3.8	6	3.2 - 4.3
71	Romania	3.8	8	3.2 - 4.3
75	Brazil	3.7	7	3.3 - 4.3
75	Colombia	3.7	7	3.1 - 4.3
75	Peru	3.7	7	3.4 - 4.1
75	Suriname	3.7	3	3.0 - 4.7
79	Burkina Faso	3.6	7	2.8 - 4.4
79	China	3.6	9	3.0 - 4.2
79	Swaziland	3.6	3	3.0 - 4.7
79	Trinidad and Tobago	3.6	4	3.0 - 4.3
83	Serbia	3.5	6	3.3 - 3.9
84	El Salvador	3.4	5	3.0 - 3.8
84	Guatemala	3.4	5	3.0 - 3.9

84	India	3.4	10	3.2 - 3.6
84	Panama	3.4	5	3.1 - 3.7
84	Thailand	3.4	9	3.0 - 3.8
89	Lesotho	3.3	6	2.8 - 3.8
89	Malawi	3.3	7	2.7 - 3.9
89	Mexico	3.3	7	3.2 - 3.5
89	Moldova	3.3	6	2.7 - 4.0
89	Morocco	3.3	6	2.8 - 3.9
89	Rwanda	3.3	4	2.9 - 3.7
95	Albania	3.2	6	3.0 - 3.3
95	Vanuatu	3.2	3	2.3 - 4.7
97	Liberia	3.1	3	1.9 - 3.8
97	Sri Lanka	3.1	7	2.8 - 3.4
99	Bosnia and Herzegovina	3.0	7	2.6 - 3.4
99	Dominican Republic	3.0	5	2.9 - 3.2
99	Jamaica	3.0	5	2.8 - 3.3
99	Madagascar	3.0	7	2.8 - 3.2
99	Senegal	3.0	7	2.5 - 3.6

99	Tonga	3.0	3	2.6 - 3.3
99	Zambia	3.0	7	2.8 - 3.2
106	Argentina	2.9	7	2.6 - 3.1
106	Benin	2.9	6	2.3 - 3.4
106	Gabon	2.9	3	2.6 - 3.1
106	Gambia	2.9	5	1.6 - 4.0
106	Niger	2.9	5	2.7 - 3.0
111	Algeria	2.8	6	2.5 - 3.1
111	Djibouti	2.8	4	2.3 - 3.2
111	Egypt	2.8	6	2.6 - 3.1
111	Indonesia	2.8	9	2.4 - 3.2
111	Kiribati	2.8	3	2.3 - 3.3
111	Mali	2.8	6	2.4 - 3.2
111	Sao Tome and Principe	2.8	3	2.4 - 3.3
111	Solomon Islands	2.8	3	2.3 - 3.3
111	Togo	2.8	5	1.9 - 3.9
120	Armenia	2.7	7	2.6 - 2.8
120	Bolivia	2.7	6	2.4 - 3.1

120	Ethiopia	2.7	7	2.4 - 2.9
120	Kazakhstan	2.7	7	2.1 - 3.3
120	Mongolia	2.7	7	2.4 - 3.0
120	Vietnam	2.7	9	2.4 - 3.1
126	Eritrea	2.6	4	1.6 - 3.8
126	Guyana	2.6	4	2.5 - 2.7
126	Syria	2.6	5	2.2 - 2.9
126	Tanzania	2.6	7	2.4 - 2.9
130	Honduras	2.5	6	2.2 - 2.8
130	Lebanon	2.5	3	1.9 - 3.1
130	Libya	2.5	6	2.2 - 2.8
130	Maldives	2.5	4	1.8 - 3.2
130	Mauritania	2.5	7	2.0 - 3.3
130	Mozambique	2.5	7	2.3 - 2.8
130	Nicaragua	2.5	6	2.3 - 2.7
130	Nigeria	2.5	7	2.2 - 2.7
130	Uganda	2.5	7	2.1 - 2.8
139	Bangladesh	2.4	7	2.0 - 2.8

139	Belarus	2.4	4	2.0 - 2.8
139	Pakistan	2.4	7	2.1 - 2.7
139	Philippines	2.4	9	2.1 - 2.7
143	Azerbaijan	2.3	7	2.0 - 2.6
143	Comoros	2.3	3	1.6 - 3.3
143	Nepal	2.3	6	2.0 - 2.6
146	Cameroon	2.2	7	1.9 - 2.6
146	Ecuador	2.2	5	2.0 - 2.5
146	Kenya	2.2	7	1.9 - 2.5
146	Russia	2.2	8	1.9 - 2.4
146	Sierra Leone	2.2	5	1.9 - 2.4
146	Timor-Leste	2.2	5	1.8 - 2.6
146	Ukraine	2.2	8	2.0 - 2.6
146	Zimbabwe	2.2	7	1.7 - 2.8
154	Côte d'Ivoire	2.1	7	1.8 - 2.4
154	Papua New Guinea	2.1	5	1.7 - 2.5
154	Paraguay	2.1	5	1.7 - 2.5
154	Yemen	2.1	4	1.6 - 2.5

158	Cambodia	2.0	8	1.8 - 2.2
158	Central African Republic	2.0	4	1.9 - 2.2
158	Laos	2.0	4	1.6 - 2.6
158	Tajikistan	2.0	8	1.6 - 2.5
162	Angola	1.9	5	1.8 - 1.9
162	Congo Brazzaville	1.9	5	1.6 - 2.1
162	Democratic Republic of Congo	1.9	5	1.7 - 2.1
162	Guinea-Bissau	1.9	3	1.8 - 2.0
162	Kyrgyzstan	1.9	7	1.8 - 2.1
162	Venezuela	1.9	7	1.8 - 2.0
168	Burundi	1.8	6	1.6 - 2.0
168	Equatorial Guinea	1.8	3	1.6 - 1.9
168	Guinea	1.8	5	1.7 - 1.8
168	Haiti	1.8	3	1.4 - 2.3
168	Iran	1.8	3	1.7 - 1.9
168	Turkmenistan	1.8	4	1.7 - 1.9
174	Uzbekistan	1.7	6	1.5 - 1.8
175	Chad	1.6	6	1.5 - 1.7

176	Iraq	1.5	3	1.2 - 1.8
176	Sudan	1.5	5	1.4 - 1.7
178	Myanmar	1.4	3	0.9 - 1.8
179	Afghanistan	1.3	4	1.0 - 1.5
180	Somalia	1.1	3	0.9 - 1.4

Methodology:

As noted above, the highest (and best) level of transparency with the least perceived corruption is indicated by the number, 10. The lower (and worse) levels of transparency are indicated by lower numbers.

According to Transparency International, the [Corruption Perceptions Index](#) (CPI) table shows a country's ranking and score, the number of surveys used to determine the score, and the confidence range of the scoring.

The rank shows how one country compares to others included in the index. The CPI score indicates the perceived level of public-sector corruption in a country/territory.

The CPI is based on 13 independent surveys. However, not all surveys include all countries. The surveys used column indicates how many surveys were relied upon to determine the score for that country.

The confidence range indicates the reliability of the CPI scores and tells us that allowing for a margin of error, we can be 90% confident that the true score for this country lies within this range.

Note:

Kosovo, which separated from the Yugoslav successor state of [Serbia](#), is not listed above. No calculation is available for [Kosovo](#) at this time, however, a future corruption index by Transparency International may include the world's newest country in its tally. Taiwan has been listed above despite its contested status; while Taiwan claims sovereign status, [China](#) claims ultimate jurisdiction over Taiwan. Hong Kong, which is also under the rubric of Chinese

sovereignty, is listed above. Note as well that Puerto Rico, which is a [United States](#) domain, is also included in the list above. These inclusions likely have to do with the size and fairly autonomous status of their economies.

Source:

Transparency International's Corruption Perception Index; available at URL: <http://www.transparency.org>

Updated:

Uploaded in 2011 using most recent ranking available; reviewed in 2015.

Competitiveness Ranking

Competitiveness Ranking

Editor's Note:

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was developed for the World Economic Forum. The GCI is based on a number of competitiveness considerations, and provides a comprehensive picture of the competitiveness landscape in countries around the world. The competitiveness considerations are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. The rankings are calculated from both publicly available data and the Executive Opinion Survey.

Country/Economy	GCI 2010 Rank	GCI 2010 Score	GCI 2009 Rank	Change 2009-2010
Switzerland	1	5.63	1	0
Sweden	2	5.56	4	2
Singapore	3	5.48	3	0

United States	4	5.43	2	-2
Germany	5	5.39	7	2
Japan	6	5.37	8	2
Finland	7	5.37	6	-1
Netherlands	8	5.33	10	2
Denmark	9	5.32	5	-4
Canada	10	5.30	9	-1
Hong Kong SAR	11	5.30	11	0
United Kingdom	12	5.25	13	1
Taiwan, China	13	5.21	12	-1
Norway	14	5.14	14	0
France	15	5.13	16	1
Australia	16	5.11	15	-1
Qatar	17	5.10	22	5
Austria	18	5.09	17	-1
Belgium	19	5.07	18	-1
Luxembourg	20	5.05	21	1
Saudi Arabia	21	4.95	28	7

Korea, Rep.	22	4.93	19	-3
New Zealand	23	4.92	20	-3
Israel	24	4.91	27	3
United Arab Emirates	25	4.89	23	-2
Malaysia	26	4.88	24	-2
China	27	4.84	29	2
Brunei Darussalam	28	4.75	32	4
Ireland	29	4.74	25	-4
Chile	30	4.69	30	0
Iceland	31	4.68	26	-5
Tunisia	32	4.65	40	8
Estonia	33	4.61	35	2
Oman	34	4.61	41	7
Kuwait	35	4.59	39	4
Czech Republic	36	4.57	31	-5
Bahrain	37	4.54	38	1
Thailand	38	4.51	36	-2
Poland	39	4.51	46	7

Cyprus	40	4.50	34	-6
Puerto Rico	41	4.49	42	1
Spain	42	4.49	33	-9
Barbados	43	4.45	44	1
Indonesia	44	4.43	54	10
Slovenia	45	4.42	37	-8
Portugal	46	4.38	43	-3
Lithuania	47	4.38	53	6
Italy	48	4.37	48	0
Montenegro	49	4.36	62	13
Malta	50	4.34	52	2
India	51	4.33	49	-2
Hungary	52	4.33	58	6
Panama	53	4.33	59	6
South Africa	54	4.32	45	-9
Mauritius	55	4.32	57	2
Costa Rica	56	4.31	55	-1
Azerbaijan	57	4.29	51	-6

Brazil	58	4.28	56	-2
Vietnam	59	4.27	75	16
Slovak Republic	60	4.25	47	-13
Turkey	61	4.25	61	0
Sri Lanka	62	4.25	79	17
Russian Federation	63	4.24	63	0
Uruguay	64	4.23	65	1
Jordan	65	4.21	50	-15
Mexico	66	4.19	60	-6
Romania	67	4.16	64	-3
Colombia	68	4.14	69	1
Iran	69	4.14	n/a	n/a
Latvia	70	4.14	68	-2
Bulgaria	71	4.13	76	5
Kazakhstan	72	4.12	67	-5
Peru	73	4.11	78	5
Namibia	74	4.09	74	0
Morocco	75	4.08	73	-2

Botswana	76	4.05	66	-10
Croatia	77	4.04	72	-5
Guatemala	78	4.04	80	2
Macedonia, FYR	79	4.02	84	5
Rwanda	80	4.00	n/a	n/a
Egypt	81	4.00	70	-11
El Salvador	82	3.99	77	-5
Greece	83	3.99	71	-12
Trinidad and Tobago	84	3.97	86	2
Philippines	85	3.96	87	2
Algeria	86	3.96	83	-3
Argentina	87	3.95	85	-2
Albania	88	3.94	96	8
Ukraine	89	3.90	82	-7
Gambia, The	90	3.90	81	-9
Honduras	91	3.89	89	-2
Lebanon	92	3.89	n/a	n/a
Georgia	93	3.86	90	-3

Moldova	94	3.86	n/a	n/a
Jamaica	95	3.85	91	-4
Serbia	96	3.84	93	-3
Syria	97	3.79	94	-3
Armenia	98	3.76	97	-1
Mongolia	99	3.75	117	18
Libya	100	3.74	88	-12
Dominican Republic	101	3.72	95	-6
Bosnia and Herzegovina	102	3.70	109	7
Benin	103	3.69	103	0
Senegal	104	3.67	92	-12
Ecuador	105	3.65	105	0
Kenya	106	3.65	98	-8
Bangladesh	107	3.64	106	-1
Bolivia	108	3.64	120	12
Cambodia	109	3.63	110	1
Guyana	110	3.62	104	-6
Cameroon	111	3.58	111	0

Nicaragua	112	3.57	115	3
Tanzania	113	3.56	100	-13
Ghana	114	3.56	114	0
Zambia	115	3.55	112	-3
Tajikistan	116	3.53	122	6
Cape Verde	117	3.51	n/a	n/a
Uganda	118	3.51	108	-10
Ethiopia	119	3.51	118	-1
Paraguay	120	3.49	124	4
Kyrgyz Republic	121	3.49	123	2
Venezuela	122	3.48	113	-9
Pakistan	123	3.48	101	-22
Madagascar	124	3.46	121	-3
Malawi	125	3.45	119	-6
Swaziland	126	3.40	n/a	n/a
Nigeria	127	3.38	99	-28
Lesotho	128	3.36	107	-21
Côte d'Ivoire	129	3.35	116	-13

Nepal	130	3.34	125	-5
Mozambique	131	3.32	129	-2
Mali	132	3.28	130	-2
Timor-Leste	133	3.23	126	-7
Burkina Faso	134	3.20	128	-6
Mauritania	135	3.14	127	-8
Zimbabwe	136	3.03	132	-4
Burundi	137	2.96	133	-4
Angola	138	2.93	n/a	n/a
Chad	139	2.73	131	-8

Methodology:

The competitiveness rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the World Economic Forum together with its network of Partner Institutes (leading research institutes and business organizations) in the countries covered by the Report.

Highlights according to WEF --

- The [United States](#) falls two places to fourth position, overtaken by [Sweden](#) and [Singapore](#) in the rankings of the World Economic Forum's Global Competitiveness Report 2010-2011
- The People's Republic of [China](#) continues to move up the rankings, with marked improvements in several other Asian countries
- [Germany](#) moves up two places to fifth place, leading the Eurozone countries
- [Switzerland](#) tops the rankings

Source:

World Economic Forum; available at URL: <http://www.weforum.org>

Updated:

2011 using most recent ranking available; reviewed in 2015.

Taxation

Corporate tax

The standard rate corporate tax rate is 17 percent.

Individual tax

Individual tax rates are progressive and are as high as 40 percent.

Capital gains

Typically, capital gains are taxed as income.

Indirect tax

Value-added tax (VAT), which applies to most sales, as well as most services and other transactions, at a rate of 19 percent.

Stock Market

The Santiago Stock Exchange was founded in 1893, and at the end of the 1990s it had 285 listed companies.

Regulations on foreign mutual fund investment abroad allow 100 percent investment. Thirty percent of a foreign fixed-income investment, however, must be placed in a non-interest bearing reserve account.

The Santiago Stock Exchange applies a 35 percent withholding tax to interest, dividends, and long-term capital gains on listed shares.

To find out more information about the Santiago Stock Exchange, see URL: <http://www.bolsantiago.cl/>

Partner Links

Partner Links

Chapter 5

Social Overview

People

Cultural Demography

The population of Chile is over 17.5 million. About 89 percent of the population is Roman Catholic, and 11 percent of the population belongs to small Protestant denominations. Spanish is the official language of the country.

In terms of ethnicity, most Chileans are either of Spanish ancestry, or mestizos (people of mixed indigenous and Spanish ancestry). Less than 5 percent of the population is of indigenous ancestry, mostly of the Mapuche tribe in south-central Chile. Chile is also home to a significant number of Irish, English, German, Italian, Slavic and Arab immigrants and their descendants.

Human Development

According to recent estimates, Chile maintained a higher literacy rate, a higher life expectancy age, and a lower infant mortality than most South American countries. About 95.7 percent of the population age 15 and older can read and write. The average life expectancy age is 76.96 years. The infant mortality rate is 8.36 deaths/1,000 live births. The birth rate is 15.03 births/1,000 population while the death rate is .87 deaths/1,000 population.

One notable measure used to determine a country's quality of life is the Human Development Index (HDI), which has been compiled annually since 1990 by the United Nations Development Programme (UNDP). The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, knowledge and education, as well as economic standard of living. In a ranking of 169 countries, the HDI placed Chile in the high human development category, at 45th place.

Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI, which is calculated and updated annually, offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators.

Written by Dr. Denise Youngblood Coleman, Editor in Chief at CountryWatch.com. See Bibliography for general research sources.

Human Development Index

Human Development Index

Human Development Index (Ranked Numerically)

The [Human Development Index](#) (HDI) is used to measure quality of life in countries across the world. The HDI has been compiled since 1990 by the United Nations Development Programme (UNDP) on a regular basis. The HDI is a composite of several indicators, which measure a country's achievements in three main arenas of human development: longevity, education, and economic standard of living. Although the concept of human development is complicated and cannot be properly captured by values and indices, the HDI offers a wide-ranging assessment of human development in certain countries, not based solely upon traditional economic and financial indicators. For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this review.

Very High Human Development	High Human Development	Medium Human Development	Low Human Development
1. Norway	43. Bahamas	86. Fiji	128. Kenya
2. Australia	44. Lithuania	87. Turkmenistan	129. Bangladesh
3. New Zealand	45. Chile	88. Dominican Republic	130. Ghana
4. United States	46. Argentina	89. China	131. Cameroon
5. Ireland	47. Kuwait	90. El Salvador	132. Myanmar (Burma)

6. Liechtenstein	48. Latvia	91. Sri Lanka	133. Yemen
7. Netherlands	49. Montenegro	92. Thailand	134. Benin
8. Canada	50. Romania	93. Gabon	135. Madagascar
9. Sweden	51. Croatia	94. Suriname	136. Mauritania
10. Germany	52. Uruguay	95. Bolivia	137. Papua New Guinea
11. Japan	53. Libya	96. Paraguay	138. Nepal
12. South Korea	54. Panama	97. Philippines	139. Togo
13. Switzerland	55. Saudi Arabia	98. Botswana	140. Comoros
14. France	56. Mexico	99. Moldova	141. Lesotho
15. Israel	57. Malaysia	100. Mongolia	142. Nigeria
16. Finland	58. Bulgaria	101. Egypt	143. Uganda
17. Iceland	59. Trinidad and Tobago	102. Uzbekistan	144. Senegal
18. Belgium	60. Serbia	103. Micronesia	145. Haiti
19. Denmark	61. Belarus	104. Guyana	146. Angola
20. Spain	62. Costa Rica	105. Namibia	147. Djibouti
21. Hong King	63. Peru	106. Honduras	148. Tanzania
22. Greece	64. Albania	107. Maldives	149. Cote d'Ivoire

23. Italy	65. Russian Federation	108. Indonesia	150. Zambia
24. Luxembourg	66. Kazakhstan	109. Kyrgyzstan	151. Gambia
25. Austria	67. Azerbaijan	110. South Africa	152. Rwanda
26. United Kingdom	68. Bosnia and Herzegovina	111. Syria	153. Malawi
27. Singapore	69. Ukraine	112. Tajikistan	154. Sudan
28. Czech Republic	70. Iran	113. Vietnam	155. Afghanistan
29. Slovenia	71. The former Yugoslav Republic of Macedonia	114. Morocco	156. Guinea
30. Andorra	72. Mauritius	115. Nicaragua	157. Ethiopia
31. Slovakia	73. Brazil	116. Guatemala	158. Sierra Leone
32. United Arab Emirates	74. Georgia	117. Equatorial Guinea	159. Central African Republic
33. Malta	75. Venezuela	118. Cape Verde	160. Mali
34. Estonia	76. Armenia	119. India	161. Burkina Faso
35. Cyprus	77. Ecuador	120. East Timor	162. Liberia
36. Hungary	78. Belize	121. Swaziland	163. Chad
37. Brunei	79. Colombia	122. Laos	164. Guinea-Bissau

38. Qatar	80. Jamaica	123. Solomon Islands	165. Mozambique
39. Bahrain	81. Tunisia	124. Cambodia	166. Burundi
40. Portugal	82. Jordan	125. Pakistan	167. Niger
41. Poland	83. Turkey	126. Congo RC	168. Congo DRC
42. Barbados	84. Algeria	127. Sao Tome and Principe	169. Zimbabwe
	85. Tonga		

Methodology:

For more information about the methodology used to calculate the HDI, please see the "Source Materials" in the appendices of this Country Review.

Reference:

As published in United Nations Development Programme's Human Development Report 2010.

Source:

United Nations Development Programme's [Human Development Index](http://hdr.undp.org/en/statistics/) available at URL: <http://hdr.undp.org/en/statistics/>

Updated:

Uploaded in 2011 using ranking available; reviewed in 2015

Life Satisfaction Index

Life Satisfaction Index

Life Satisfaction Index

Created by Adrian G. White, an Analytic Social Psychologist at the University of Leicester, the "Satisfaction with Life Index" measures subjective life satisfaction across various countries. The data was taken from a metastudy (see below for source) and associates the notion of subjective happiness or life satisfaction with qualitative parameters such as health, wealth, and access to basic education. This assessment serves as an alternative to other measures of happiness that tend to rely on traditional and quantitative measures of policy on quality of life, such as GNP and GDP. The methodology involved the responses of 80,000 people across the globe.

Rank	Country	Score
1	Denmark	273.4
2	Switzerland	273.33
3	Austria	260
4	Iceland	260
5	The Bahamas	256.67
6	Finland	256.67
7	Sweden	256.67
8	Iran	253.33
9	Brunei	253.33
10	Canada	253.33

11	Ireland	253.33
12	Luxembourg	253.33
13	Costa Rica	250
14	Malta	250
15	Netherlands	250
16	Antiguaand Barbuda	246.67
17	Malaysia	246.67
18	New Zealand	246.67
19	Norway	246.67
20	Seychelles	246.67
21	Saint Kitts and Nevis	246.67
22	United Arab Emirates	246.67
23	United States	246.67
24	Vanuatu	246.67
25	Venezuela	246.67
26	Australia	243.33
27	Barbados	243.33
28	Belgium	243.33

29	Dominica	243.33
30	Oman	243.33
31	Saudi Arabia	243.33
32	Suriname	243.33
33	Bahrain	240
34	Colombia	240
35	Germany	240
36	Guyana	240
37	Honduras	240
38	Kuwait	240
39	Panama	240
40	Saint Vincent and the Grenadines	240
41	United Kingdom	236.67
42	Dominican Republic	233.33
43	Guatemala	233.33
44	Jamaica	233.33
45	Qatar	233.33
46	Spain	233.33

47	Saint Lucia	233.33
48	Belize	230
49	Cyprus	230
50	Italy	230
51	Mexico	230
52	Samoa	230
53	Singapore	230
54	Solomon Islands	230
55	Trinidad and Tobago	230
56	Argentina	226.67
57	Fiji	223.33
58	Israel	223.33
59	Mongolia	223.33
60	São Tomé and Príncipe	223.33
61	El Salvador	220
62	France	220
63	Hong Kong	220
64	Indonesia	220

65	Kyrgyzstan	220
66	Maldives	220
67	Slovenia	220
68	Taiwan	220
69	East Timor	220
70	Tonga	220
71	Chile	216.67
72	Grenada	216.67
73	Mauritius	216.67
74	Namibia	216.67
75	Paraguay	216.67
76	Thailand	216.67
77	Czech Republic	213.33
78	Philippines	213.33
79	Tunisia	213.33
80	Uzbekistan	213.33
81	Brazil	210
82	China	210

83	Cuba	210
84	Greece	210
85	Nicaragua	210
86	Papua New Guinea	210
87	Uruguay	210
88	Gabon	206.67
89	Ghana	206.67
90	Japan	206.67
91	Yemen	206.67
92	Portugal	203.33
93	Sri Lanka	203.33
94	Tajikistan	203.33
95	Vietnam	203.33
96	Bhutan	200
97	Comoros	196.67
98	Croatia	196.67
99	Poland	196.67
100	Cape Verde	193.33

101	Kazakhstan	193.33
102	South Korea	193.33
103	Madagascar	193.33
104	Bangladesh	190
105	Republic of the Congo	190
106	The Gambia	190
107	Hungary	190
108	Libya	190
109	South Africa	190
110	Cambodia	186.67
111	Ecuador	186.67
112	Kenya	186.67
113	Lebanon	186.67
114	Morocco	186.67
115	Peru	186.67
116	Senegal	186.67
117	Bolivia	183.33
118	Haiti	183.33

119	Nepal	183.33
120	Nigeria	183.33
121	Tanzania	183.33
122	Benin	180
123	Botswana	180
124	Guinea-Bissau	180
125	India	180
126	Laos	180
127	Mozambique	180
128	Palestinian Authority	180
129	Slovakia	180
130	Myanmar	176.67
131	Mali	176.67
132	Mauritania	176.67
133	Turkey	176.67
134	Algeria	173.33
135	Equatorial Guinea	173.33
136	Romania	173.33

137	Bosnia and Herzegovina	170
138	Cameroon	170
139	Estonia	170
140	Guinea	170
141	Jordan	170
142	Syria	170
143	Sierra Leone	166.67
144	Azerbaijan	163.33
145	Central African Republic	163.33
146	Republic of Macedonia	163.33
147	Togo	163.33
148	Zambia	163.33
149	Angola	160
150	Djibouti	160
151	Egypt	160
152	Burkina Faso	156.67
153	Ethiopia	156.67
154	Latvia	156.67

155	Lithuania	156.67
156	Uganda	156.67
157	Albania	153.33
158	Malawi	153.33
159	Chad	150
160	Côte d'Ivoire	150
161	Niger	150
162	Eritrea	146.67
163	Rwanda	146.67
164	Bulgaria	143.33
165	Lesotho	143.33
166	Pakistan	143.33
167	Russia	143.33
168	Swaziland	140
169	Georgia	136.67
170	Belarus	133.33
171	Turkmenistan	133.33
172	Armenia	123.33

173	Sudan	120
174	Ukraine	120
175	Moldova	116.67
176	Democratic Republic of the Congo	110
177	Zimbabwe	110
178	Burundi	100

Commentary:

European countries, such as [Denmark](#), [Iceland](#), [Finland](#), [Sweden](#), [Switzerland](#), [Austria](#) resided at the top of the ranking with highest levels of self-reported life satisfaction. Conversely, European countries such as [Latvia](#), [Lithuania](#), [Moldova](#), [Belarus](#) and [Ukraine](#) ranked low on the index. African countries such as Democratic Republic of Congo, [Zimbabwe](#) and [Burundi](#) found themselves at the very bottom of the ranking, and indeed, very few African countries could be found in the top 100. [Japan](#) was at the mid-way point in the ranking, however, other Asian countries such as [Brunei](#) and [Malaysia](#) were in the top tier, while [Pakistan](#) was close to the bottom with a low level of self-identified life satisfaction. As a region, the Middle East presented a mixed bag with Saudi Arabians reporting healthy levels of life satisfaction and Egyptians near the bottom of the ranking. As a region, Caribbean countries were ranked highly, consistently demonstrating high levels of life satisfaction. The findings showed that health was the most crucial determining factor in life satisfaction, followed by prosperity and education.

Source:

White, A. (2007). A Global Projection of Subjective Well-being: A Challenge To Positive Psychology? *Psychtalk* 56, 17-20. The data was extracted from a meta-analysis by Marks, Abdallah, Simms & Thompson (2006).

Uploaded:

Based on study noted above in "Source" ; reviewed in 2015

Happy Planet Index

Happy Planet Index

The Happy Planet Index (HPI) is used to measure human well-being in conjunction with environmental impact. The HPI has been compiled since 2006 by the New Economics Foundation. The index is a composite of several indicators including subjective life satisfaction, life expectancy at birth, and ecological footprint per capita.

As noted by NEFA, the HPI "reveals the ecological efficiency with which human well-being is delivered." Indeed, the index combines environmental impact with human well-being to measure the environmental efficiency with which, country by country, people live long and happy lives. The countries ranked highest by the HPI are not necessarily the ones with the happiest people overall, but the ones that allow their citizens to live long and fulfilling lives, without negatively impacting this opportunity for either future generations or citizens of other countries. Accordingly, a country like the [United States](#) will rank low on this list due to its large per capital ecological footprint, which uses more than its fair share of resources, and will likely cause planetary damage.

It should be noted that the HPI was designed to be a counterpoint to other well-established indices of countries' development, such as Gross Domestic Product (GDP), which measures overall national wealth and economic development, but often obfuscates the realities of countries with stark variances between the rich and the poor. Moreover, the objective of most of the world's people is not to be wealthy but to be happy. The HPI also differs from the [Human Development Index](#) (HDI), which measures quality of life but not ecology, since it [HPI] also includes sustainability as a key indicator.

Rank	Country	HPI
1	Costa Rica	76.1
2	Dominican Republic	71.8
3	Jamaica	70.1

4	Guatemala	68.4
5	Vietnam	66.5
6	Colombia	66.1
7	Cuba	65.7
8	El Salvador	61.5
9	Brazil	61.0
10	Honduras	61.0
11	Nicaragua	60.5
12	Egypt	60.3
13	Saudi Arabia	59.7
14	Philippines	59.0
15	Argentina	59.0
16	Indonesia	58.9
17	Bhutan	58.5
18	Panama	57.4
19	Laos	57.3
20	China	57.1
21	Morocco	56.8

22	Sri Lanka	56.5
23	Mexico	55.6
24	Pakistan	55.6
25	Ecuador	55.5
26	Jordan	54.6
27	Belize	54.5
28	Peru	54.4
29	Tunisia	54.3
30	Trinidad and Tobago	54.2
31	Bangladesh	54.1
32	Moldova	54.1
33	Malaysia	54.0
34	Tajikistan	53.5
35	India	53.0
36	Venezuela	52.5
37	Nepal	51.9
38	Syria	51.3
39	Burma	51.2

40	Algeria	51.2
41	Thailand	50.9
42	Haiti	50.8
43	Netherlands	50.6
44	Malta	50.4
45	Uzbekistan	50.1
46	Chile	49.7
47	Bolivia	49.3
48	Armenia	48.3
49	Singapore	48.2
50	Yemen	48.1
51	Germany	48.1
52	Switzerland	48.1
53	Sweden	48.0
54	Albania	47.9
55	Paraguay	47.8
56	Palestinian Authority	47.7
57	Austria	47.7

58	Serbia	47.6
59	Finland	47.2
60	Croatia	47.2
61	Kyrgyzstan	47.1
62	Cyprus	46.2
63	Guyana	45.6
64	Belgium	45.4
65	Bosnia and Herzegovina	45.0
66	Slovenia	44.5
67	Israel	44.5
68	South Korea	44.4
69	Italy	44.0
70	Romania	43.9
71	France	43.9
72	Georgia	43.6
73	Slovakia	43.5
74	United Kingdom	43.3
75	Japan	43.3

76	Spain	43.2
77	Poland	42.8
78	Ireland	42.6
79	Iraq	42.6
80	Cambodia	42.3
81	Iran	42.1
82	Bulgaria	42.0
83	Turkey	41.7
84	Hong Kong	41.6
85	Azerbaijan	41.2
86	Lithuania	40.9
87	Djibouti	40.4
88	Norway	40.4
89	Canada	39.4
90	Hungary	38.9
91	Kazakhstan	38.5
92	Czech Republic	38.3
93	Mauritania	38.2

94	Iceland	38.1
95	Ukraine	38.1
96	Senegal	38.0
97	Greece	37.6
98	Portugal	37.5
99	Uruguay	37.2
100	Ghana	37.1
101	Latvia	36.7
102	Australia	36.6
103	New Zealand	36.2
104	Belarus	35.7
105	Denmark	35.5
106	Mongolia	35.0
107	Malawi	34.5
108	Russia	34.5
109	Chad	34.3
110	Lebanon	33.6
111	Macedonia	32.7

112	Republic of the Congo	32.4
113	Madagascar	31.5
114	United States	30.7
115	Nigeria	30.3
116	Guinea	30.3
117	Uganda	30.2
118	South Africa	29.7
119	Rwanda	29.6
120	Democratic Republic of the Congo	29.0
121	Sudan	28.5
122	Luxembourg	28.5
123	United Arab Emirates	28.2
124	Ethiopia	28.1
125	Kenya	27.8
126	Cameroon	27.2
127	Zambia	27.2
128	Kuwait	27.0
129	Niger	26.9

130	Angola	26.8
131	Estonia	26.4
132	Mali	25.8
133	Mozambique	24.6
134	Benin	24.6
135	Togo	23.3
136	Sierra Leone	23.1
137	Central African Republic	22.9
138	Burkina Faso	22.4
139	Burundi	21.8
140	Namibia	21.1
141	Botswana	20.9
142	Tanzania	17.8
143	Zimbabwe	16.6

Source: This material is derived from the Happy Planet Index issued by the New Economics Foundation (NEF).

Methodology: The methodology for the calculations can be found at URL: <http://www.happyplanetindex.org/>

Status of Women

Gender Related Development Index (GDI) Rank:

38th out of 140

Gender Empowerment Measure (GEM) Rank:

61st out of 80

Female Population:

8.2 million

Female Life Expectancy at birth:

80 years

Total Fertility Rate:

2.4

Maternal Mortality Ratio (2000):

31

Total Number of Women Living with HIV/AIDS:

4,000-16,000

Ever Married Women, Ages 15-19 (%):

12%

Mean Age at Time of Marriage:

23

Contraceptive Use Among Married Women, Any Method (%):

N/A

Female Adult Literacy Rate:

95.6%

Combined Female Gross enrollment ratio for Primary, Secondary and Tertiary schools:

93%

Female-Headed Households (%):

25%

Economically Active Females (%):

39%

Female Contributing Family Workers (%):

N/A

Female Estimated Earned Income:

\$5,753

Seats in Parliament held by women (%):

Lower or Single House: 12.5%

Upper House or Senate: 4.2%

Year Women Received the Right to Vote:

1931 (partial recognition)

1949 (full recognition)

Year Women Received the Right to Stand for Election:

1931 (partial recognition)

1949 (full recognition)

*The Gender Development Index (GDI) is a composite index which measures the average achievement in a country. While very similar to the Human Development Index in its use of the same variables, the GDI adjusts the average achievement of each country in terms of life expectancy, enrollment in schools, income, and literacy in accordance to the disparities between males and females.

*The Gender Empowerment Measure (GEM) is a composite index measuring gender inequality in three of the basic dimensions of empowerment; economic participation and decision-making, political participation and decision-making, and power over economic resources.

*Total Fertility Rate (TFR) is defined as the average number of babies born to women during their reproductive years. A TFR of 2.1 is considered the replacement rate; once a TFR of a population reaches 2.1 the population will remain stable assuming no immigration or emigration takes place. When the TFR is greater than 2.1 a population will increase and when it is less than 2.1 a population will eventually decrease, although due to the age structure of a population it will take years before a low TFR is translated into lower population.

*Maternal Mortality Rate is the number of deaths to women per 100,000 live births that resulted from conditions related to pregnancy and or delivery related complications.

*Economically Active Females are the share of the female population, ages 15 and above, whom supply, or are able to supply, labor for the production of goods and services.

*Female Contributing Family Workers are those females who work without pay in an economic enterprise operated by a relative living in the same household.

*Estimated Earned Income is measured according to Purchasing Power Parity (PPP) in US dollars.

Global Gender Gap Index

Global Gender Gap Index

Editor's Note:

The Global Gender Gap Index by the World Economic Forum ranks most of the world's countries in terms of the division of resources and opportunities among males and females. Specifically, the ranking assesses the gender inequality gap in these four arenas:

1. Economic participation and opportunity (salaries and high skilled employment participation levels)
2. Educational attainment (access to basic and higher level education)
3. Political empowerment (representation in decision-making structures)
4. Health and survival (life expectancy and sex ratio)

	2010 rank	2010 score	2010 rank among 2009 countries	2009 rank	2009 score	2008 rank	2008 score	2007 rank
Country								
Iceland	1	0.8496	1	1	0.8276	4	0.7999	4
Norway	2	0.8404	2	3	0.8227	1	0.8239	2
Finland	3	0.8260	3	2	0.8252	2	0.8195	3
Sweden	4	0.8024	4	4	0.8139	3	0.8139	1
New Zealand	5	0.7808	5	5	0.7880	5	0.7859	5
Ireland	6	0.7773	6	8	0.7597	8	0.7518	9
Denmark	7	0.7719	7	7	0.7628	7	0.7538	8
Lesotho	8	0.7678	8	10	0.7495	16	0.7320	26

Philippines	9	0.7654	9	9	0.7579	6	0.7568	6
Switzerland	10	0.7562	10	13	0.7426	14	0.7360	40
Spain	11	0.7554	11	17	0.7345	17	0.7281	10
South Africa	12	0.7535	12	6	0.7709	22	0.7232	20
Germany	13	0.7530	13	12	0.7449	11	0.7394	7
Belgium	14	0.7509	14	33	0.7165	28	0.7163	19
United Kingdom	15	0.7460	15	15	0.7402	13	0.7366	11
Sri Lanka	16	0.7458	16	16	0.7402	12	0.7371	15
Netherlands	17	0.7444	17	11	0.7490	9	0.7399	12
Latvia	18	0.7429	18	14	0.7416	10	0.7397	13
United States	19	0.7411	19	31	0.7173	27	0.7179	31
Canada	20	0.7372	20	25	0.7196	31	0.7136	18
Trinidad and Tobago	21	0.7353	21	19	0.7298	19	0.7245	46
Mozambique	22	0.7329	22	26	0.7195	18	0.7266	43
Australia	23	0.7271	23	20	0.7282	21	0.7241	17
Cuba	24	0.7253	24	29	0.7176	25	0.7195	22
Namibia	25	0.7238	25	32	0.7167	30	0.7141	29

Luxembourg	26	0.7231	26	63	0.6889	66	0.6802	58
Mongolia	27	0.7194	27	22	0.7221	40	0.7049	62
Costa Rica	28	0.7194	28	27	0.7180	32	0.7111	28
Argentina	29	0.7187	29	24	0.7211	24	0.7209	33
Nicaragua	30	0.7176	30	49	0.7002	71	0.6747	90
Barbados	31	0.7176	31	21	0.7236	26	0.7188	n/a
Portugal	32	0.7171	32	46	0.7013	39	0.7051	37
Uganda	33	0.7169	33	40	0.7067	43	0.6981	50
Moldova	34	0.7160	34	36	0.7104	20	0.7244	21
Lithuania	35	0.7132	35	30	0.7175	23	0.7222	14
Bahamas	36	0.7128	36	28	0.7179	n/a	n/a	n/a
Austria	37	0.7091	37	42	0.7031	29	0.7153	27
Guyana	38	0.7090	38	35	0.7108	n/a	n/a	n/a
Panama	39	0.7072	39	43	0.7024	34	0.7095	38
Ecuador	40	0.7072	40	23	0.7220	35	0.7091	44
Kazakhstan	41	0.7055	41	47	0.7013	45	0.6976	32
Slovenia	42	0.7047	42	52	0.6982	51	0.6937	49
Poland	43	0.7037	43	50	0.6998	49	0.6951	60

Jamaica	44	0.7037	44	48	0.7013	44	0.6980	39
Russian Federation	45	0.7036	45	51	0.6987	42	0.6994	45
France	46	0.7025	46	18	0.7331	15	0.7341	51
Estonia	47	0.7018	47	37	0.7094	37	0.7076	30
Chile	48	0.7013	48	64	0.6884	65	0.6818	86
Macedonia, FYR	49	0.6996	49	53	0.6950	53	0.6914	35
Bulgaria	50	0.6983	50	38	0.7072	36	0.7077	25
Kyrgyz Republic	51	0.6973	51	41	0.7058	41	0.7045	70
Israel	52	0.6957	52	45	0.7019	56	0.6900	36
Croatia	53	0.6939	53	54	0.6944	46	0.6967	16
Honduras	54	0.6927	54	62	0.6893	47	0.6960	68
Colombia	55	0.6927	55	56	0.6939	50	0.6944	24
Singapore	56	0.6914	56	84	0.6664	84	0.6625	77
Thailand	57	0.6910	57	59	0.6907	52	0.6917	52
Greece	58	0.6908	58	85	0.6662	75	0.6727	72
Uruguay	59	0.6897	59	57	0.6936	54	0.6907	78
Peru	60	0.6895	60	44	0.7024	48	0.6959	75

China	61	0.6881	61	60	0.6907	57	0.6878	73
Botswana	62	0.6876	62	39	0.7071	63	0.6839	53
Ukraine	63	0.6869	63	61	0.6896	62	0.6856	57
Venezuela	64	0.6863	64	69	0.6839	59	0.6875	55
Czech Republic	65	0.6850	65	74	0.6789	69	0.6770	64
Tanzania	66	0.6829	66	73	0.6797	38	0.7068	34
Romania	67	0.6826	67	70	0.6805	70	0.6763	47
Malawi	68	0.6824	68	76	0.6738	81	0.6664	87
Paraguay	69	0.6804	69	66	0.6868	100	0.6379	69
Ghana	70	0.6782	70	80	0.6704	77	0.6679	63
Slovak Republic	71	0.6778	71	68	0.6845	64	0.6824	54
Vietnam	72	0.6776	72	71	0.6802	68	0.6778	42
Dominican Republic	73	0.6774	73	67	0.6859	72	0.6744	65
Italy	74	0.6765	74	72	0.6798	67	0.6788	84
Gambia, The	75	0.6762	75	75	0.6752	85	0.6622	95
Bolivia	76	0.6751	76	82	0.6693	80	0.6667	80

Brueni Darussalem	77	0.6748	77	94	0.6524	99	0.6392	n/a
Albania	78	0.6726	78	91	0.6601	87	0.6591	66
Hungary	79	0.6720	79	65	0.6879	60	0.6867	61
Madagascar	80	0.6713	80	77	0.6732	74	0.6736	89
Angola	81	0.6712	81	106	0.6353	114	0.6032	110
Bangladesh	82	0.6702	82	93	0.6526	90	0.6531	100
Malta	83	0.6695	83	88	0.6635	83	0.6634	76
Armenia	84	0.6669	84	90	0.6619	78	0.6677	71
Brazil	85	0.6655	85	81	0.6695	73	0.6737	74
Cyprus	86	0.6642	86	79	0.6706	76	0.6694	82
Indonesia	87	0.6615	87	92	0.6580	93	0.6473	81
Georgia	88	0.6598	88	83	0.6680	82	0.6654	67
Tajikistan	89	0.6598	89	86	0.6661	89	0.6541	79
El Salvador	90	0.6596	90	55	0.6939	58	0.6875	48
Mexico	91	0.6577	91	98	0.6503	97	0.6441	93
Zimbabwe	92	0.6574	92	95	0.6518	92	0.6485	88
Belize	93	0.6536	93	87	0.6636	86	0.6610	94
Japan	94	0.6524	94	101	0.6447	98	0.6434	91

Mauritius	95	0.6520	95	96	0.6513	95	0.6466	85
Kenya	96	0.6499	96	97	0.6512	88	0.6547	83
Cambodia	97	0.6482	97	104	0.6410	94	0.6469	98
Malaysia	98	0.6479	98	100	0.6467	96	0.6442	92
Maldives	99	0.6452	99	99	0.6482	91	0.6501	99
Azerbaijan	100	0.6446	100	89	0.6626	61	0.6856	59
Senegal	101	0.6414	101	102	0.6427	n/a	n/a	n/a
Suriname	102	0.6407	102	78	0.6726	79	0.6674	56
United Arab Emirates	103	0.6397	103	112	0.6198	105	0.6220	105
Korea, Rep.	104	0.6342	104	115	0.6146	108	0.6154	97
Kuwait	105	0.6318	105	105	0.6356	101	0.6358	96
Zambia	106	0.6293	106	107	0.6310	106	0.6205	101
Tunisia	107	0.6266	107	109	0.6233	103	0.6295	102
Fiji	108	0.6256	108	103	0.6414	n/a	n/a	n/a
Guatemala	109	0.6238	109	111	0.6209	112	0.6072	106
Bahrain	110	0.6217	110	116	0.6136	121	0.5927	115
Burkina Faso	111	0.6162	111	120	0.6081	115	0.6029	117

India	112	0.6155	112	114	0.6151	113	0.6060	114
Mauritania	113	0.6152	113	119	0.6103	110	0.6117	111
Cameroon	114	0.6110	114	118	0.6108	117	0.6017	116
Nepal	115	0.6084	115	110	0.6213	120	0.5942	125
Lebanon*	116	0.6084	n/a	n/a	n/a	n/a	n/a	n/a
Qatar	117	0.6059	116	125	0.5907	119	0.5948	109
Nigeria	118	0.6055	117	108	0.6280	102	0.6339	107
Algeria	119	0.6052	118	117	0.6119	111	0.6111	108
Jordan	120	0.6048	119	113	0.6182	104	0.6275	104
Ethiopia	121	0.6019	120	122	0.5948	122	0.5867	113
Oman	122	0.5950	121	123	0.5938	118	0.5960	119
Iran	123	0.5933	122	128	0.5839	116	0.6021	118
Syria	124	0.5926	123	121	0.6072	107	0.6181	103
Egypt	125	0.5899	124	126	0.5862	124	0.5832	120
Turkey	126	0.5876	125	129	0.5828	123	0.5853	121
Morocco	127	0.5767	126	124	0.5926	125	0.5757	122
Benin	128	0.5719	127	131	0.5643	126	0.5582	123
Saudi Arabia	129	0.5713	128	130	0.5651	128	0.5537	124

Côte d'Ivoire*	130	0.5691	n/a	n/a	n/a	n/a	n/a	n/a
Mali	131	0.5680	129	127	0.5860	109	0.6117	112
Pakistan	132	0.5465	130	132	0.5458	127	0.5549	126
Chad	133	0.5330	131	133	0.5417	129	0.5290	127
Yemen	134	0.4603	132	134	0.4609	130	0.4664	128
Belarus	n/a	n/a	n/a	34	0.7141	33	0.7099	23
Uzbekistan	n/a	n/a	n/a	58	0.6913	55	0.6906	41

*new country 2010

Commentary:

According to the report's index, Nordic countries, such as [Iceland](#), [Norway](#), [Finland](#), and [Sweden](#) have continued to dominate at the top of the ranking for gender equality. Meanwhile, [France](#) has seen a notable decline in the ranking, largely as a result of decreased number of women holding ministerial portfolios in that country. In the Americas, the [United States](#) has risen in the ranking to top the region, predominantly as a result of a decreasing wage gap, as well as higher number of women holding key positions in the current Obama administration. [Canada](#) has continued to remain as one of the top ranking countries of the Americas, followed by the small Caribbean island nation of Trinidad and Tobago, which has the distinction of being among the top three countries of the Americans in the realm of gender equality. [Lesotho](#) and South African ranked highly in the index, leading not only among African countries but also in global context. Despite [Lesotho](#) still lagging in the area of life expectancy, its high ranking was attributed to high levels of female participation in the labor force and female literacy. The [Philippines](#) and [Sri Lanka](#) were the top ranking countries for gender equality for Asia, ranking highly also in global context. The [Philippines](#) has continued to show strong performance in all strong performance on all four dimensions (detailed above) of the index. Finally, in the Arab world, the [United Arab Emirates](#)

held the highest-rank within that region of the world; however, its placement near the bottom of the global list highlights the fact that Arab countries are generally poor performers when it comes to the matter of gender equality in global scope.

Source:

This data is derived from the latest edition of The Global Gender Gap Report by the World Economic Forum.

Available at URL:

<http://www.weforum.org/en/Communities/Women%20Leaders%20and%20Gender%20Parity/Gende>

Updated:

Based on latest available data as set forth in chart; reviewed in 2014

Culture and Arts

Etiquette

Cultural Dos and Taboos

1. With regard to greetings, men generally shake hands with other men; close friends may also pat each other on the back or hug. Women usually do not shake hands, although in professional settings, women may initiate a handshake (men should not allow women to initiate handshakes). Among female friends, greetings usually constitute a gentle kiss on the right cheek. Women may kiss female friends lightly on the right cheek. In social situations, one should greet and shake hands with each person individually.

2. Chileans do not usually use professional titles unless they are medical doctors, however, one

should still retain proper and formal forms of address such as Mr., Mrs., or Ms. (*Senor, Senora, or Senorita*) until invited to use his or her first name.

3. Personal body space is much closer in Chile than in other parts of the world, and Chileans may even converse with a hand on the other person's back or shoulder. Try to accept this difference even if it makes you feel somewhat uncomfortable.

4. Chile is still a male-centered society. Nevertheless, Chilean women are increasingly becoming more involved and accepted in the workplace, and female visitors should expect few gender-oriented problems in the professional realm. Business women from other countries should behave in a highly professional, appropriate, and non-confrontational manner.

5. In general Chileans are non-confrontational people, preferring modest, kind and respectful behavior. In this regard they are not similar to more flamboyant Latin cultures. Try to engage with Chileans in an equally contained manner.

6. Chileans are status conscious and in business especially, adhering to standards of hierarchy is to be expected. Things do not function entirely along a top-down continuum either. The lateral dimension, exemplified by personal relationships, is also a vital aspect of Chilean culture. Nothing is accomplished unless good rapport has been established and that quality of connection takes time. Another aspect of the lateral dimension is exemplified by the importance of contacts and introductions. Having a good local sponsor is vital. Visitors should learn how to cultivate an understanding for both the hierarchical and the lateral aspects of the culture and social structure.

7. At dinner parties, excellent table manners are expected. Try to follow Western or European standards. In brief, be sure to retain use of the fork in the left hand and the knife in the right hand, keep your hands on the table and your elbows off the table, pour wine using the right hand, begin eating when everyone has their food in front of them, and try to sample all foods placed in front of you.

8. In conversation, avoid controversial topics such as local politics, human rights violations - especially in regard to Chile's record, or religion. Even if locals discuss these issues freely, some restraint is advised unless you are well versed on the issues. Suggested alternative topics include historical, and economic issues, culture, travel and sports. Local sightseeing and wines are also good subjects of conversation.

9. Gestures to avoid include slapping your right fist into your open left arm (considered obscene) and an open palm with the fingers spread (denotes stupidity).

10. Although most entertaining is done in public venues such as hotels and restaurants (be sure to choose venues with good reputations if you are the host), if you are invited to the home of a

Chilean, note that can take flowers or chocolates to the hostess, although it is not required. A thank you note is not required either, although a thank you conversation over the telephone is a nice gesture.

11. Punctuality is expected in business but some lag time is expected in social events stretching from 15 minutes to half an hour depending on whether the event is a dinner or party respectively.

12. Business attire in Chile is traditional. Men should stick to dark suits with white shirts and conservative ties. Women should also wear suits as well as heeled shoes. Although women wear makeup and jewelry, loud and lurid colors should be avoided, and jewelry should be high quality and not appear to be flashy or garish. Generally, Chileans are fashionable in the classic sense of the term. In social settings, suits and cocktail dresses are the norm. In casual settings, pants, jeans or skirts with shirts or blouses are acceptable; shorts should remain on the beach. Be sure to bring warmer clothing for higher altitudes.

Travel Information

Please Note: This is a generalized travel guide and it is intended to coalesce several resources, which a traveler might find useful, regardless of a particular destination. As such, it does not include travel warnings for specific "hot spot" destinations.

For travel alerts and warnings, please see the United States Department of State's listings available at URL:

<http://travel.state.gov/content/passports/english/alertswarnings.html>

Please note that travel to the following countries, based on these warnings, is ill-advised, or should be undertaken with the utmost precaution:

Afghanistan, Algeria, Burundi, Cameroon, Central African Republic, Chad, Colombia, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Ethiopia, Guinea, Honduras, Iraq, Iran, Lebanon, Liberia, Libya, Mali, Mauritania, Mexico, Nepal, Niger, Nigeria, North Korea, Pakistan, Palestinian Territories of West Bank and Gaza, Philippines areas of Sulu Archipelago, Mindanao, and southern Sulu Sea, Saudi Arabia, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Ukraine, Venezuela, and Yemen.

International Travel Guide

Checklist for Travelers

- 1.** Take out travel insurance to cover hospital treatment or medical evacuation. Overseas medical costs are expensive to most international travelers, where one's domestic, nationalized or even private health insurance plans will not provide coverage outside one's home country. Learn about "reciprocal insurance plans" that some international health care companies might offer.
- 2.** Make sure that one's travel insurance is appropriate. If one intends to indulge in adventurous activities, such as parasailing, one should be sure that one is fully insured in such cases. Many traditional insurance policies do not provide coverage in cases of extreme circumstances.
- 3.** Take time to learn about one's destination country and culture. Read and learn about the place one is traveling. Also check political, economic and socio-cultural developments at the destination by reading country-specific travel reports and fact sheets noted below.
- 4.** Get the necessary visas for the country (or countries) one intends to visit - but be aware that a visa does not guarantee entry. A number of useful sites regarding visa and other entry requirements are noted below.
- 5.** Keep in regular contact with friends and relatives back at home by phone or email, and be sure to leave a travel itinerary.
- 6.** Protect one's personal information by making copies of one's passport details, insurance policy, travelers checks and credit card numbers. Taking copies of such documents with you, while leaving another collection copies with someone at home is also good practice for travelers. Taking copies of one's passport photograph is also recommended.
- 7.** Stay healthy by taking all possible precautions against illness. Also, be sure to take extra supplies of prescription drugs along for the trip, while also taking time to pack general pharmaceutical supplies, such as aspirin and other such painkillers, bandages, stomach ailment medication, anti-inflammatory medication and anti-bacterial medication.
- 8.** Do not carry illicit drugs. Understand that the punishment for possession or use of illegal drugs in some countries may be capital punishment. Make sure your prescription drugs are legal in the countries you plan to visit.

- 9.** Know the laws of one's destination country and culture; be sure to understand the repercussions of breaking those laws and regulations. Often the transparency and freedoms of the juridical system at home is not consistent with that of one's destination country. Become aware of these complexities and subtleties before you travel.
- 10.** For longer stays in a country, or where the security situation is volatile, one should register one's self and traveling companions at the local embassy or consulate of one's country of citizenship.
- 11.** Women should take care to be prepared both culturally and practically for traveling in a different country and culture. One should be sure to take sufficient supplies of personal feminine products and prescription drugs. One should also learn about local cultural standards for women, including norms of dressing. Be aware that it is simply inappropriate and unsafe for women to travel alone in some countries, and take the necessary precautions to avoid risk-filled situations.
- 12.** If one is traveling with small children, one should pack extra supplies, make arrangements with the travel carrier for proper seating that would adequately accommodate children, infants or toddlers. Note also that whether one is male or female, traveling with children means that one's hands are thus not free to carry luggage and bags. Be especially aware that this makes one vulnerable to pickpockets, thieves and other sorts of crime.
- 13.** Make proper arrangements for accommodations, well in advance of one's arrival at a destination. Some countries have limited accommodation, while others may have culturally distinctive facilities. Learning about these practicalities before one travels will greatly aid the enjoyment of one's trip.
- 14.** Travel with different forms of currency and money (cash, traveler's checks and credit cards) in anticipation that venues may not accept one or another form of money. Also, ensuring that one's financial resources are not contained in one location, or by one person (if one is traveling with others) can be a useful measure, in the event that one loses a wallet or purse.
- 15.** Find out about transportation in the destination country. In some places, it might be advisable to hire a local driver or taxi guide for safety reasons, while in other countries, enjoying one's travel experience may well be enhanced by renting a vehicle and seeing the local sights and culture independently. Costs may also be prohibitive for either of these choices, so again, prior planning is suggested.

Tips for Travelers

A passport is required to enter Chile.

In an effort to prevent international child abduction, many governments have initiated procedures at entry/exit points. These often include requiring documentary evidence of relationship and permission for the child's travel from the parent(s) or legal guardian not present.

Dependent children under age 18 (including the children of divorced parents) arriving in Chile alone, with one parent, or in someone else's custody, are required to present a letter notarized before a Chilean consular officer certifying that both parents agree to their travel. To exit Chile, children traveling under one of these scenarios must present either the notarized letter used to enter the country or a letter of authorization signed before a Chilean notary if executed in Chile. In either case, the document presented must be executed not more than three months prior to entry or departure.

Travelers considering scientific, technical, or mountaineering activities in areas classified as frontier areas are required to obtain authorization from the Chilean government at least 90 days prior to the beginning of the expedition. The portions of Antarctica claimed by Chile are exempt from these pre-approval requirements. Officials at the Torres del Paine National Park require mountain climbers to present an authorization granted by the Frontiers and Border Department, obtainable at the Chilean Embassy or Chilean consulates.

There are no known threats directed specifically against foreign citizens visiting or residing in Chile. Traditionally, September 11-18 is an active period for public demonstrations. Violent political, labor, or student protests can occur at other times also, often near government buildings in Santiago and Valparaiso or in the vicinity of major universities. Regardless of when or where such assemblies occur, American citizens traveling or residing in Chile are advised to take common-sense precautions and avoid any large gatherings or any other event where crowds have congregated to demonstrate or protest.

There are credible reports that land mines may pose a danger to hikers in remote sections of several popular national reserves and parks near northern border areas, including Lauca and Llullaillaco National Parks, Salar de Surire National Monument, and Los Flamencos National Reserve. Visitors should check with park authorities before entering less-traveled areas and observe all warning signs. There are also demarcated land mine fields in the Magallanes region of southern Chile, between Punta Arenas and the Torres del Paine National Park, and on Tierra del Fuego, which should be strictly avoided.

Street crime is a problem in metropolitan Santiago in general and specifically in the city center. One should be particularly alert while walking in the downtown area, especially in the late afternoon, after dark, or on weekends, even in well-traveled areas. In Santiago and other large Chilean cities, thieves thrive on crowds on the street during rush hour and aboard public transportation.

Petty crime is also prevalent at crowded tourist locations, at Metro (subway) stations, on trains and buses, and occasionally in taxis. Persons wearing expensive-looking jewelry or carrying luggage or cameras are favorite targets for pickpockets and purse snatchers. Bags and briefcases may be stolen from chairs in restaurants and outdoor cafes. Outside Santiago, robberies and assaults have occurred most frequently in the Vina del Mar and Valparaiso areas, which become increasingly crowded during the height of the Chilean summer season (December through March).

The loss or theft abroad of a passport should be reported immediately to the local police and your nearest embassy or consulate.

Medical care, while generally good, may not meet North American standards, particularly in remote areas. Although emergency rooms in some major hospitals accept credit cards, many doctors and hospitals in Chile expect immediate cash payment for health services.

It is recommended that you consult with your medical insurance company prior to traveling abroad to confirm whether their policy applies overseas and if it will cover emergency expenses such as a medical evacuation. Many travel agents and private companies offer insurance plans that will cover health care expenses incurred overseas, including emergency services such as medical evacuations.

Uninsured travelers who require medical care overseas often face extreme difficulties, whereas travelers who have purchased overseas medical insurance have found it to be life-saving, when a medical emergency has occurred. When consulting with your insurer prior to your trip, please ascertain whether payment will be made to the overseas healthcare provider or whether you will be reimbursed later for expenses that you incur. Some insurance policies also include coverage for psychiatric treatment and for disposition of remains in the event of death.

In-country medical evacuations from outlying areas to Santiago cost \$2,000 (U.S.) or more. For travelers to the Antarctic and/or Easter Island, additional insurance to cover the cost of air evacuation specifically from those remote regions is strongly recommended. In the event of illness, injury, or even death, the cost of evacuation from the Antarctic region can exceed \$90,000 (U.S.).

While in a foreign country, you encounter road conditions that differ significantly from those in your country. Information below concerning Chile is provided for general reference only, and may not be totally accurate in a particular location or circumstance.

Safety of Public Transportation: Fair

Urban Road Conditions/Maintenance: Good

Rural Road Conditions/Maintenance: Fair

Availability of Roadside/Ambulance Assistance: Fair

Driving is on the right-hand side of the road. Although major roads in Chile are generally in good

condition, secondary roads are sometimes poorly maintained and/or poorly lighted. At night, heavy fog conditions in rural areas have led to multiple-vehicle accidents with occasional deaths and injuries. Care should be exercised while driving in the mountains because the roads tend to have many tight switchbacks and rarely have guardrails. Many major highways in Chile are toll roads; drivers should carry a sufficient amount of local currency to cover the tolls.

In Santiago: Care should be exercised when changing lanes or merging because Chilean drivers do not signal lane changes and rarely yield to merging traffic. Buses are especially aggressive in moving from lane to lane. Traffic jams during peak hours in downtown Santiago and other areas are common. Taxis are plentiful and relatively inexpensive. Drivers should drive with car doors locked at all times, especially in the southern parts of the city and near the airport, as there have been reports of thieves entering cars stopped at traffic lights or moving in slow traffic.

Santiago anti-pollution measures call for certain major arteries to switch directions during morning and evening rush hours. Visitors to Santiago should obtain up-to-date information on these changes from their auto rental company or the Chilean Automobile Association (please see below).

Driving under the influence of alcohol in Chile is severely penalized, and it can lead to incarceration if the driver is involved in an accident.

While in a foreign country, you are subject to that country's laws and regulations. Penalties for breaking the law can be more severe in Chile than in your country for similar offenses. Persons violating Chile's laws, even unknowingly, may be expelled, arrested or imprisoned. Penalties for possession, use, or trafficking in illegal drugs in Chile are strict, and convicted offenders can expect jail sentences and heavy fines.

Chile is an earthquake-prone country.

Note: This information is directly quoted from the United States Department of State Consular Information Sheet.

Sources: *United States Department of State Consular Information Sheet*

Business Culture: Information for Business Travelers

Business people will find that business practices in Chile and North America are very similar. The business day usually begins at 9 a.m. and ends between 6 and 7 p.m. Lunch breaks usually begin at 1 p.m. and are an hour long, unless business is being conducted, in which case two to three-hour lunches are common. Although social occasions rarely begin at the indicated time, business meetings nearly always do.

Many Chilean business people are well-educated professionals who travel internationally and speak English. However, not all speak English, and foreign business people will often find the ability to speak Spanish very useful, if not an absolute must. Promotional literature should be in Spanish.

Sources: *United States Department of State Commercial Guides*

For general information on etiquette in Chile, see our Cultural Etiquette page.

Online Resources Regarding Entry Requirements and Visas

Foreign Entry Requirements for Americans from the United States Department of State

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html

Visa Services for Non-Americans from the United States Department of State

http://travel.state.gov/visa/visa_1750.html

Visa Bulletins from the United States Department of State

http://travel.state.gov/visa/frvi/bulletin/bulletin_1360.html

Visa Waivers from the United States Department of State

http://travel.state.gov/visa/temp/without/without_1990.html - new

Passport and Visa Information from the Government of the United Kingdom

<http://www.bia.homeoffice.gov.uk/>

Visa Information from the Government of Australia

<http://www.dfat.gov.au/visas/index.html>

Passport Information from the Government of Australia

<https://www.passports.gov.au/Web/index.aspx>

Passport Information from the Government of Canada

http://www.voyage.gc.ca/preparation_information/passport_passeport-eng.asp

Visa Information from the Government of Canada

http://www.voyage.gc.ca/preparation_information/visas-eng.asp

Online Visa Processing by Immigration Experts by VisaPro

<http://www.visapro.com>

Sources: United States Department of State, United Kingdom Foreign and Commonwealth Office, Government of Australia: Department of Foreign Affairs and Trade, Government of Canada Department of Foreign Affairs and International Trade

Useful Online Resources for Travelers

Country-Specific Travel Information from United States

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1765.html

Travel Advice by Country from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/>

General Travel Advice from Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/Advice/General>

Travel Bulletins from the Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/TravelBulletins/>

Travel Tips from Government of Australia

<http://www.smartraveller.gov.au/tips/index.html>

Travel Checklist by Government of Canada

http://www.voyage.gc.ca/preparation_information/checklist_sommaire-eng.asp

Travel Checklist from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/staying-safe/checklist>

Your trip abroad from United States Department of State

http://travel.state.gov/travel/tips/brochures/brochures_1225.html

A safe trip abroad from United States Department of State

http://travel.state.gov/travel/tips/safety/safety_1747.html

Tips for expatriates abroad from United States Department of State

http://travel.state.gov/travel/living/residing/residing_1235.html

Tips for students from United States Department of State

http://travel.state.gov/travel/living/studying/studying_1238.html <http://travel.state.gov/travel/tips/broch>

Medical information for travelers from United States Department of State

http://travel.state.gov/travel/tips/health/health_1185.html

US Customs Travel information

<http://www.customs.gov/xp/cgov/travel/>

Sources: United States Department of State; United States Customs Department, United Kingdom Foreign and Commonwealth Office, Foreign and Commonwealth Office, Government of Australia; Government of Canada: Department of Foreign Affairs and International Trade

Other Practical Online Resources for Travelers

Foreign Language Phrases for Travelers

<http://www.travlang.com/languages/>

<http://www.omniglot.com/language/phrases/index.htm>

World Weather Forecasts

<http://www.intellicast.com/>

<http://www.wunderground.com/>

<http://www.worldweather.org/>

Worldwide Time Zones, Map, World Clock

<http://www.timeanddate.com/>

<http://www.worldtimezone.com/>

International Airport Codes

<http://www.world-airport-codes.com/>

International Dialing Codes

<http://www.kropla.com/dialcode.htm>

<http://www.countrycallingcodes.com/>

International Phone Guide

<http://www.kropla.com/phones.htm>

International Mobile Phone Guide

<http://www.kropla.com/mobilephones.htm>

International Internet Café Search Engine

<http://cybercaptive.com/>

Global Internet Roaming

<http://www.kropla.com/roaming.htm>

World Electric Power Guide

<http://www.kropla.com/electric.htm>

<http://www.kropla.com/electric2.htm>

World Television Standards and Codes

<http://www.kropla.com/tv.htm>

International Currency Exchange Rates

<http://www.xe.com/ucc/>

Banking and Financial Institutions Across the World

<http://www.123world.com/banks/index.html>

International Credit Card or Automated Teller Machine (ATM) Locator

<http://visa.via.infonow.net/locator/global/>

<http://www.mastercard.com/us/personal/en/cardholderservices/atmlocations/index.html>

International Chambers of Commerce

<http://www.123world.com/chambers/index.html>

World Tourism Websites

<http://123world.com/tourism/>

Diplomatic and Consular Information

United States Diplomatic Posts Around the World

<http://www.usembassy.gov/>

United Kingdom Diplomatic Posts Around the World

<http://www.fco.gov.uk/en/about-the-fco/embassies-and-posts/find-an-embassy-overseas/>

Australia's Diplomatic Posts Around the World

<http://www.dfat.gov.au/missions/>

<http://www.dfat.gov.au/embassies.html>

Canada's Embassies and High Commissions

<http://www.international.gc.ca/ciw-cdm/embassies-ambassades.aspx>

Resources for Finding Embassies and other Diplomatic Posts Across the World

<http://www.escapeartist.com/embassy1/embassy1.htm>

Safety and Security

Travel Warnings by Country from Government of Australia

<http://www.smartraveller.gov.au/zw-cgi/view/Advice/>

Travel Warnings and Alerts from United States Department of State

http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html

http://travel.state.gov/travel/cis_pa_tw/pa/pa_1766.html

Travel Reports and Warnings by Government of Canada

http://www.voyage.gc.ca/countries_pays/menu-eng.asp

http://www.voyage.gc.ca/countries_pays/updates_mise-a-jour-eng.asp

Travel Warnings from Government of United Kingdom

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/>

<http://www.fco.gov.uk/en/travelling-and-living-overseas/travel-advice-by-country/?action=noTravelAll#noTravelAll>

Sources: United Kingdom Foreign and Commonwealth Office, the United States Department of State, the Government of Canada: Department of Foreign Affairs and International Trade, Government of Australia: Department of Foreign Affairs and Trade

Other Safety and Security Online Resources for Travelers

United States Department of State Information on Terrorism

<http://www.state.gov/s/ct/>

Government of the United Kingdom Resource on the Risk of Terrorism

<http://www.fco.gov.uk/servlet/Front?>

[pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926](http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1044011304926)

Government of Canada Terrorism Guide

<http://www.international.gc.ca/crime/terrorism-terrorisme.aspx?lang=eng>

Information on Terrorism by Government of Australia

<http://www.dfat.gov.au/icat/index.html>

FAA Resource on Aviation Safety

<http://www.faasafety.gov/>

In-Flight Safety Information for Air Travel (by British Airways crew trainer, Anna Warman)

<http://www.warman.demon.co.uk/anna/inflight.html>

Hot Spots: Travel Safety and Risk Information

<http://www.airsecurity.com/hotspots/HotSpots.asp>

Information on Human Rights

<http://www.state.gov/g/drl/hr/>

Sources: The United States Department of State, the United States Customs Department, the Government of Canada, the Government of United Kingdom, the Government of Australia, the Federal Aviation Authority, Anna Warman's In-flight Website, Hot Spots Travel and Risk Information

Diseases/Health Data

Please Note: Most of the entry below constitutes a generalized health advisory, which a traveler might find useful, regardless of a particular destination.

As a supplement, however, reader will also find below a list of countries flagged with current health notices and alerts issued by the Centers for Disease Control and Prevention (CDC).

Please note that travel to the following countries, based on these 3 levels of warnings, is

ill-advised, or should be undertaken with the utmost precaution:

Level 3 (highest level of concern; avoid non-essential travel) --

Guinea - Ebola
Liberia - Ebola
Nepal - Earthquake zone
Sierra Leone - Ebola

Level 2 (intermediate level of concern; use utmost caution during travel) --

Cameroon - Polio
Somalia - Polio
Vanuatu - Tropical Cyclone zone
Throughout Middle East and Arabia Peninsula - MERS ((Middle East Respiratory Syndrome)

Level 1 (standard level of concern; use practical caution during travel) -

Australia - Ross River disease
Bosnia-Herzegovina - Measles
Brazil - Dengue Fever
Brazil - Malaria
Brazil - Zika
China - H7N9 Avian flu
Cuba - Cholera
Egypt - H5N1 Bird flu
Ethiopia - Measles
Germany - Measles
Japan - Hand, foot, and mouth disease (HFMD)
Kyrgyzstan - Measles
Malaysia -Dengue Fever
Mexico - Chikungunya
Mexico - Hepatitis A
Nigeria - Meningitis
Philippines - Measles
Scotland - Mumps
Singapore - Hand, foot, and mouth disease (HFMD)
South Korea - MERS ((Middle East Respiratory Syndrome)
Throughout Caribbean - Chikungunya
Throughout Central America - Chikungunya

Throughout South America - Chikungunya
Throughout Pacific Islands - Chikungunya

For specific information related to these health notices and alerts please see the CDC's listing available at URL:

<http://wwwnc.cdc.gov/travel/notices>

Health Information for Travelers to Chile

Food and waterborne diseases are the number one cause of illness in travelers. Travelers' diarrhea can be caused by viruses, bacteria, or parasites, which are found throughout the region and can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli*, *Salmonella*, cholera, and parasites), fever (typhoid fever and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. (See below.)

Malaria is a preventable infection that can be fatal if left untreated. Prevent infection by taking prescription antimalarial drugs and protecting yourself against mosquito bites (see below). In Argentina, you are at risk for malaria only in northern rural areas bordering Bolivia and Paraguay. In Chile, the Falkland Islands, and Uruguay, there is no risk for malaria. Travelers to rural northern Argentina should take chloroquine to prevent malaria. For more detailed information about specific locations, see *Malaria in Temperate South America* (<http://www.cdc.gov/travel/regionalmalaria/temsam.htm>).

A certificate of yellow fever vaccination is not required for entry into the countries in this region. For detailed information, see *Comprehensive Yellow Fever Vaccination Requirements* (<http://www.cdc.gov/travel/yelfever.htm>).

Dengue, American trypanosomiasis (Chagas disease), and leishmaniasis are diseases carried by insects that also occur in this region. Protecting yourself against insect bites (see below) will help to prevent these diseases.

If you visit the Andes Mountains, ascend gradually to allow time for your body to adjust to the high altitude, which can cause insomnia, headaches, nausea, and altitude sickness. In addition, use sunblock rated at least 15 SPF, because the risk of sunburn is greater at high altitudes.

Because motor vehicle crashes are a leading cause of injury among travelers, walk and drive defensively. Avoid nighttime travel if possible and always use seat belts.

CDC Recommends the Following Vaccines (as Appropriate for Age):

See your doctor at least 4-6 weeks before your trip to allow time for immunizations to take effect.

- Hepatitis A or immune globulin (IG).
- Rabies, if you might be exposed to wild or domestic animals through your work or recreation.
- Typhoid, particularly if you are visiting developing countries in this region.
- Yellow fever vaccination is recommended only if you are traveling outside urban areas in Argentina.
- As needed, booster doses for tetanus-diphtheria and measles. Hepatitis B vaccine is now recommended for all infants and for children ages 11-12 years who did not complete the series as infants.

To Stay Healthy, Do:

- Wash hands often with soap and water.
- Drink only bottled or boiled water, or carbonated (bubbly) drinks in cans or bottles. Avoid tap water, fountain drinks, and ice cubes. If this is not possible, make water safer by BOTH filtering through an "absolute 1-micron or less" filter AND adding iodine tablets to the filtered water. "Absolute 1-micron filters" are found in camping/outdoor supply stores.
- Eat only thoroughly cooked food or fruits and vegetables you have peeled yourself. Remember: boil it, cook it, peel it, or forget it.
- If you will be visiting an area where there is risk for malaria, take your malaria prevention medication before, during, and after travel, as directed. (See your doctor for a prescription.)
- Protect yourself from insects by remaining in well-screened areas, using repellents (applied sparingly at 4-hour intervals) and permethrin-impregnated mosquito nets, and wearing long-sleeved shirts and long pants from dusk through dawn.
- To prevent fungal and parasitic infections, keep feet clean and dry, and do not go barefoot.
- Always use latex condoms to reduce the risk of HIV and other sexually transmitted diseases.

To Avoid Getting Sick:

- Don't eat food purchased from street vendors.
- Don't drink beverages with ice.
- Don't eat dairy products unless you know they have been pasteurized.
- Don't share needles with anyone.
- Don't handle animals (especially monkeys, dogs, and cats), to avoid bites and serious diseases (including rabies and plague).

What You Need To Bring with You:

- Long-sleeved shirt and long pants to wear while outside whenever possible, to prevent illnesses carried by insects (e.g., malaria, dengue, filariasis, leishmaniasis, and onchocerciasis).

- Insect repellent containing DEET (diethylmethyltoluamide), in 30%-35% strength for adults and 6%-10% for children. Travelers who are not staying in air-conditioned or well-screened housing should purchase a bed net impregnated with the insecticide permethrin. (Bed nets can be purchased in camping or military supply stores.)
- Over-the-counter antidiarrheal medicine to take if you have diarrhea.
- Iodine tablets and water filters to purify water if bottled water is not available. See Do's above for more detailed information about water filters.
- Sunblock, sunglasses, hat.
- Prescription medications: make sure you have enough to last during your trip, as well as a copy of the prescription(s).

After You Return Home:

If you have visited an area where there is risk for malaria, continue taking your malaria medication weekly for 4 weeks after you leave the area. If you become ill after travel-even as long as a year after your trip-tell your doctor the areas you have visited.

For More Information:

Ask your doctor or check the CDC web sites for more information about how to protect yourself against diseases that occur in Temperate South America, such as:

For information about diseases-

Carried by Insects
Dengue, Malaria

Carried in Food or Water
Cholera, *Escherichia coli*, diarrhea, Hepatitis A, Typhoid Fever

Person-to-Person Contact
Hepatitis B, HIV/AIDS

For more information about these and other diseases, please check the Diseases (<http://www.cdc.gov/travel/diseases.htm>) section and the Health Topics A - Z (<http://www.cdc.gov/health/diseases.htm>).

Note:

Chile is located in the temperate South America health region.

Sources:

The Center for Disease Control Destinations Website:

<http://www.cdc.gov/travel/destinat.htm>

Chapter 6

Environmental Overview

Environmental Issues

General Overview:

Because of its expanse of latitudinal area, Chile experiences very diverse geographic and climatic conditions. Its rich bio-diversity, a result of its diverse landscape and ecology, has not been cared for in the most optimum manner. Indeed, extractive processes and other measures of industrial development have managed to dangerously exploit the natural environment and species within. In this regard, Chile had had to develop a broad framework for addressing and resolving its environmental challenges.

Current Issues:

- air pollution, as a result of industrial and vehicle emissions
- water pollution, as a result of raw sewage
- deforestation and its concomitant effects
- loss of bio-diversity, as a consequence of deforestation
- soil erosion, as a consequence of deforestation
- desertification

Total Greenhouse Gas Emissions (Mtc):

21.0

Country Rank (GHG output):

53rd

Natural Hazards:

- severe earthquakes
- active volcanism
- tsunamis

Environmental Policy

Regulation and Jurisdiction:

The regulation and protection of the environment in Chile is under the jurisdiction of the following:

- The National Commission on the Environment
- Ministry of Agriculture
- Ministry of National Properties
- Ministry of Public Health
- The National Forestry Corporation

Major Non-Governmental Organizations:

- The Colegio de Ingenieros Forestales (Professional Association of Forest Engineers)
- The Fundación Claudio Gay/Claudia Gay Foundation
- The Red Nacional De Acción Ecologica (National Ecological Action Network)

International Environmental Accords:

Party to:

- Antarctic-Environmental Protocol
- Antarctic-Marine Living Resources
- Antarctic Seals
- Antarctic Treaty
- Biodiversity

- Climate Change
- Climate Change-Kyoto Protocol
- Desertification
- Endangered Species
- Environmental Modification
- Hazardous Wastes
- Law of the Sea
- Marine Dumping
- Nuclear Test Ban
- Ozone Layer Protection
- Ship Pollution
- Wetlands
- Whaling

Signed but not ratified:

- None

Kyoto Protocol Status (year ratified):

2002

Greenhouse Gas Ranking

Greenhouse Gas Ranking

GHG Emissions Rankings

Country Rank	Country
1	United States
2	China
4	Russia
5	Japan
6	India
7	Germany
8	United Kingdom
9	Canada
10	Korea, South
11	Italy
12	Mexico
13	France
14	South Africa
15	Iran
16	Indonesia
17	Australia

18	Spain
19	Brazil
20	Saudi Arabia
21	Ukraine
22	Poland
23	Taiwan
24	Turkey
25	Thailand
26	Netherlands
27	Kazakhstan
28	Malaysia
29	Egypt
30	Venezuela
31	Argentina
32	Uzbekistan
33	Czech Republic
34	Belgium
35	Pakistan

36	Romania
37	Greece
38	United Arab Emirates
39	Algeria
40	Nigeria
41	Austria
42	Iraq
43	Finland
44	Philippines
45	Vietnam
46	Korea, North
47	Israel
48	Portugal
49	Colombia
50	Belarus
51	Kuwait
52	Hungary
53	Chile

54	Denmark
55	Serbia & Montenegro
56	Sweden
57	Syria
58	Libya
59	Bulgaria
60	Singapore
61	Switzerland
62	Ireland
63	Turkmenistan
64	Slovakia
65	Bangladesh
66	Morocco
67	New Zealand
68	Oman
69	Qatar
70	Azerbaijan
71	Norway

72	Peru
73	Cuba
74	Ecuador
75	Trinidad & Tobago
76	Croatia
77	Tunisia
78	Dominican Republic
79	Lebanon
80	Estonia
81	Yemen
82	Jordan
83	Slovenia
84	Bahrain
85	Angola
86	Bosnia & Herzegovina
87	Lithuania
88	Sri Lanka
89	Zimbabwe

90	Bolivia
91	Jamaica
92	Guatemala
93	Luxembourg
94	Myanmar
95	Sudan
96	Kenya
97	Macedonia
98	Mongolia
99	Ghana
100	Cyprus
101	Moldova
102	Latvia
103	El Salvador
104	Brunei
105	Honduras
106	Cameroon
107	Panama

108	Costa Rica
109	Cote d'Ivoire
110	Kyrgyzstan
111	Tajikistan
112	Ethiopia
113	Senegal
114	Uruguay
115	Gabon
116	Albania
117	Nicaragua
118	Botswana
119	Paraguay
120	Tanzania
121	Georgia
122	Armenia
123	Congo, RC
124	Mauritius
125	Nepal

126	Mauritius
127	Nepal
128	Mauritania
129	Malta
130	Papua New Guinea
131	Zambia
132	Suriname
133	Iceland
134	Togo
135	Benin
136	Uganda
137	Bahamas
138	Haiti
139	Congo, DRC
140	Guyana
141	Mozambique
142	Guinea
143	Equatorial Guinea

144	Laos
145	Barbados
146	Niger
147	Fiji
148	Burkina Faso
149	Malawi
150	Swaziland
151	Belize
152	Afghanistan
153	Sierra Leone
154	Eritrea
155	Rwanda
156	Mali
157	Seychelles
158	Cambodia
159	Liberia
160	Bhutan
161	Maldives

162	Antigua & Barbuda
163	Djibouti
164	Saint Lucia
165	Gambia
166	Guinea-Bissau
167	Central African Republic
168	Palau
169	Burundi
170	Grenada
171	Lesotho
172	Saint Vincent & the Grenadines
173	Solomon Islands
174	Samoa
175	Cape Verde
176	Nauru
177	Dominica
178	Saint Kitts & Nevis
179	Chad

180	Tonga
181	Sao Tome & Principe
182	Comoros
183	Vanuatu
185	Kiribati
Not Ranked	Andorra
Not Ranked	East Timor
Not Ranked	Holy See
Not Ranked	Hong Kong
Not Ranked	Liechtenstein
Not Ranked	Marshall Islands
Not Ranked	Micronesia
Not Ranked	Monaco
Not Ranked	San Marino
Not Ranked	Somalia
Not Ranked	Tuvalu

* European Union is ranked 3rd

Cook Islands are ranked 184th

Niue is ranked 186th

Global Environmental Snapshot

Introduction

The countries of the world face many environmental challenges in common. Nevertheless, the nature and intensity of problem vary from region to region, as do various countries' respective capacities, in terms of affluence and infrastructure, to remediate threats to environmental quality.

Consciousness of perils affecting the global environment came to the fore in the last third or so of the 20th century has continued to intensify well into the new millennium. According to the United Nations Environment Programme, considerable environmental progress has been made at the level of institutional developments, international cooperation accords, and public participation. Approximately two-dozen international environmental protection accords with global implications have been promulgated since the late 1970s under auspices of the United Nations and other international organizations, together with many additional regional agreements. Attempts to address and rectify environmental problems take the form of legal frameworks, economic instruments, environmentally sound technologies and cleaner production processes as well as conservation efforts. Environmental impact assessments have increasingly been applied across the globe.

Environmental degradation affects the quality, or aesthetics, of human life, but it also displays potential to undermine conditions necessary for the sustainability of human life. Attitudes toward the importance of environmental protection measures reflect ambivalence derived from this bifurcation. On one hand, steps such as cleaning up pollution, dedicating parkland, and suchlike, are seen as embellishments undertaken by wealthy societies already assured they can successfully perform those functions deemed, ostensibly, more essential-for instance, public health and education, employment and economic development. On the other hand, in poorer countries, activities causing environmental damage-for instance the land degradation effects of unregulated logging, slash-and-burn agriculture, overgrazing, and mining-can seem justified insofar as such activities provide incomes and livelihoods.

Rapid rates of resource depletion are associated with poverty and high population growth, themselves correlated, whereas consumption per capita is much higher in the most developed countries, despite these nations' recent progress in energy efficiency and conservation. It is impossible to sequester the global environmental challenge from related economic, social and political challenges.

First-tier industrialized countries have recently achieved measurable decreases in environmental

pollution and the rate of resource depletion, a success not matched in middle income and developing countries. It is believed that the discrepancy is due to the fact that industrialized countries have more developed infrastructures to accommodate changes in environmental policy, to apply environmental technologies, and to invest in public education. The advanced industrialized countries incur relatively lower costs in alleviating environmental problems, in comparison to developing countries, since in the former even extensive environmental programs represent a rather minuscule percentage of total expenditures. Conversely, budget constraints, lagged provision of basic services to the population, and other factors such as debt service and militarization may preclude institution of minimal environmental protection measures in the poorest countries.

A synopsis for the current situation facing each region of the world follows:

Regional Synopsis: Africa

The African continent, the world's second-largest landmass, encompasses many of the world's least developed countries. By global standards, urbanization is comparatively low but rising at a rapid rate. More heavily industrialized areas at the northern and southern ends of the continent experience the major share of industrial pollution. In other regions the most serious environmental problems typically stem from inefficient subsistence farming methods and other forms of land degradation, which have affected an increasingly extensive area under pressure of a widely impoverished, fast-growing population. Africa's distribution of natural resources is very uneven. It is the continent at greatest risk of desertification, especially in the Sahel region at the edge of the Sahara but also in other dry-range areas. Yet at the same time, Africa also harbors some of the earth's richest and most diverse biological zones.

Key Points:

Up to half a billion hectares of African land are moderately to severely degraded, an occurrence reflecting short-fallow shifting cultivation and overgrazing as well as a climatic pattern of recurrent droughts.

Soil degradation is severe along the expanse directly south of the Sahara, from the west to the east coasts. Parts of southern Africa, central-eastern Africa, and the neighboring island of Madagascar suffer from serious soil degradation as well.

Africa contains about 17 percent of the world's forest cover, concentrated in the tropical belt of the continent. Many of the forests, however, are severely depleted, with an estimated 70 percent showing some degree of degradation.

Population growth has resulted in continuing loss of arable land, as inefficient subsistence farming

techniques affect increasingly extensive areas. Efforts to implement settled, sustainable agriculture have met with some recent success, but much further progress in this direction is needed. Especially in previously uninhabited forestlands, concern over deforestation is intensifying.

By contrast, the African savanna remains the richest grassland in the world, supporting a substantial concentration of animal and plant life. Wildlife parks are sub-Saharan Africa's greatest tourist attraction, and with proper management-giving local people a stake in conservation and controlling the pace of development-could greatly enhance African economies.

Significant numbers of mammal species in parts of northern, southern and eastern Africa are currently threatened, while the biological diversity in Mauritania and Madagascar is even further compromised with over 20 percent of the mammal species in these two countries currently under threat.

With marine catch trends increasing from 500,000 metric tons in the 1950s to over 3,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Water resource vulnerability is a major concern in northeastern Africa, and a moderate concern across the rest of the continent. An exception is central Africa, which has plentiful water supplies.

Many Africans lack adequate access to resources, not just (if at all) because the resources are unevenly distributed geographically, but also through institutional failures such as faulty land tenure systems or political upheaval. The quality of Africa's natural resources, despite their spotty distribution, is in fact extraordinarily rich. The infrastructure needed to protect and benefit from this natural legacy, however, is largely lacking.

Regional Synopsis: Asia and the Pacific

Asia-earth's largest landmass-and the many large and nearly innumerable small islands lying off its Pacific shore display extraordinarily contrasting landscapes, levels of development, and degrees of environmental stress. In the classification used here, the world's smallest continent, Australia, is also included in the Asia-Pacific region.

The Asia-Pacific region is home to 9 of the world's 14 largest urban areas, and as energy use for utilities, industry and transport increases in developing economies, urban centers are subject to worsening air quality. Intense population density in places such as Bangladesh or Hong Kong is the quintessential image many people have of Asia, yet vast desert areas such as the Gobi and the world's highest mountain range, the Himalayas, span the continent as well. Forested areas in Southeast Asia and the islands of Indonesia and the Philippines were historically prized for their

tropical hardwood, but in many places this resource is now severely depleted. Low-lying small island states are extremely vulnerable to the effects of global warming, both rising sea levels and an anticipated increase in cyclones.

Key Points:

Asian timber reserves are forecast to be depleted in the next 40 years. Loss of natural forest is irreversible in some areas, but plantation programs to restore tree cover may ameliorate a portion of the resulting land degradation.

Increased usage of fossil fuels in China and other parts of southern Asia is projected to result in a marked increase in emissions, especially in regard to carbon dioxide. The increased usage of energy has led to a marked upsurge in air pollution across the region.

Acidification is an emerging problem regionally, with sulfur dioxide emissions expected to triple by 2010 if the current growth rate is sustained. China, Thailand, India, and Korea seem to be suffering from particularly high rates of acid deposition. By contrast, Asia's most highly developed economy, Japan, has effected substantial improvements in its environmental indicators.

Water pollution in the Pacific is an urgent concern since up to 70 percent of the water discharged into the region's waters receives no treatment. Additionally, the disposal of solid wastes, in like manner, poses a major threat in a region with many areas of high population density.

The Asia-Pacific region is the largest expanse of the world's land that is adversely affected by soil degradation.

The region around Australia reportedly suffers the largest degree of ozone depletion.

The microstates of the Pacific suffer land loss due to global warming, and the consequent rise in the levels of ocean waters. A high-emissions scenario and anthropogenic climate impact at the upper end of the currently predicted range would probably force complete evacuation of the lowest-elevation islands sometime in this century.

The species-rich reefs surrounding Southeast Asia are highly vulnerable to the deleterious effects of coastal development, land-based pollution, over-fishing and exploitative fishing methods, as well as marine pollution from oil spills and other activities.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of China and south-east Asia are currently threatened, while the biological diversity in India, Japan, Australia, the Philippines, Indonesia and parts of Malaysia is even further compromised with over 20 percent of the mammal species in these countries currently under threat.

Water resource vulnerability is a serious concern in areas surrounding the Indian subcontinent.

Regional Synopsis: Central Asia

The Central Asian republics, formerly in the Soviet Union, experience a range of environmental problems as the result of poorly executed agricultural, industrial, and nuclear programs during the Soviet era. Relatively low population densities are the norm, especially since upon the breakup of the U.S.S.R. many ethnic Russians migrated back to European Russia. In this largely semi-arid region, drought, water shortages, and soil salinization pose major challenges.

Key Points:

The use of agricultural pesticides, such as DDT and other chemicals, has contributed to the contamination of soil and groundwater throughout the region.

Land and soil degradation, and in particular, increased salinization, is mostly attributable to faulty irrigation practices.

Significant desertification is also a problem in the region.

Air pollution is prevalent, mostly due to use of low octane automobile fuel.

Industrial pollution of the Caspian Sea and the Aral Sea, as a result of industrial effluents as well as mining and metal production, presents a challenge to the countries bordering these bodies of water.

One of the most severe environmental problems in the region is attributable to the several billion tons of hazardous materials stored in landfills across Central Asia.

Uzbekistan's particular problem involves the contraction of the Aral Sea, which has decreased in size by a third, as a consequence of river diversions and poor irrigation practices. The effect has been the near-total biological destruction of that body of water.

Kazakhstan, as a consequence of being the heartland of the former Soviet Union's nuclear program, has incurred a high of cancerous malignancies, biogenetic abnormalities and radioactive contamination.

While part of the Soviet Union, the republics in the region experienced very high levels of greenhouse gas emissions, as a consequence of rapid industrialization using cheap but dirty energy sources, especially coal.

By contrast, however, there have recently been substantial reductions in the level of greenhouse gas emissions, especially those attributable to coal burning, with further decreases anticipated over the next decade. These changes are partially due to the use of cleaner energy technologies, such as natural gas, augmented by governmental commitment to improving environmental standards.

Regional Synopsis: Europe

Western Europe underwent dramatic transformation of its landscape, virtually eliminating large-scale natural areas, during an era of rapid industrialization, which intensified upon its recovery from World War II. In Eastern Europe and European Russia, intensive land development has been less prevalent, so that some native forests and other natural areas remain. Air and water pollution from use of dirty fuels and industrial effluents, however, are more serious environmental problems in Eastern than in Western Europe, though recent trends show improvement in many indicators. Acid rain has inflicted heavy environmental damage across much of Europe, particularly on forests. Europe and North America are the only regions in which water usage for industry exceeds that for agriculture, although in Mediterranean nations agriculture is the largest water consumer.

Key Points:

Europe contributes 36 percent of the world's chlorofluorocarbon emissions, 30 percent of carbon dioxide emissions, and 25 percent of sulfur dioxide emissions.

Sulfur and nitrogen oxide emissions are the cause of 30 to 50 percent of Central and Eastern Europe's deforestation.

Acid rain has been an environmental concern for decades and continues to be a challenge in parts of Western Europe.

Overexploitation of up to 60 percent of Europe's groundwater presents a problem in industrial and urban areas.

With marine catch trends increasing from 5,000,000 metric tons in the 1950s to over 20,000,000 metric tons by 2000, there was increasing concern about the reduction in fisheries and marine life, should this trend continue unabated.

Significant numbers of mammal species in parts of western Europe, Eastern Europe and Russia are currently threatened, while the biological diversity on the Iberian Peninsula is even further compromised with over 40 percent of the mammal species in this region currently under threat. As a result, there has been a 10 percent increase in protected areas of Europe.

A major environmental issue for Europe involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Some estimates suggest that up to 50 percent of the continent's fish species may be considered endangered species. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species.

Fortunately, in the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Recently, most European countries have adopted cleaner production technologies, and alternative methods of waste disposal, including recycling.

The countries of Eastern Europe have made air quality a major environmental priority. This is exemplified by the Russian Federation's addition to the 1995 "Berlin Mandate" (transnational legislation based on resolutions of the Rio Earth Summit) compelling nations to promote "carbon sinks" to absorb greenhouse gases.

On a relative basis, when compared with the degree of industrial emissions emitted by many Eastern European countries until the late 1980s, there has been some marked increase in air quality in the region, as obsolete plants are closed and a transition to cleaner fuels and more efficient energy use takes place.

Regional Synopsis: The Middle and Near East

Quite possibly, the Middle East will exemplify the adage that, as the 20th century was a century fixated on oil, the 21st century will be devoted to critical decisions about water. Many (though far from all) nations in the Middle East rank among those countries with the largest oil and gas reserves, but water resources are relatively scarce throughout this predominantly dry region. Effects of global warming may cause moderately high elevation areas that now typically receive winter "snowpack" to experience mainly rain instead, which would further constrain dry-season water availability. The antiquities and religious shrines of the region render it a great magnet for tourism, which entails considerable economic growth potential but also intensifies stresses on the environment.

Key Points:

Water resource vulnerability is a serious concern across the entire region. The increased usage of, and further demand for water, has exacerbated long-standing water scarcity in the region. For instance, river diversions and industrial salt works have caused the Dead Sea to shrink by one-third from its original surface area, with further declines expected.

The oil industry in the region contributes to water pollution in the Persian Gulf, as a result of oil spills, which have averaged 1.2 million barrels of oil spilt per year (some sources suggest that this figure is understated). The consequences are severe because even after oil spills have been cleaned up, environmental damage to the food webs and ecosystems of marine life will persist for a prolonged period.

The region's coastal zone is considered one of the most fragile and endangered ecosystems of the world. Land reclamation, shoreline construction, discharge of industrial effluents, and tourism (such as diving in the Red Sea) contribute to widespread coastal damage.

Significant numbers of mammal species in parts of the Middle East are currently threatened.

Since the 1980s, 11 percent of the region's natural forest has been depleted.

Regional Synopsis: Latin America and the Caribbean

The Latin American and Caribbean region is characterized by exceedingly diverse landforms that have generally seen high rates of population growth and economic development in recent decades. The percentage of inhabitants residing in urban areas is quite high at 73.4 percent; the region includes the megacities of Mexico City, Sao Paulo, and Rio de Janeiro. The region also includes the world's second-highest mountain range, the Andes; significant expanses of desert and grassland; the coral reefs of the Caribbean Sea; and the world's largest contiguous tropical forest in the Amazon basin. Threats to the latter from subsistence and commercial farming, mineral exploitation and timbering are well publicized. Nevertheless, of eight countries worldwide that still retain at least 70 percent of their original forest cover, six are in Latin America. The region accounts for nearly half (48.3 percent) of the world's greenhouse gas emissions derived from land clearing, but as yet a comparatively minuscule share (4.3 percent) of such gases from industrial sources.

Key Points:

Although Latin America is one of the most biologically diverse regions of the world, this biodiversity is highly threatened, as exemplified by the projected extinction of up to 100,000 species in the next few decades. Much of this loss will be concentrated in the Amazon area,

although the western coastline of South America will also suffer significant depletion of biological diversity. The inventory of rainforest species with potentially useful commercial or medical applications is incomplete, but presumed to include significant numbers of such species that may become extinct before they are discovered and identified.

Up to 50 percent of the region's grazing land has lost its soil fertility as a result of soil erosion, salinization, alkalization and overgrazing.

The Caribbean Sea, the Atlantic Ocean, and the Pacific Ocean have all been contaminated by agricultural wastes, which are discharged into streams that flow into these major waters. Water pollution derived from phosphorous, nitrates and pesticides adversely affects fish stocks, contributes to oxygen depletion and fosters overgrowth of aquatic vegetation. Marine life will continue to be severely compromised as a result of these conditions.

Due to industrial development in the region, many beaches of eastern Latin America and the Caribbean suffer from tar deposits.

Most cities in the region lack adequate sewage treatment facilities, and rapid migration of the rural poor into the cities is widening the gap between current infrastructure capacity and the much greater level needed to provide satisfactory basic services.

The rainforest region of the Amazon Basin suffers from dangerously high levels of deforestation, which may be a significant contributory factor to global warming or "the greenhouse effect." In the late 1990s and into the new millennium, the rate of deforestation was around 20 million acres of rainforest being destroyed annually.

Deforestation on the steep rainforest slopes of Caribbean islands contributes to soil erosion and landslides, both of which then result in heavy sedimentation of nearby river systems. When these sedimented rivers drain into the sea and coral reefs, they poison the coral tissues, which are vital to the maintenance of the reef ecosystem. The result is marine degradation and nutrient depletion. Jamaica's coral reefs have never quite recovered from the effects of marine degradation.

The Southern Cone of Latin America (Argentina, Brazil, Chile, Paraguay, and Uruguay) suffers the effects of greatly increased ultraviolet-B radiation, as a consequence of more intense ozone depletion in the southern hemisphere.

Water resource vulnerability is an increasingly major concern in the northwestern portion of South America.

Regional Synopsis: North America

North American nations, in particular the United States and Canada, rank among the world's most highly developed industrial economies—a fact which has generated significant pollution problems, but also financial resources and skills that have enabled many problems to be corrected. Although efforts to promote energy efficiency, recycling, and suchlike have helped ease strains on the environment in a part of the world where per capita consumption levels are high, sprawling land development patterns and recent preferences many households have demonstrated for larger vehicles have offset these advances.

Meanwhile, a large portion of North America's original forest cover has been lost, though in many cases replaced by productive second-growth woodland. In recent years, attitudes toward best use of the region's remaining natural or scenic areas seem to be shifting toward recreation and preservation and away from resource extraction. With increasing attention on the energy scarcity in the United States, however, there is speculation that this shift may be short-lived. Indeed, the energy shortage on the west coast of the United States and associated calls for energy exploration, indicate a possible retrenchment toward resource extraction. At the same time, however, it has also served to highlight the need for energy conservation as well as alternative energy sources.

Despite generally successful anti-pollution efforts, various parts of the region continue to suffer significant air, water and land degradation from industrial, vehicular, and agricultural emissions and runoff. Mexico, as a middle-income country, displays environmental problems characteristic of a developing economy, including forest depletion, pollution from inefficient industrial processes and dirty fuels, and lack of sufficient waste-treatment infrastructure.

Key Points:

Because of significantly greater motor vehicle usage in the United States (U.S.) than in the rest of the world, the U.S. contribution of urban air pollution and greenhouse gas emissions, especially carbon dioxide, is disproportionately high in relation to its population.

Acid rain is an enduring issue of contention in the northeastern part of the United States, on the border with Canada.

Mexico's urban areas suffer extreme air pollution from carbon monoxide, nitrogen oxides, sulfur dioxide, and other toxic air pollutants. Emissions controls on vehicles are in their infancy, compared to analogous regulations in the U.S.

The cities of Mexico, including those on the U.S. border, also discharge large quantities of untreated or poorly treated sewage, though officials are currently planning infrastructure upgrades.

Deforestation is noteworthy in various regions of the U.S., especially along the northwest coastline.

Old growth forests have been largely removed, but in the northeastern and upper midwestern sections of the United States, evidence suggests that the current extent of tree cover probably surpasses the figure for the beginning of the 20th century.

Extreme weather conditions in the last few years have resulted in a high level of soil erosion along the north coast of California; in addition, the coastline itself has shifted substantially due to soil erosion and concomitant landslides.

Agricultural pollution-including nitrate contamination of well water, nutrient runoff to waterways, and pesticide exposure-is significant in various areas. Noteworthy among affected places are California's Central Valley, extensive stretches of the Midwest, and land in the Chesapeake Bay watershed.

Inland waterways, especially around the Great Lakes, have substantially improved their water quality, due to concentrated efforts at reducing water pollution by governmental, commercial and community representatives. Strict curbs on industrial effluents and near-universal implementation of sewage treatment are the chief factors responsible for this improvement.

A major environmental issue for Canada and the United States involves the depletion of various already endangered or threatened species, and most significantly, the decline of fish stocks. Coastal fisheries have been over-harvested, resulting in catch limits or moratoriums on many commercially important fish species. In the last few years, these policies have started to yield measurable results with decreasing trends in marine fish catch.

Due to the decay of neighboring ecosystems in Central America and the Caribbean, the sea surrounding Florida has become increasingly sedimented, contributing to marine degradation, nutrient depletion of the ecosystem, depletion of fish stocks, and diseases to coral species in particular.

Polar Regions

Key Points:

The significant rise in sea level, amounting 10 to 25 centimeters in the last 100 years, is due to the melting of the Arctic ice sheets, and is attributed to global warming.

The Antarctic suffers from a significant ozone hole, first detected in 1976. By 1985, a British scientific team reported a 40 percent decrease in usual regeneration rates of the ozone. Because a sustained increase in the amount of ultraviolet-B radiation would have adverse consequences upon

all planetary life, recent environmental measures have been put into effect, aimed at reversing ozone depletion. These measures are projected to garner significant results by 2050.

Due to air and ocean currents, the Arctic is a sink for toxic releases originally discharged thousands of miles away. Arctic wildlife and Canada's Inuit population have higher bodily levels of contaminants such as PCB and dioxin than those found in people and animals in much of the rest of the world.

Global Environmental Concepts

1. Global Warming and Greenhouse Gases

The Greenhouse Effect:

In the early 19th century, the French physicist, Jean Fourier, contended that the earth's atmosphere functions in much the same way as the glass of a greenhouse, thus describing what is now understood as the "greenhouse effect." Put simply, the "greenhouse effect" confines some of the sun's energy to the earth, preserving some of the planet's warmth, rather than allowing it to flow back into space. In so doing, all kinds of life forms can flourish on earth. Thus, the "greenhouse effect" is necessary to sustain and preserve life forms and ecosystems on earth.

In the late 19th century, a Swedish chemist, Svante Arrhenius, noticed that human activities, such as the burning of coal and other fossil fuels for heat, and the removal of forested lands for urban development, led to higher concentrations of greenhouse gases, like carbon dioxide and methane, in the atmosphere. This increase in the levels of greenhouse gases was believed to advance the "greenhouse effect" exponentially, and might be related to the trend in global warming.

In the wake of the Industrial Revolution, after industrial development took place on a large scale and the total human population burgeoned simultaneously with industrialization, the resulting increase in greenhouse gas emissions could, many scientists believe, be significant enough to have some bearing on climate. Indeed, many studies in recent years support the idea that there is a linkage between human activities and global warming, although there is less consensus on the extent to which this linkage may be relevant to environmental concerns.

That said, some scientists have argued that temperature fluctuations have existed throughout the evolution of the planet. Indeed, Dr. S. Fred Singer, the president of the Science and Environment

Policy Project has noted that 3,000-year-old geological records of ocean sediment reveal changes in the surface temperature of the ocean. Hence, it is possible that climate variability is merely a normal fact of the planet's evolution. Yet even skeptics as to anthropogenic factors concur that any substantial changes in global temperatures would likely have an effect upon the earth's ecosystems, as well as the life forms that inhabit them.

The Relationship Between Global Warming and Greenhouse Gases:

A large number of climatologists believe that the increase in atmospheric concentrations of "greenhouse gas emissions," mostly a consequence of human activities such as the burning of fossil fuels, are contributing to global warming. The cause notwithstanding, the planet has reportedly warmed 0.3°C to 0.6°C over the last century. Indeed, each year during the 1990s was one of the very warmest in the 20th century, with the mean surface temperature for 1999 being the fifth warmest on record since 1880.

In early 2000, a panel of atmospheric scientists for the National Research Council concluded in a report that global warming was, indeed, a reality. While the panel, headed by Chairman John Wallace, a professor of atmospheric sciences at the University of Washington, stated that it remained unclear whether human activities have contributed to the earth's increasing temperatures, it was apparent that global warming exists.

In 2001, following a request for further study by the incoming Bush administration in the [United States](#), the National Academy of Sciences again confirmed that global warming had been in existence for the last 20 years. The study also projected an increase in temperature between 2.5 degrees and 10.4 degrees Fahrenheit by the year 2100. Furthermore, the study found the leading cause of global warming to be emissions of carbon dioxide from the burning of fossil fuels, and it noted that greenhouse gas accumulations in the earth's atmosphere was a result of human activities.

Within the scientific community, the controversy regarding has centered on the difference between surface air and upper air temperatures. Information collected since 1979 suggests that while the earth's surface temperature has increased by about a degree in the past century, the atmospheric temperature five miles above the earth's surface has indicated very little increase. Nevertheless, the panel stated that this discrepancy in temperature between surface and upper air does not invalidate the conclusion that global warming is taking place. Further, the panel noted that natural events, such as volcanic eruptions, can decrease the temperature in the upper atmosphere.

The major consequences of global warming potentially include the melting of the polar ice caps, which, in turn, contribute to the rise in sea levels. Many islands across the globe have already experienced a measurable loss of land as a result. Because global warming may increase the rate of evaporation, increased precipitation, in the form of stronger and more frequent storm systems, is another potential outcome. Other consequences of global warming may include the introduction

and proliferation of new infectious diseases, loss of arable land (referred to as "desertification"), destructive changes to existing ecosystems, loss of biodiversity and the isolation of species, and concomitant adverse changes in the quality of human life.

International Policy Development in Regard to Global Warming:

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.
2. To ensure and enable sustainable development and food production on a global scale.

*** See section on "International Environmental Agreements and Associations" for information related to international policies related to limiting greenhouse gases and controlling climate change emanating from historic summits at Kyoto, Copenhagen, Doha, and Paris. ***

2. Air Pollution

Long before global warming reared its head as a significant issue, those concerned about the environment and public health noted the deleterious effects of human-initiated combustion upon the atmosphere. Killer smogs from coal burning triggered acute health emergencies in London and other places. At a lower level of intensity motor vehicle, power plant, and industrial emissions impaired long-range visibility and probably had some chronic adverse consequences on the respiratory systems of persons breathing such air.

In time, scientists began associating the sulfur dioxide and nitrogen oxides released from coal burning with significant acid deposition in the atmosphere, eventually falling as "acid rain." This

phenomenon has severely degraded forestlands, especially in Europe and a few parts of the [United States](#). It has also impaired some aquatic ecosystems and eaten away the surface of some human artifacts, such as marble monuments. Scrubber technology and conversion to cleaner fuels have enabled the level of industrial production to remain at least constant while significantly reducing acid deposition. Technologies aimed at cleaning the air and curtailing acid rain, soot, and smog may, nonetheless, boomerang as the perils of global warming become increasingly serious. In brief, these particulates act as sort of a sun shade -- comparable to the effect of volcanic eruptions on the upper atmosphere whereby periods of active volcanism correlate with temporarily cooler weather conditions. Thus, while the carbon dioxide releases that are an inevitable byproduct of combustion continue, by scrubbing the atmosphere of pollutants, an industrial society opens itself to greater insolation (penetration of the sun's rays and consequent heating), and consequently, it is likely to experience a correspondingly greater rise in ambient temperatures.

The health benefits of removing the sources of acid rain and smog are indisputable, and no one would recommend a return to previous conditions. Nevertheless, the problematic climatic effects of continually increasing emissions of carbon dioxide and other greenhouse gases pose a major global environmental challenge, not as yet addressed adequately.

3. Ozone Depletion

The stratospheric ozone layer functions to prevent ultraviolet radiation from reaching the earth. Normally, stratospheric ozone is systematically disintegrated and regenerated through natural photochemical processes. The stratospheric ozone layer, however, has been depleted unnaturally as a result of anthropogenic (man-made) chemicals, most especially chlorine and bromide compounds such as chloroflorocarbons (CFCs), halons, and various industrial chemicals in the form of solvents, refrigerants, foaming agents, aerosol propellants, fire retardants, and fumigants. Ozone depletion is of concern because it permits a greater degree of ultraviolet-B radiation to reach the earth, which then increases the incidences of cancerous malignancies, cataracts, and human immune deficiencies. In addition, even in small doses, ozone depletion affects the ecosystem by disturbing food chains, agriculture, fisheries and other forms of biological diversity.

Transnational policies enacted to respond to the dangers of ozone depletion include the 1985 Vienna Convention on the Protection of the Ozone Layer and the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer. The Montreal Protocol was subsequently amended in London in 1990, Copenhagen in 1992 and Vienna in 1995. By 1996, 155 countries had ratified the Montreal Protocol, which sets out a time schedule for the reduction (and eventual elimination) of ozone depleting substances (OPS), and bans exports and imports of ODS from and to non-participant countries.

In general, the Protocol stipulates that developed countries must eliminate halon consumption by

1994 and CFC consumption by 1996, while developing countries must eliminate these substances by 2010. Consumption of methyl bromide, which is used as a fumigant, was to be frozen at the 1995 in developed countries, and fully eliminated in 2010, while developing countries are to freeze consumption by 2002, based on average 1995-1998 consumption levels. Methyl chloroform is to be phased out by 2005. Under the Montreal Protocol, most ODS will be completely eliminated from use by 2010.

4. Land Degradation

In recent decades, land degradation in more arid regions of the world has become a serious concern. The problem, manifest as both "desertification" and "devegetation," is caused primarily by climate variability and human activities, such as "deforestation," excessive cultivation, overgrazing, and other forms of land resource exploitation. It is also exacerbated by inadequate irrigation practices. Although the effects of droughts on drylands have been temporary in the past, today, the productivity and sustainability of these lands have been severely compromised for the long term. Indeed, in every region of the world, land degradation has become an acute issue.

Desertification and Devegetation:

"Desertification" is a process of land degradation causing the soil to deteriorate, thus losing its nutrients and fertility, and eventually resulting in the loss of vegetation, known as "devegetation." As aforementioned, "desertification" and "devegetation" are caused by human activities, yet human beings are also the greatest casualties. Because these forms of land degradation affect the ability of the soil to produce crops, they concomitantly contribute to poverty. As population increases and demographic concentrations shift, the extent of land subject to stresses by those seeking to wrest subsistence from it has inexorably risen.

In response, the United Nations has formed the Convention to Combat Desertification-aimed at implementing programs to address the underlying causes of desertification, as well as measures to prevent and minimize its effects. Of particular significance is the formulation of policies on transboundary resources, such as areas around lakes and rivers. At a broader level, the Convention has established a Conference of Parties (COP), which includes all ratifying governments, for directing and advancing international action.

To ensure more efficacious use of funding, the Convention intends to reconfigure international aid to utilize a consultative and coordinated approach in the disbursement and expenditure of donor funds. In this way, local communities that are affected by desertification will be active participants in the solution-generation process. In-depth community education projects are envisioned as part of this new international aid program, and private donor financing is encouraged. Meanwhile, as new

technologies are developed to deal with the problem of desertification, they need to be distributed for application across the world. Hence, the Convention calls for international cooperation in scientific research in this regard.

Desertification is a problem of sustainable development. It is directly connected to human challenges such as poverty, social and economic well-being and environmental protection as well. Broader environmental issues, such as climate change, biological diversity, and freshwater supplies, are indirectly related, so any effort to resolve this environmental challenge must entail coordinated research efforts and joint action.

Deforestation:

Deforestation is not a recent phenomenon. For centuries, human beings have cut down trees to clear space for land cultivation, or in order to use the wood for fuel. Over the last 200 years, and most especially after World War II, deforestation increased because the logging industry became a globally profitable endeavor, and so the clearing of forested areas was accelerated for the purposes of industrial development. In the long term, this intensified level of deforestation is considered problematic because the forest is unable to regenerate itself quickly. The deforestation that has occurred in tropical rainforests is seen as an especially serious concern, due to the perceived adverse effects of this process upon the entire global ecosystem.

The most immediate consequence of deforestation is soil degradation. Soil, which is necessary for the growth of vegetation, can be a fragile and vital property. Organically, an extensive evolution process must take place before soil can produce vegetation, yet at the same time, the effects of natural elements, such as wind and rain, can easily and quickly degrade this resource. This phenomenon is known as soil erosion. In addition, natural elements like wind and rain reduce the amount of fertile soil on the ground, making soil scarcity a genuine problem. When fertile topsoil that already exists is removed from the landscape in the process of deforestation, soil scarcity is further exacerbated. Equally significant is the fact that once land has been cleared so that the topsoil can be cultivated for crop production, not only are the nutrient reserves in the soil depleted, thus producing crops of inferior quality, but the soil structure itself becomes stressed and deteriorates further.

Another direct result of deforestation is flooding. When forests are cleared, removing the cover of vegetation, and rainfall occurs, the flow of water increases across the surface of land. When extensive water runoff takes place, the frequency and intensity of flooding increases. Other adverse effects of deforestation include the loss of wildlife and biodiversity within the ecosystem that supports such life forms.

At a broader level, tropical rainforests play a vital role in maintaining the global environmental

system. Specifically, destruction of tropical rainforests affects the carbon dioxide cycle. When forests are destroyed by burning (or rotting), carbon dioxide is released into the air, thus contributing to an intensified "greenhouse effect." The increase in greenhouse gas emissions like carbon dioxide is a major contributor to global warming, according to many environmental scientists. Indeed, trees themselves absorb carbon dioxide in the process of photosynthesis, so their loss also reduces the absorption of greenhouse gases.

Tropical rainforest destruction also adversely affects the nitrogen cycle. Nitrogen is a key nutrient for both plants and animals. Plants derive nitrogen from soil, while animals obtain it via nitrogen-enriched vegetation. This element is essential for the formation of amino acids, and thereby for proteins and biochemicals that all living things need for metabolism and growth. In the nitrogen cycle, vegetation acquires these essential proteins and biochemicals, and then cyclically returns them to the atmosphere and global ecosystem. Accordingly, when tropical rainforest ecosystems are compromised, not only is vegetation removed; the atmosphere is also affected and climates are altered. At a more immediate level, the biodiversity within tropical rainforests, including wildlife and insect species and a wealth of plant varieties, is depleted. Loss of rare plants is of particular concern because certain species as yet unknown and unused could likely yield many practical benefits, for instance as medicines.

As a result of the many challenges associated with deforestation, many environmental groups and agencies have argued for government policies on the sustainable development of forests by governments across the globe. While many countries have instituted national policies and programs aimed at reducing deforestation, and substantial research has been advanced in regard to sustainable and regenerative forestry development, there has been very little progress on an international level. Generally speaking, most tropical rainforests are located in developing and less developed countries, where economic growth is often dependent upon the exploitation of tropical rainforests. Timber resources as well as wildlife hunting tend to be particularly lucrative arenas.

In places such as the Amazon, where deforestation takes place for the construction of energy plants aimed at industrialization and economic development, there is an exacerbated effect on the environment. After forests are cleared in order to construct such projects, massive flooding usually ensues. The remaining trees then rot and decay in the wake of the flooding. As the trees deteriorate, their biochemical makeup becomes more acidic, producing poisonous substances such as hydrogen sulphide and methane gases. Acidified water subsequently corrodes the mechanical equipment and operations of the plants, which are already clogged by rotting wood after the floodwaters rise.

Deforestation generally arises from an economically plausible short-term motivation, but nonetheless poses a serious global concern because the effects go beyond national boundaries. The United Nations has established the World Commission on Forest and Sustainable Development. This body's task is to determine the optimal means of dealing with the issue of deforestation,

without unduly affecting normal economic development, while emphasizing the global significance of protecting tropical forest ecosystems.

5. Water Resources

For all terrestrial fauna, including humans, water is the most immediate necessity to sustain life. As the population has increased and altered an ever-greater portion of the landscape from its natural condition, demand on water resources has intensified, especially with the development of industrialization and large-scale irrigation. The supply of freshwater is inherently limited, and moreover distributed unevenly across the earth's landmasses. Moreover, not just demand for freshwater but activities certain to degrade it are becoming more pervasive. By contrast, the oceans form a sort of "last wilderness," still little explored and in large part not seriously affected by human activity. However, coastal environments - the biologically richest part of the marine ecosystem-are experiencing major depletion due to human encroachment and over-exploitation.

Freshwater:

In various regions, for instance the Colorado River in the western [United States](#), current withdrawals of river water for irrigation, domestic, and industrial use consume the entire streamflow so that almost no water flows into the sea at the river's mouth. Yet development is ongoing in many such places, implying continually rising demand for water. In some areas reliant on groundwater, aquifers are being depleted at a markedly faster rate than they are being replenished. An example is the San Joaquin Valley in California, where decades of high water withdrawals for agriculture have caused land subsidence of ten meters or more in some spots. Naturally, the uncertainty of future water supplies is particularly acute in arid and semi-arid regions. Speculation that the phenomenon of global warming will alter geographic and seasonal rainfall patterns adds further uncertainty.

Water conservation measures have great potential to alleviate supply shortages. Some city water systems are so old and beset with leaking pipes that they lose as much water as they meter. Broad-scale irrigation could be replaced by drip-type irrigation, actually enhancing the sustainability of agriculture. In many areas where heavy irrigation has been used for decades, the result is deposition of salts and other chemicals in the soil such that the land becomes unproductive for farming and must be abandoned.

Farming is a major source of water pollution. Whereas restrictions on industrial effluents and other "point sources" are relatively easy to implement, comparable measures to reform hydraulic practices at farms and other "nonpoint sources" pose a significantly knottier challenge. Farm-caused water pollution takes the following main forms:

- Nitrate pollution found in wells in intensive farming areas as a consequence of heavy fertilizer use is a threat to human health. The most serious danger is to infants, who by ingesting high-nitrate water can contract methemoglobinemia, sometimes called "blue baby syndrome," a potentially fatal condition.
- Fertilizer runoff into rivers and lakes imparts unwanted nutrients that cause algae growth and eventual loss of oxygen in the body of water, degrading its ability to support fish and other desirable aquatic life.
- Toxic agricultural chemicals - insecticides, herbicides, and fungicides - are detectable in some aquifers and waterways.

In general, it is much easier to get a pollutant into water than to retrieve it out. Gasoline additives, dry cleaning chemicals, other industrial toxins, and in a few areas radionucleides have all been found in water sources intended for human use. The complexity and long time scale of subterranean hydrological movements essentially assures that pollutants already deposited in aquifers will continue to turn up for decades to come. Sophisticated water treatment processes are available, albeit expensive, to reclaim degraded water and render it fit for human consumption. Yet source protection is unquestionably a more desirable alternative.

In much of the developing world, and even some low-income rural enclaves of the developed world, the population lacks ready access to safe water. Surface water and shallow groundwater supplies are susceptible to contamination from untreated wastewater and failing septic tanks, as well as chemical hazards. The occurrence of waterborne disease is almost certainly greatly underreported.

Marine Resources:

Coastal areas have always been desirable places for human habitation, and population pressure on them continues to increase. Many types of water degradation that affect lakes and rivers also affect coastal zones: industrial effluents, untreated or partially treated sewage, nutrient load from agriculture figure prominently in both cases. Prospects for more extreme storms as a result of global warming, as well as the pervasiveness of poorly planned development in many coastal areas, forebode that catastrophic hurricanes and landslides may increase in frequency in the future. Ongoing rise in sea levels will force remedial measures and in some cases abandonment of currently valuable coastal property.

Fisheries over much of the globe have been overharvested, and immediate conservation measures are required to preserve stocks of many species. Many governments subsidized factory-scale

fishing fleets in the 1970s and 1980s, and the resultant catch increase evidently surpassed a sustainable level. It is uncertain how much of the current decline in fish stocks stems from overharvesting and how much from environmental pollution. The deep ocean remains relatively unaffected by human activity, but continental shelves near coastlines are frequently seriously polluted, and these close-to-shore areas are the major biological nurseries for food fish and the smaller organisms they feed on.

6. Environmental Toxins

Toxic chemical pollution exploded on the public consciousness with disclosure of spectacularly polluted industrial areas such as Love Canal near Buffalo, New York. There is no question that pollutants such as organophosphates or radionuclides can be highly deleterious to health, but evidence to date suggests that seriously affected areas are a localized rather than universal problem.

While some explore the possibilities for a lifestyle that fully eschews use of modern industrial chemicals, the most prevalent remediative approach is to focus on more judicious use. The most efficient chemical plants are now able to contain nearly all toxic byproducts of their production processes within the premises, minimizing the release of such substances into the environment. Techniques such as Integrated Pest Management (IPM) dictate limited rather than broadcast use of pesticides: application only when needed using the safest available chemical, supplemented as much as possible with nontoxic controls.

While heightened public awareness and growing technical sophistication suggest a hopeful outlook on limiting the damage from manmade environmental toxins, one must grant that previous incidents of their misuse and mishandling have already caused environmental damage that will have to be dealt with for many years to come. In the case of the most hazardous radioactive substances, the time scale for successful remediation actually extends beyond that of the recorded history of civilization. Moreover, in this era of high population density and rapid economic growth, quotidian activities such as the transport of chemicals will occasionally, seemingly inevitably result in accidents with adverse environmental consequences.

7. "Islandization" and Biodiversity

With increased awareness regarding the adverse effects of unregulated hunting and habitat depletion upon wildlife species and other aspects of biodiversity, large-scale efforts across the globe have been initiated to reduce and even reverse this trend.

In every region of the world, many species of wildlife and areas of biodiversity have been saved from extinction. Nationally, many countries have adopted policies aimed at preservation and

conservation of species, and one of the most tangible measures has been the proliferation of protected habitats. Such habitats exist in the form of wildlife reserves, marine life reserves, and other such areas where biodiversity can be protected from external encroachment and exploitation.

Despite these advances in wildlife and biodiversity protection, further and perhaps more intractable challenges linger. Designated reserves, while intended to prevent further species decline, exist as closed territories, fragmented from other such enclaves and disconnected from the larger ecosystem. This environmental scenario is referred to as "islandization." Habitat reserves often serve as oversized zoos or game farms, with landscapes and wildlife that have effectively been "tamed" to suit. Meanwhile, the larger surrounding ecosystem continues to be seriously degraded and transformed, while within the islandized habitat, species that are the focus of conservation efforts may not have sufficient range and may not be able to maintain healthy genetic variability.

As a consequence, many conservationists and preservationists have demanded that substantially larger portions of land be withheld as habitat reserves, and a network of biological corridors to connect continental reserves be established. While such efforts to combat islandization have considerable support in the [United States](#), how precisely such a program would be instituted, especially across national boundaries, remains a matter of debate. International conservationists and preservationists say without a network of reserves a massive loss of biodiversity will result.

The concept of islandization illustrates why conservation and preservation of wildlife and biodiversity must consider and adopt new, broader strategies. In the past, conservation and preservation efforts have been aimed at specific species, such as the spotted owl and grizzly bear in North America, the Bengal tiger in Southeast Asia, the panda in [China](#), elephants in Africa. Instead, the new approach is to simultaneously protect many and varied species that inhabit the same ecosystem. This method, referred to as "bio-regional conservation," may more efficaciously generate longer-term and more far-reaching results precisely because it is aimed at preserving entire ecosystems, and all the living things within.

More About Biodiversity Issues:

This section is directly taken from the United Nations Environmental Program: "[Biodiversity Assessment](#)"

The Global Biodiversity Assessment, completed by 1500 scientists under the auspices of United Nations Environmental Program in 1995, updated what is known (or unknown) about global biological diversity at the ecosystem, species and genetic levels. The assessment was uncertain of the total number of species on Earth within an order of magnitude. Of its working figure of 13 million species, only 13 percent are scientifically described. Ecological community diversity is also poorly known, as is its relationship to biological diversity, and genetic diversity has been studied for

only a small number of species. The effects of human activities on biodiversity have increased so greatly that the rate of species extinctions is rising to hundreds or thousands of times the background level. These losses are driven by increasing demands on species and their habitats, and by the failure of current market systems to value biodiversity adequately. The Assessment calls for urgent action to reverse these trends.

There has been a new recognition of the importance of protecting marine and aquatic biodiversity. The first quantitative estimates of species losses due to growing coral reef destruction predict that almost 200,000 species, or one in five presently contributing to coral reef biodiversity, could die out in the next 40 years if human pressures on reefs continue to increase.

Since Rio, many countries have improved their understanding of the status and importance of their biodiversity, particularly through biodiversity country studies such as those prepared under the auspices of UNEP/GEF. The [United Kingdom](#) identified 1250 species needing monitoring, of which 400 require action plans to ensure their survival. Protective measures for biodiversity, such as legislation to protect species, can prove effective. In the USA, almost 40 percent of the plants and animals protected under the Endangered Species Act are now stable or improving as a direct result of recovery efforts. Some African countries have joined efforts to protect threatened species through the 1994 Lusaka Agreement, and more highly migratory species are being protected by specialized cooperative agreements among range states under the Bonn Agreement.

There is an emerging realization that a major part of conservation of biological diversity must take place outside of protected areas and involve local communities. The extensive agricultural areas occupied by small farmers contain much biodiversity that is important for sustainable food production. Indigenous agricultural practices have been and continue to be important elements in the maintenance of biodiversity, but these are being displaced and lost. There is a new focus on the interrelationship between agrodiversity conservation and sustainable use and development practices in smallholder agriculture, with emphasis on use of farmers' knowledge and skills as a source of information for sustainable farming.

Perhaps even more important than the loss of biodiversity is the transformation of global biogeochemical cycles, the reduction in the total world biomass, and the decrease in the biological productivity of the planet. While quantitative measurements are not available, the eventual economic and social consequences may be so significant that the issue requires further attention.

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Online resources used generally in the Environmental Overview:

Environmental Protection Agency Global Warming Site. URL: <http://www.epa.gov/globalwarming>

Food and Agriculture Organization of United Nations: Forestry. URL:

<http://www.fao.org/forestry/site/sofo/en/>

Global Warming Information Page. URL: <http://globalwarming.org>

U n i t e d N a t i o n s E n v i r o n m e n t a l P r o g r a m . U R L :
http://www.unep.org/GEO/GEO_Products/Assessment_Reports/

United Nations Global Environmental Outlook. URL: <http://www.unep.org/geo/geo4/media/>

Note on Edition Dates:

The edition dates for textual resources are noted above because they were used to formulate the original content. We also have used online resources (cited above) to update coverage as needed.

Information Resources

For more information about environmental concepts, CountryWatch recommends the following resources:

The United Nations Environmental Program Network (with country profiles)

<<http://www.unep.net/>>

The United Nations Environment Program on Climate Change

<<http://climatechange.unep.net/>>

The United Nations Environmental Program on Waters and Oceans

<<http://www.unep.ch/earthw/Pdepwat.htm>>

The United Nations Environmental Program on Forestry: "Forests in Flux"

<<http://www.unep-wcmc.org/forest/flux/homepage.htm>>

FAO "State of the World's Forests"

<http://www.fao.org/forestry/FO/SOFO/SOFO99/sofo99-e.stm>

World Resources Institute.

<http://www.wri.org/>

Harvard University Center for Health and the Global Environment

<http://www.med.harvard.edu/chge/the-review.html>

The University of Wisconsin Center for Sustainability and the Global Environment

<http://sage.aos.wisc.edu/>

International Environmental Agreements and Associations

International Policy Development in Regard to Global Warming:

Introduction

Regardless of what the precise nature of the relationship between greenhouse gas emissions and global warming may be, it seems that there is some degree of a connection between the phenomena. Any substantial reductions in greenhouse gas emissions and global warming trends will likely involve systematic changes in industrial operations, the use of advanced energy sources and technologies, as well as global cooperation in implementing and regulating these transformations.

In this regard, the United Nations Framework Convention on Climate Change (UNFCCC) stipulated the following objectives:

1. To stabilize "greenhouse gas" concentrations within the atmosphere, in such a manner that would preclude hazardous anthropogenic intervention into the existing biosphere and ecosystems of the world. This stabilization process would facilitate the natural adaptation of ecosystems to changes in climate.
2. To ensure and enable sustainable development and food production on a global scale.

Following are two discussions regarding international policies on the environment, followed by

listings of international accords.

Special Entry: The Kyoto Protocol

The UNFCCC was adopted at the Rio Earth Summit in 1992, and entered into force in 1994. Over 175 parties were official participants.

Meanwhile, however, many of the larger, more industrialized nations failed to reach the emissions' reduction targets, and many UNFCCC members agreed that the voluntary approach to reducing emissions had not been successful. As such, UNFCCC members reached a consensus that legally binding limits were necessitated, and agreed to discuss such a legal paradigm at a meeting in Kyoto, [Japan](#) in 1997. At that meeting, the UNFCCC forged the Kyoto Protocol. This concord is the first legally binding international agreement that places limits on emissions from industrialized countries. The major greenhouse gas emissions addressed in the Kyoto Protocol include carbon dioxide, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and methane.

The provisions of the Kyoto Protocol stipulate that economically advanced nations must reduce their combined emissions of greenhouse gases, by approximately five percent from their 1990 levels, before the 2008-2010 deadline. Countries with the highest carbon dioxide emissions, such as the [United States](#) (U.S.), many of the European Union (EU) countries, and [Japan](#), are to reduce emissions by a scale of 6 to 8 percent. All economically advanced nations must show "demonstrable progress" by 2005. In contrast, no binding limits or timetable have been set on developing countries. Presumably, this distinction is due to the fact that most developing countries - - with the obvious exceptions of [India](#) and [China](#) -- simply do not emit as many greenhouse gases as do more industrially advanced countries. Meanwhile, these countries are entrenched in the process of economic development.

Regardless of the aforementioned reasoning, there has been strong opposition against the asymmetrical treatment assigned to emissions limits among developed and developing countries. Although this distinction might be regarded as unfair in principle, associations such as the Alliance of Small Island States have been vocal in expressing how global warming -- a result of greenhouse gas emissions - has contributed to the rise in sea level, and thus deleteriously affected their very existence as island nation states. For this reason, some parties have suggested that economically advanced nations, upon returning to their 1990 levels, should be required to further reduce their greenhouse gas emissions by a deadline of 2005. In response, interested parties have observed that even if such reductions were undertaken by economically advanced nations, they would not be enough to completely control global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming. Indeed, a reduction in the rate of fossil fuel usage by developing nations would also be necessary to have substantial ameliorative effect on global warming.

As such, the Protocol established a "Clean Development Mechanism" which permits developed countries to invest in projects aimed at reducing emissions within developing countries in return for credit for the reductions. Ostensibly, the objective of this mechanism is to curtail emissions in developing countries without unduly penalizing them for their economic development. Under this model, the countries with more potential emissions credits could sell them to other signatories of the Kyoto Protocol, whose emissions are forecast to significantly rise in the next few years. Should this trading of emissions credits take place, it is estimated that the Kyoto Protocol's emissions targets could still be met.

In 1999, the International Energy Outlook projected that Eastern Europe, the former Soviet Union and Newly Independent States, as well as parts of Asia, are all expected to show a marked decrease in their level of energy-related carbon emissions in 2010. Nations with the highest emissions, specifically, the U.S., the EU and [Japan](#), are anticipated to reduce their emissions by up to 8 percent by 2012. By 2000, however, the emissions targets were not on schedule for achievement. Indeed, the U.S. Department of Energy estimates forecast that by 2010, there will be a 34 percent increase in carbon emissions from the 1990 levels, in the absence of major shifts in policy, economic growth, energy prices, and consumer trends. Despite this assessment in the U.S., international support for the Kyoto Protocol remained strong, especially among European countries and island states, who view the pact as one step in the direction away from reliance on fossil fuels and other sources of greenhouse gases.

In 2001, U.S. President, George W. Bush, rejected his country's participation in the Kyoto Protocol, saying that the costs imposed on the global economic system, and especially, on the US, overshadowed the benefits of the Protocol. He also cited the unfair burden on developed nations to reduce emissions, as another primary reasons for withdrawal from the international pact, as well as insufficient evidence regarding the science of global warming. Faced with impassioned international disapproval for his position, the U.S. president stated that his administration remained interested in dealing with the matter of global warming, but would endorse alternative measures to combat the problem, such as voluntary initiatives limiting emissions. Critics of Bush's position, however, have noted that it was the failure of voluntary initiatives to reduce emissions following the Rio Summit that led to the establishment of the Kyoto Protocol in the first place.

In the wake of the Bush administration's decision, many participant countries resigned themselves to the reality that the goals of the Kyoto Protocol might not be achieved without U.S. involvement. Nevertheless, in Bonn, [Germany](#), in July 2001, the remaining participant countries struck a political compromise on some of the key issues and sticking points, and planned to move forward with the Protocol, irrespective of the absence of the U.S. The key compromise points included the provision for countries to offset their targets with carbon sinks (these are areas of forest and farmland which can absorb carbon through the process of photosynthesis). Another compromise point within the broader Bonn Agreement was the reduction of emissions cuts of six gases from

over 5 percent to a more achievable 2 percent. A third key change was the provision of funding for less wealthy countries to adopt more progressive technologies.

In late October and early November 2001, the UNFCCC's 7th Conference of the Parties met in Marrakesh, [Morocco](#), to finalize the measures needed to make the Kyoto Protocol operational. Although the UNFCCC projected that ratification of the Protocol would make it legally binding within a year, many critics noted that the process had fallen short of implementing significant changes in policy that would be necessary to actually stop or even slow climate change. They also maintained that the absence of U.S. participation effectively rendered the Protocol into being a political exercise without any substance, either in terms of transnational policy or in terms of environmental concerns.

The adoption of the compromises ensconced within the Bonn Agreement had been intended to make the provisions of the Kyoto Protocol more palatable to the U.S. In this regard, it failed to achieve its objective as the Bush administration continued to eschew participation in the international accord. Still, however, the Bonn Agreement did manage to render a number of other positive outcomes. Specifically, in 2002, key countries, such as [Russia](#), [Japan](#) and [Canada](#) agreed to ratify the protocol, bringing the number of signatories to 178. The decision by key countries to ratify the protocol was regarded as "the kiss of life" by observers.

By 2005, on the eve of a climate change conference in London, British Prime Minister Tony Blair was hoping to deal with the problems of climate change beyond the provisions set forth in the Kyoto Protocol. Acknowledging that the Kyoto Protocol could not work in its current form, Blair wanted to open the discussion for a new climate change plan.

Blair said that although most of the world had signed on to Kyoto, the protocol could not meet any of its practical goals of cutting greenhouse gas emissions without the participation of the United States, the world's largest polluter. He also noted that any new agreement would have to include India and China -- significant producers of greenhouse gas emissions, but exempt from Kyoto because they have been classified as developing countries. Still, he said that progress on dealing with climate change had been stymied by "a reluctance to face up to reality and the practical action needed to tackle problem."

Blair also touted the "huge opportunities" in technology and pointed toward the possibilities offered by wind, solar and nuclear power, along with fuel cell technology, eco-friendly biofuels, and carbon capture and storage which could generate low carbon power. Blair also asserted that his government was committed to achieving its domestic goal of reducing carbon dioxide emissions by 20 percent by 2010.

In the United States, President George W. Bush has said that global warming remained a debatable issue and despite conclusions reached by his own Environmental Protection Agency, he has not

agreed with the conclusion that global warming and climate change are linked with human activities. Bush has also refused to ratify Kyoto on the basis of its economic costs.

Australia, an ally of the United States, has taken a similarly dim view of the Kyoto Protocol. Ahead of the November 2005 climate change meeting in Canada in which new goals for the protocol were to be discussed, Australia's Environment Minister, Ian Campbell, said that negotiating new greenhouse gas emission levels for the Kyoto Protocol would be a waste of time. Campbell said, "There is a consensus that the caps, targets and timetables approach is flawed. If we spend the next five years arguing about that, we'll be fiddling and negotiating while Rome burns." Campbell, like the Bush administration, has also advocated a system of voluntary action in which industry takes up new technologies rather than as a result of compelling the reduction of emissions. But the Australian Conservation Foundation (ACF) has called on its government to ratify the Kyoto Protocol, to establish a system of emissions trading, and to set binding limits on emissions. Interestingly, although it did not sign on to Kyoto, Australia was expected to meet its emissions target by 2012 (an 8 percent increase in 1990 levels in keeping with the country's reliance on coal). But this success has nothing to do with new technologies and is due to state-based regulations on land clearing.

Note: The Kyoto Protocol calls for developed nations to cut greenhouse emissions by 5.2 percent of 1990 levels by 2012.

Special Entry: Climate Change Summit in Copenhagen (2009) --

In December 2009, the United Nations Climate Change Summit opened in the Danish capital of Copenhagen. The summit was scheduled to last from Dec. 7-18, 2009. Delegates from more than 190 countries were in attendance, and approximately 100 world leaders, including British Prime Minister Gordon Brown and [United States](#) President Barack Obama, were expected to participate. At issue was the matter of new reductions targets on greenhouse gas emissions by 2020.

Despite earlier fears that little concurrence would come from the conference, effectively pushing significant actions forward to a 2010 conference in [Mexico](#) City, negotiators were now reporting that the talks were productive and several key countries, such as [South Africa](#), had pledged to reduce greenhouse gas emissions. The two main issues that could still lead to cleavages were questions of agreement between the industrialized countries and the developing countries of the world, as well as the overall effectiveness of proposals in seriously addressing the perils of climate change.

On Dec. 9, 2009, four countries -- the [United Kingdom](#), [Australia](#), [Mexico](#) and [Norway](#) -- presented a document outlining ideas for raising and managing billions of dollars, which would be intended to help vulnerable countries dealing with the perils of climate change. Described as a "green fund," the concept could potentially help small island states at risk because of the rise in sea

level. [Bangladesh](#) identified itself as a potential recipient of an assistance fund, noting that as a country plagued by devastating floods, it was particularly hard-hit by climate change. The "green fund" would fall under the rubric of the United Nations Framework Convention on Climate Change, for which developed countries have been committed to quantifying their emission reduction targets, and also to providing financial and technical support to developing countries.

The [United Kingdom](#), [Australia](#), [Mexico](#) and [Norway](#) also called for the creation of a new legal treaty that would replace the Kyoto Protocol. This new treaty, which could go into force in 2012, would focus largely on the reduction of greenhouse gas emissions by 2020. But [Australia](#) went even further in saying that the successor treaty to the Kyoto Protocol, should be one with provisions covering all countries. Such a move would be a departure from the structure of the Kyoto Protocol, which contained emissions targets for industrialized countries due to the prevailing view that developed countries had a particular historic responsibility to be accountable for climate change. More recently, it has become apparent that substantial reductions in greenhouse gas emissions demanded by scientists would only come to pass with the participation also of significant developing nation states, such as [China](#) and [India](#). Indeed, one of the most pressing critiques of the Kyoto Protocol was that it was a "paper tiger" that failed to address the impact of the actions of emerging economies like [China](#) and [India](#), with its focus on the developed economies.

Now, in 2009, [China](#) -- as the world's biggest greenhouse gas emitter -- was responding this dubious distinction by vocalizing its criticism of the current scenario and foregrounding its new commitments. Ahead of the Copenhagen summit, [China](#) had announced it would reduce the intensity of its carbon emissions per unit of its GDP in 2020 by 40 to 45 percent against 2005 levels. With that new commitment at hand, [China](#) was now accusing the [United States](#) and the European Union of shirking their own responsibilities by setting weak targets for greenhouse gas emissions cuts. Senior Chinese negotiator, Su Wei, characterized the goals of the world's second largest greenhouse gas emitter -- the [United States](#) -- as "not notable," and the European Union's target as "not enough." Su Wei also took issue with [Japan](#) for setting implausible preconditions.

On Dec. 11, 2009, [China](#) demanded that developed and wealthy countries in Copenhagen should help deliver a real agreement on climate change by delivering on their promises to reduce carbon emissions and provide financial support for developing countries to adapt to global warming. In so doing, China's Vice Foreign Minister He Yafei said his country was hoping that a "balanced outcome" would emerge from the discussions at the summit. Echoing the position of the Australian government, He Yafei spoke of a draft agreement as follows: "The final document we're going to adopt needs to be taking into account the needs and aspirations of all countries, particularly the most vulnerable ones."

China's Vice Foreign Minister emphasized the fact that climate change was "a matter of survival" for developing countries, and accordingly, such countries need wealthier and more developed countries to accentuate not only their pledges of emissions reduction targets, but also their financial

commitments under the aforementioned United Nations Framework Convention on Climate Change. To that end, scientists and leaders of small island states in the Indian Ocean, the Pacific Ocean and the Caribbean Sea, have highlighted the existential threat posed by global warming and the concomitant rise in sea level.

China aside, attention was also on [India](#) -- another major player in the developing world and a country with an industrializing economy that was impacting the environment. At issue was the Indian government's decision to set a carbon intensity target, which would slow emissions growth by up to 25 percent by the 2020 deadline. This strong position was resisted by some elements in [India](#), who argued that their country should not be taking such a strong position when developed wealthy countries were yet to show accountability for their previous commitments to reduce greenhouse gas emissions. The matter grew so heated that the members of the opposition stormed out of the parliament in protest as Indian Environment Minister Jairam Ramesh defended the policy. But the political pressure at home in [India](#) was leaving the Indian delegation in Copenhagen in a state of chaos as well. In fact, India's top environmental negotiator refused to travel to Copenhagen in protest of the government's newly-announced stance.

China and [India](#) were joined by [Brazil](#) and [South Africa](#) in the crafting of a draft document calling for a new global climate treaty to be completed by June 2010. Of concern has been the realization that there was insufficient time to find concurrence on a full legal treaty, which would leave countries only with a politically-binding text by the time the summit at Copenhagen closed. But Guyana's leader, President Bharrat Jagdeo, warned that the summit in [Denmark](#) would be classified as a failure unless a binding document was agreed upon instead of just political consensus. He urged his cohorts to act with purpose saying, "Never before have science, economics, geo-strategic self-interest and politics intersected in such a way on an issue that impacts everyone on the planet."

Likewise, [Tuvalu](#) demanded that legally binding agreements emerge from Copenhagen. Its proposal was supported by many of the vulnerable countries, from small island states and sub-Saharan Africa, all of whom warned of the catastrophic impact of climate change on their citizens. [Tuvalu](#) also called for more aggressive action, such as an amendment to the 1992 agreement, which would focus on sharp greenhouse gas emissions and the accepted rise in temperatures, due to the impact the rise in seas. The delegation from [Kiribati](#) joined the call by drawing attention to the fact that one village had to be abandoned due to waist-high water, and more such effects were likely to follow. Kiribati's Foreign Secretary, Tessie Lambourne, warned that the people of [Kiribati](#) could well be faced with no homeland in the future saying, "Nobody in this room would want to leave their homeland." But despite such impassioned pleas and irrespective of warnings from the Intergovernmental Panel on Climate Change that the rise in sea level from melting polar ice caps would deleteriously affect low-lying atolls such as such as [Tuvalu](#) and [Kiribati](#) in the Pacific, and the [Maldives](#) in the Indian Ocean, the oil-giant [Saudi Arabia](#) was able to block this move.

Meanwhile, within the developed countries, yet another power struggle was brewing. The European Union warned it would only agree to raise its target of 20 percent greenhouse gas emissions reductions to 30 percent if the [United States](#) demonstrated that it would do more to reduce its own emissions. It was unknown if such pressure would yield results. [United States](#) President Barack Obama offered a "provisional" 2020 target of 17 percent reductions, noting that he could not offer greater concessions at Copenhagen due to resistance within the [United States](#) Congress, which was already trying to pass a highly controversial "cap and trade" emissions legislation. However, should that emissions trading bill fail in the Senate, the [United States](#) Environment Protection Agency's declaration that greenhouse gases pose a danger to human health and the environment was expected to facilitate further regulations and limits on power plants and factories at the national level. These moves could potentially strengthen the Obama administration's offering at Copenhagen. As well, President Obama also signaled that he would be willing to consider the inclusion of international forestry credits.

Such moves indicated willingness by the Obama administration to play a more constructive role on the international environmental scene than its predecessor, the Bush administration. Indeed, ahead of his arrival at the Copenhagen summit, President Barack Obama's top environmental advisors promised to work on a substantial climate change agreement. To that end, [United States](#) Environmental Protection Agency Administrator Lisa Jackson said at a press conference, "We are seeking robust engagement with all of our partners around the world." But would this pro-engagement assertion yield actual results?

By Dec. 12, 2009, details related to a draft document prepared by Michael Zammit Cutajar, the head of the Ad-hoc Working Group on Long-Term Cooperative Action, were released at the Copenhagen climate conference. Included in the document were calls for countries to make major reductions in carbon emissions over the course of the next decade. According to the Washington Post, industrialized countries were called on to make cuts of between 25 percent and 40 percent below 1990 levels -- reductions that were far more draconian than the [United States](#) was likely to accept. As discussed above, President Obama had offered a provisional reduction target of 17 percent. The wide gap between the released draft and the United States' actual stated position suggested there was much more negotiating in the offing if a binding agreement could be forged, despite the Obama administration's claims that it was seeking greater engagement on this issue.

In other developments, the aforementioned call for financial support of developing countries to deal with the perils of climate change was partly answered by the European Union on Dec. 11, 2009. The European bloc pledged an amount of 2.4 billion euros (US\$3.5 billion) annually from 2010 to 2012. Environment Minister Andreas Carlgren of [Sweden](#) -- the country that holds the rotating presidency of the European Union at the time of the summit -- put his weight behind the notion of a "legally binding deal." Meanwhile, Yvo de Boer, a top United Nations climate change official, focused less on the essence of the agreement and more on tangible action and effects saying, "Copenhagen will only be a success if it delivers significant and immediate action that begins the

day the conference ends."

The division between developed and developing countries in Copenhagen reached new heights on Dec. 14, 2009, when some of the poor and less developed countries launched a boycott at the summit. The move, which was spurred by African countries but backed by [China](#) and [India](#), appeared to be geared toward redirecting attention and primary responsibility to the wealthier and more industrialized countries. The impasse was resolved after the wealthier and more industrialized countries offered assurances that they did not intend on shirking from their commitments to reducing greenhouse gases. As a result, the participating countries ceased the boycott.

Outside the actual summit, thousands of protestors had gathered to demand crucial global warming, leading to clashes between police and demonstrators elsewhere in the Danish capital city. There were reports of scattered violence across Copenhagen and more than 1,000 people were arrested.

Nevertheless, by the second week of the climate change summit, hopes of forging a strong deal were eroding as developed and developing nations remained deadlocked on sharing cuts in greenhouse gases, and particularly on the matters of financing and temperature goals. In a bid to shore up support for a new climate change, [United States](#) President Barack Obama joined other world leaders in Copenhagen. On Dec. 14, 2009, there was a standoff brewing between the [United States](#) and [China](#). At issue was China's refusal to accept international monitoring of its expressed targets for reducing greenhouse gas emissions. The [United States](#) argued that China's opposition to verification could be a deal-breaker.

By the close of the summit, the difficult process eventually resulted in some consensus being cultivated. A draft text called for \$100 billion a year by 2020 to assist poor nations cope with climate change, while aiming to limit global warming to two degrees Celsius compared with pre-industrial levels. The deal also included specific targets for developed countries to reduce greenhouse gas emissions, and called for reductions by developing countries as a share of their economies. Also included in the agreement was a mechanism to verify compliance. The details of the agreement were supported by President Barack Obama, Chinese Premier Wen Jiabao, Indian Prime Minister Manmohan Singh and Brazilian President Luiz Inacio Lula da Silva.

This draft would stand as an interim agreement, with a legally-binding international pact unlikely to materialize until 2010. In this way, the summit in Copenhagen failed to achieve its central objective, which was to negotiate a successor to the Kyoto Protocol on greenhouse gas emissions.

Editor's Note

In the background of these developments was the growing global consciousness related to global warming and climate change. Indeed, as the Copenhagen summit was ongoing, it was clear there

was enormous concurrence on the significance of the stakes with an editorial on the matter of climate change being published in 56 newspapers in 45 countries. That editorial warned that without global action, climate change would "ravage our planet." Meanwhile, a global survey taken by Globescan showed that concern over global warming had exponentially increased from 1998 -- when only 20 percent of respondents believed it to be a serious problem -- to 64 percent in 2009. Such survey data, however, was generated ahead of the accusations by climate change skeptics that some climate scientists may have overstated the case for global warming, based on emails derived in an illicit manner from a British University.

Special Entry: Climate change talks in Doha in [Qatar](#) extend life of Kyoto Protocol (2012)

December 2012 saw climate talks ensue in the Qatari city of Doha as representatives from countries across the world gathered to discuss the fate of the Kyoto Protocol, which seeks to minimize greenhouse gas emissions. The summit yielded results with decisions made (1) to extend the Kyoto Protocol until 2020, and (2) for wealthier countries to compensate poorer countries for the losses and damage incurred as a result of climate change.

In regards to the second matter, Malia Talakai of [Nauru](#), a leading negotiator for the Alliance of Small Island States, explained the necessity of the compensation package as follows: "We are trying to say that if you pollute you must help us."

This measure was being dubbed the "Loss and Damage" mechanism, and was being linked with [United States](#) President Barack Obama's request for \$60 billion from Congress to deal with the devastation caused by Hurricane Sandy months before. The sight of a hurricane bearing down on the northern Atlantic seaboard, along with the reality of the scope of reconstruction, appeared to have illustrated the economic costs of climate change -- not so much as a distant environmental issue -- but as a danger to the quotidian lives of people. Still, there was blame to be placed on the [United States](#) and European countries -- some of world's largest emitters -- for failing to do more to reduce emissions.

To that latter end, there was in fact little progress made on the central issue of reducing greenhouse gas emissions. Had those emissions been reduced, there would have been less of a need to financially deal with the devastation caused by climate change. One interpretation was that the global community was accepting the fact that industrialization was contributing to global warming, which had deleterious effects on the polar ice caps and concomitantly on the rise of sea level, with devastating effects for small island nations. Thus, wealthier countries were willing to pay around \$10 billion a year through 2020, effectively in "damages," to the poor countries that could be viewed as the "collateral damage" of industrial progress. But damages today could potentially be destruction tomorrow, leaving in place the existential challenges and burdens to be born by some of the world's smallest and least wealthy island countries.

Perhaps not surprisingly, the representative for the small island nation states at the Doha summit responded with ire, characterizing the lack of progress on reducing emissions as follows: "We see the package before us as deeply deficient in mitigation (carbon cuts) and finance. It's likely to lock us on the trajectory to a 3,4,5C rise in global temperatures, even though we agreed to keep the global average temperature rise of 1.5C to ensure survival of all islands. There is no new finance (for adapting to climate change and getting clean energy) -- only promises that something might materialize in the future. Those who are obstructive need to talk not about how their people will live, but whether our people will live."

Indeed, in most small island countries not just in the Pacific, but also the Caribbean and Indian Ocean, ecological concerns and the climate crisis have been dominant themes with dire life and death consequences looming in the background for their people. Small island nations in these region are already at risk from the rise of sea-level, tropical cyclones, floods. But their very livelihoods of fishing and subsistence farming were also at risk as a result of ecological and environmental changes. Increasingly high storm surges can wipe out entire villages and contaminate water supplies. Accordingly, the very existence of island nations, such as [Kiribati](#) and [Tuvalu](#), are at severe risk of being obliterated from the map. Yet even with the existential threat of being wiped off the map in the offing, the international community has been either slow or restrictive in its efforts to deal with global warming, climate change, economic and ecological damage, as well as the emerging global challenge of environmental refugees.

A 2012 report from the United Nations Environment Program (UNEP) and the Pacific Regional Environment Program underlined the concerns of small island nations and their people as it concluded that the livelihoods of approximately 10 million people in Pacific island communities were increasingly vulnerable to climate change. In fact, low-lying islands in that region would likely confront losses of up to 18 percent of gross domestic product due to climate change, according to the report. The report covers 21 countries and territories, including [Fiji](#), [Kiribati](#), [Samoa](#) and [Tonga](#), and recommended environmental legislation intended to deal with the climate crisis facing the small island countries particularly. As noted by David Sheppard, the director general of the Pacific Regional Environment Program that co-sponsored this study: "The findings... emphasize the need more than ever to raise the bar through collective actions that address the region's environmental needs at all levels."

Regardless of the failures of the summit in [Qatar](#) (discussed above), the meeting did facilitate a process starting in 2015, which would bind both wealthy and poor countries together in the mission of forging a new binding treaty that would replace the Kyoto Protocol and tackle the central causes of climate change.

For more information on the threats faced in small island nations by climate change and the measures being undertaken to lobby for international action, please see the Alliance for Small

Island States available online at the URL: <http://aosis.org/>

Special Report

COP 21 summit in Paris ends with historic agreement to tackle climate change; rare international consensus formed on environmental crisis facing the planet (2015) --

In mid-December 2015, the highly-anticipated United Nations climate conference of parties (COP) in Paris, [France](#), ended with a historic agreement. In fact, it would very likely be understood as the most significant international agreement signed by all the recognized countries of the world since the Cold War. Accordingly, the Paris Agreement was being distinguished as the first multilateral pact that would compel all countries across the world to cut its carbon emissions -- one of the major causes of increasing greenhouse gas emissions, which contribute to global warming, and its deleterious effects ranging from the dangerous rise in sea level to catastrophic climate change.

The accord, which was dubbed to be the "Paris Agreement," was the work of rigorous diplomacy and fervent environmental advocacy, and it aimed to address the climate change crisis facing the planet. As many as 195 countries were represented in the negotiations that led to the landmark climate deal. Indeed, it was only after weeks of passionate debate that international concurrence was reached in addressing the environmental challenges confronting the world, with particular attention to moving beyond fossil fuels and reducing greenhouse gas emissions.

The success of the COP 21 summit in Paris and the emergence of the landmark Paris Agreement was, to some extent, attributed to the efforts of France's Foreign Minister Laurent Fabius who presided over the negotiations. The French foreign minister's experience and credentials as a seasoned diplomat and respected statesman paid dividends. He skillfully guided the delegates from almost 200 countries and interest groups along the negotiations process, with ostensibly productive results and a reasonably robust deal to show for it.

On Dec. 12, 2015, French Foreign Minister Fabius officially adopted the agreement, declaring: "I now invite the COP to adopt the decision entitled Paris Agreement outlined in the document. Looking out to the room I see that the reaction is positive, I see no objections. The Paris agreement is adopted." Once Foreign Minister Fabius' gavel was struck, symbolically inaugurating the Paris Agreement into force, the COP delegate rushed to their feet with loud and bouyant cheers as well as thunderous applause.

In general, the Paris Agreement was being hailed as a victory for enviromental activists and a triumph for international diplomats, while at the same time being understood as simply an initial -- and imperfect -- move in the direction of a sustainable future. China's chief negotiator, Xie

Zhenhua, issued this message, saying that while the accord was not ideal, it should "not prevent us from marching historical steps forward."

United States President Barack Obama lauded the deal as both "ambitious" and "historic," and the work of strenuous multilateral negotiations as he declared, "Together, we've shown what's possible when the world stands as one." The [United States](#) leader acknowledged that the accord was not "perfect," but he reminded the critics that it was "the best chance to save the one planet we have."

Former [United States](#) Vice President Al Gore, one of the world's most well known environmental advocates, issued a lengthy statement on the accomplishments enshrined in the Paris Agreement. He highlighted the fact that the Paris Agreement was a first step towards a future with a reduced carbon footprint on Planet Earth as he said, "The components of this agreement -- including a strong review mechanism to enhance existing commitments and a long-term goal to eliminate global-warming pollution this century -- are essential to unlocking the necessary investments in our future. No agreement is perfect, and this one must be strengthened over time, but groups across every sector of society will now begin to reduce dangerous carbon pollution through the framework of this agreement."

The central provisions of the Paris Agreement included the following items:

- Greenhouse gas emissions should peak as quickly as possible, with a move towards balancing energy sources, and ultimately the decrease of greenhouse gases in the second half of this century
- Global temperature increase would be limited to 1.5 degrees Centigrade above pre-industrial levels and would be held "well below" the two degrees Centigrade threshold
- Progress on these goals would be reviewed every five years beginning in 2020 with new greenhouse gas reduction targets issued every five years
- \$100 billion would be expended each year in climate finance for developing countries to move forward with green technologies, with further climate financing to be advanced in the years beyond

It should be noted that there both legally binding and voluntary elements contained within the Paris Agreement. Specifically, the submission of an emissions reduction target and the regular review of that goal would be legally mandatory for all countries. Stated differently, there would be a system in place by which experts would be able to track the carbon-cutting progress of each country. At the same time, the specific targets to be set by countries would be determined at the discretion of the countries, and would not be binding. While there was some criticism over this non-binding element, the fact of the matter was that the imposition of emissions targets was believed to be a major factor in the failure of climate change talks in Copenhagen, [Denmark](#), in 2009.

In 2015, the talks faced challenges as several countries, such as [China](#) and [India](#), objected to conditions that would stymie economic and development. In order to avoid that kind of landmine,

a system Intended Nationally Determined Contributions (INDCs) was developed and formed the basis of the accord. As such, the Paris Agreement would, in fact, facilitate economic growth and development, as well as technological progress, but with the goal of long-term ecological sustainability based on low carbon sources. In fact, the agreement heralded as "the beginning of the end of the fossil fuel era." As noted by Nick Mabey, the head of the climate diplomacy organization E3G, said, "Paris means governments will go further and faster to tackle climate change than ever before. The transition to a low carbon economy is now unstoppable, ensuring the end of the fossil fuel age."

A particular sticking point in the agreement was the \$100 billion earmarked for climate financing for developing countries to transition from traditional fossil fuels to green energy technologies and a low carbon future. In 2014, a report by the International Energy Agency indicated that the cost of that transition would actually be around \$44 trillion by the mid-century -- an amount that would render the \$100 billion being promised to be a drop in the proverbial bucket. However, the general expectation was that the Republican-controlled Senate in the [United States](#), which would have to ratify the deal in that country, was not interested in contributing significant funds for the cause of climate change.

A key strength of the Paris Agreement was the ubiquitous application of measures to all countries. Of note was the frequently utilized concept of "flexibility" with regard to the Paris Agreement. Specifically, the varying capacities of the various countries in meeting their obligations would be anticipated and accorded flexibility. This aspect presented something of a departure from the 1997 Kyoto Protocol, which drew a sharp distinction between developed and developing countries, and mandated a different set of obligations for those categories of countries. Thus, under Kyoto, [China](#) and [India](#) were not held to the same standards as the [United States](#) and European countries. In the Paris Agreement, there would be commitments from all countries across the globe.

Another notable strength of the Paris Agreement was the fact that the countries of the world were finally able to reach consensus on the vital necessity to limit global temperature increases to 1.5 degrees Centigrade. Ahead of the global consensus on the deal, and as controversy continued to surface over the targeted global temperature limits, the leaders of island countries were sounding the alarm about the melting of the Polar ice caps and the associated rise in sea level. Prime Minister Enele Sopoaga of [Tuvalu](#) issued this dismal reminder: "Tuvalu's future ... is already bleak and any further temperature increase will spell the total demise of [Tuvalu](#). No leader in this room carries such a level of worry and responsibility. Just imagine you are in my shoes, what would you do?" It was thus something of a victory for environmental advocates that the countries of the world could find consensus on the lower number -- 1.5 degrees rather than 2 degrees.

A significant weak point with regard to the Paris deal was a "loss and damage" provision, which anticipates that even with all the new undertakings intended to reduce greenhouse gas emissions

and move to a low carbon future, there would nonetheless be unavoidable climate change consequences. Those consequences ranged from the loss of arable land for farmers as well as soil erosion and contamination of potable water by sea water, to the decimation of territory in coastal zones and on small islands, due to the rise in sea level, with entire small island countries being rendered entirely uninhabitable. The reality was that peoples' homes across the world would be destroyed along with their way of life.

With that latter catastrophic effect being a clear and present danger for small island countries, the Association of Small Island States (AOSIS) demanded that the developed world acknowledge its responsibility for this irreversible damage.. Despite the fact that greenhouse gas emissions and the ensuing plague of global warming was, indeed, the consequence of development in the West (the [United States](#) and Europe) and the large power house countries, such as [Russia](#), [China](#) and [India](#), there was no appetite by those countries to sign on to unlimited liability. Under the Paris Agreement, there was a call for research on insurance mechanisms that would address loss and damage issues, with recommendations to come in the future.

The call for research was being regarded as an evasion of sorts and constituted the weakest aspect of the Paris Agreement. Not surprisingly, a coalition of small island nations demanded a "Marshall Plan" for the Pacific. Borrowing the term "Marshall Plan" from the post-World War II reconstruction effort, the coalition of Pacific island nation, which included [Kiribati](#), [Tuvalu](#), [Fiji](#), and the [Marshall Islands](#), called for an initiative that would include investment in renewable energy and shoreline protection, cultural preservation, economic assistance for economies in transition, and a plan for migration and resettlement for these countries as they confront the catastrophic effects of the melting of the Polar ice caps and the concomitant rise in sea level. The precise contours of the initiative remained unknown, unspecified, and a mere exercise in theory at the time of writing. Yet such an initiative would, at some point, have to be addressed, given the realities of climate change and the slow motion calamity unfolding each day for low-lying island nations across the world.

As noted by Vice President Greg Stone of Conservation International, who also functions as an adviser to the government of [Kiribati](#), "Imagine living in a place where you know it's going to go away someday, but you don't know what day that wave's going to come over and wash your home away." He added, "It's a disaster we know is going to happen." Meanwhile, the intervening years promised to be filled with hardship for small island nations, such as [Kiribati](#). Stone explained, "For every inch of sea-level rise, these islands lose 10 feet of their freshwater table to saltwater intrusion," Stone explained. "So it's not just about the day the water finally goes over the island; it's also about the day that there's just not enough water left and everyone has to move off the island." Presaging the future for island nations that could face submersion, Stone said, "If you look ahead 50 years, a country like [Kiribati](#) could become the first aqueous nation. possibility of migration. That is, they own this big patch of ocean, and they administer it from elsewhere."

Foreign Minister Minister Tony Debrum of the [Marshall Islands](#) emerged as the champion advocating on behalf of small island nation states and a loose coalition of concerned countries from the Pacific to the Caribbean, but with support from the [United States](#). He addressed the comprehensive concerns of small island nations regarding the weaknesses of the deal, while simultaneously making clear that the Paris Agreement signified hope for the countries most at risk. In a formal statement, Debrum declared: "We have made history today. Emissions targets are still way off track, but this agreement has the tools to ramp up ambition, and brings a spirit of hope that we can rise to this challenge. I can go back home to my people and say we now have a pathway to survival." Debrum highlighted the imperatives of Pacific island nations, saying, "Our High Ambition Coalition was the lightning rod we needed to lift our sights and expectations for a strong agreement here in Paris. We were joined by countries representing more than half the world. We said loud and clear that a bare-bones, minimalist agreement would not fly. We instead demanded an agreement to mark a turning point in history, and the beginning of our journey to the post-carbon era."

Debrum of the [Marshall Islands](#) espoused the quintessential synopsis of the accord and its effects for those most likely to be affected by climate change as he noted, "Climate change won't stop overnight, and my country is not out of the firing line just yet, but today we all feel a little safer."

Editor's Entry on [Environmental Policy](#):

The low-lying Pacific island nations of the world, including [Kiribati](#), [Tuvalu](#), the [Marshall Islands](#), [Fiji](#), among others, are vulnerable to the threats posed by global warming and climate change, derived from carbon emissions, and resulting in the rise in sea level. Other island nations in the Caribbean, as well as poor countries with coastal zones, were also at particular risk of suffering the deleterious effects of climate change.

Political policy in these countries are often connected to ecological issues, which have over time morphed into an existential crisis of sorts. Indeed, ecological concerns and the climate crisis have also been dominant themes with life and death consequences for the people of island nations in the Pacific. Indeed, the very livelihoods of fishing and subsistence farming remain at risk as a result of ecological and environmental changes. Yet even so, these countries are threatened by increasingly high storm surges, which could wipe out entire villages and contaminate water supplies. Moreover, because these are low lying island nations, the sustained rise in sea level can potentially lead to the terrain of these countries being uninhabitable at best, and submerged at worst. Stated in plain terms, these countries are at severe risk of being obliterated from the map and their plight illuminates the emerging global challenge of environmental refugees. In these manifold senses, climate change is the existential crisis of the contemporary era.

Since the time of the 1997 Kyoto Protocol, there have been efforts aimed at extending the life of

that agreement, with an eye on minimizing greenhouse gas emissions, and thus minimizing the effects of climate change. Those endeavors have largely ended in failure, as exemplified by the unsuccessful Copenhagen talks in 2009 and the fruitless Doha talks in 2012 respectively. The success of the COP 21 talks in [France](#), with the adoption of the landmark Paris Agreement in 2015, was regarded as the first glimmer of hope. Not only did the Paris Agreement signify the triumph of international diplomacy and global consensus, but it also marked the start of the end of the fossil fuel era, with the path forward toward a low carbon future reliant on greener technologies. Most crucially, the Paris Agreement stood as the first significant response in recent times to the central challenge of climate change and its quotidian effects on the lives of real human beings across the world.

1. Major International Environmental Accords:

General Environmental Concerns

Convention on Environmental Impact Assessment in a Transboundary Context, Espoo, 1991.

Accords Regarding Atmosphere

Annex 16, vol. II (Environmental Protection: Aircraft Engine Emissions) to the 1044 Chicago Convention on International Civil Aviation, Montreal, 1981

Convention on Long-Range Transboundary Air Pollution (LRTAP), Geneva, 1979

United Nations Framework Convention on Climate Change (UNFCCC), New York, 1992

Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985 including the Montreal Protocol on Substances that Depleted the Ozone Layer, Montreal, 1987

Accords Regarding Hazardous Substances

Convention on the Ban of the Import into Africa and the Control of Transboundary Movements and Management of Hazardous Wastes within Africa, Bamako, 1991

Convention on Civil Liability for Damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD), Geneva, 1989

Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention), Basel, 1989

Convention on the Transboundary Effects of Industrial Accidents, Helsinki, 1992

Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific Region (Waigani Convention), Waigani, 1995

European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR), Geneva 1957

FAO International Code of Conduct on the Distribution and Use of Pesticides, Rome, 1985

2. Major International Marine Accords:

Global Conventions

Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter (London Convention 1972), London, 1972

International Convention for the Prevention of Pollution from Ships, 1973, as modified by Protocol of 1978 relation thereto (MARPOL 73/78), London, 1973 and 1978

International Convention on Civil Liability for Oil Pollution Damage 1969 (1969 CLC), Brussels, 1969, 1976, and 1984

International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage 1971 (1971 Fund Convention), Brussels, 1971

Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS), London 1996

International Convention on Oil Pollution Preparedness, Response, and Co-operation (OPRC), London, 1990

International Convention Relation to Intervention on the High Seas in Cases of Oil Pollution Casualties (Intervention Convention), Brussels, 1969

United Nations Convention on the Law of the Sea (UNCLOS), Montego Bay, 1982

Regional Conventions

Convention for the Prevention of Marine Pollution by Dumping from Ships and Aircraft (Oslo Convention), Oslo, 1972

Convention for the Prevention of Marine Pollution from Land-based Sources (Paris Convention), Paris, 1974

Convention for the Protection of the Marine Environment of the North East Atlantic (OSPAR Convention), Paris, 1992

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1974 Helsinki Convention), Helsinki 1974

Convention for the Protection of the Marine Environment of the Baltic Sea Area (1992 Helsinki Convention), Helsinki 1992

Conventions within the UNEP Regional Seas Programme

Convention on the Protection of the Black Sea against Pollution, Bucharest, 1992

Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, Cartagena de Indias, 1983

Convention for the Protection, Management, and Development of the Marine and Coastal Environment of the Eastern African Region, Nairobi, 1985

Kuwait Regional Convention for Co-operation on the Protection of the Marine Environment from Pollution, [Kuwait](#), 1978

Convention for the Protection and Development of the Marine Environment and Coastal Region of the Mediterranean Sea (Barcelona Convention), Barcelona, 1976

Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment, Jeddah, 1982

Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, Noumea, 1986

Convention for the Protection of the Marine Environment and Coastal Area of the South-East Pacific, Lima, 1981

Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region, Abidjan, 1981

3. Major Conventions Regarding Living Resources:

Marine Living Resources

Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), Canberra, 1980

International Convention for the Conservation of Atlantic Tunas (ICCAT), Rio de Janeiro, 1966

International Convention for the Regulation of Whaling (ICRW), Washington, 1946

Nature Conservation and Terrestrial Living Resources

Antarctic Treaty, Washington, D.C., 1959

Convention Concerning the Protection of the World Cultural and Natural Heritage (World Heritage Convention), Paris, 1972

Convention on Biological Diversity (CBD), Nairobi, 1992

Convention on the Conservation of Migratory Species of Wild Animals (CMS), Bonn, 1979

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Washington, D.C., 1973

Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention), Ramsar, 1971

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FAO International Undertaking on Plant Genetic Resources, Rome, 1983

International Tropical Timber Agreement, 1994 (ITTA, 1994), Geneva, 1994

Freshwater Resources

Convention on the Protection and Use of Transboundary Watercourses and International Lakes, Helsinki, 1992

4. Major Conventions Regarding Nuclear Safety:

Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (Assistance Convention), Vienna, 1986

Convention on Early Notification of a Nuclear Accident (Notification Convention), Vienna, 1986

Convention on Nuclear Safety, Vienna, 1994

Vienna Convention on Civil Liability for Nuclear Damage, Vienna, 1963

5. Major Intergovernmental Organizations

Commission on Sustainable Development (CSD)

European Union (EU): Environment

Food and Agriculture Organization (FAO)

Global Environment Facility (GEF)

International Atomic Energy Agency (IAEA)

International Council for the Exploration of the Sea (ICES)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Oil Pollution Compensation Funds (IOPC Funds)

Organization for Economic Co-operation and Development (OECD), Environment Policy Committee (EPOC)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

United Nations Environment Programme (UNEP)

United Nations Industrial Development Organization (UNIDO)

United Nations Population Fund (UNFPA)

World Bank

World Food Programme (WFP)

World Health Organization (WHO)

World Meteorological Organization (WMO)

World Trade Organization (WTO)

6. Major Non-Governmental Organizations

Atmosphere Action Network East Asia (AANE)

Climate Action Network (CAN)

Consumers International (CI)

Earth Council

Earthwatch Institute

Environmental Liaison Centre International (ELCI)

European Environmental Bureau (EEB)

Forest Stewardship Council (FSC)

Friends of the Earth International (FoEI)

Greenpeace International

International Chamber of Commerce (ICC)

International Confederation of Free Trade Unions (ICFTU)

International Planned Parenthood Federation (IPPF)

International Solar Energy Society (ISES)

IUCN-The World Conservation Union

Pesticide Action Network (PAN)

Sierra Club

Society for International Development (SID)

Third World Network (TWN)

Water Environment Federation (WEF)

Women's Environment and Development Organization (WEDO)

World Business Council for Sustainable Development (WBCSD)

World Federalist Movement (WFM)

World Resources Institute (WRI)

World Wide Fund For Nature (WWF)

7. Other Networking Instruments

Arab Network for Environment and Development (RAED)

Global Legislators for a Balanced Environment (GLOBE)

Regional Environmental Center for Central and Eastern Europe (REC)

United Nations Non-Governmental Liaison Service (UN-NGLS)

Appendices

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Methodology Note for Demographic Data:

The demographic numbers for cities and national populations listed in CountryWatch content are derived from the Geoba.se website, which analyzes data from the World Bank. The current demographic numbers displayed on the Countrywatch website are reflective of the latest available estimates.

The demographic information for language, ethnicity and religion listed in CountryWatch content is

derived from a mix of sources including the Altapedia, Central Intelligence Agency Factbook, Infoplease, and State Department Background Notes.

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-- See also list of News Wires services below, which are also used for research purposes. --

Note on Edition Dates:

The earlier edition dates are noted above because they were used to formulate the original Country Reviews and serve as the baseline for some of the information covered. Later editions have been used in some cases, and are cited as such, while other more recent online resources (cited above) contain recent and ever-updated data sets used for research.

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Methodology Notes for Economic Data:

Estimates by CountryWatch.com of GDP in dollars in most countries are made by converting local currency GDP data from the International Monetary Fund World Economic Outlook to US dollars by market exchange rates estimated from the International Monetary Fund International Financial Statistics and projected out by the CountryWatch Macroeconomic Forecast. Real GDP was estimated by deflating current dollar values by the US GDP Implicit Price Deflator.

Exceptions to this method were used for:

- Bosnia-Herzegovina
- Nauru
- Cuba
- Palau
- Holy See
- San Marino
- Korea, North
- [Serbia](#) & Montenegro
- Liberia
- Somalia
- Liechtenstein
- Tonga
- Monaco
- Tuvalu

In these cases, other data and/or estimates by CountryWatch.com were utilized.

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Methodology Notes for the HDI:

Since 1990, the United Nations Development Programme, in concert with organizations across the globe, has produced the [Human Development Index](#) (or HDI). According to the UNDP, the index measures average achievement in basic human development in one simple composite index, and produces from this index a ranking of countries. The HDI is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy. Knowledge is measured by combination of adult literacy and mean

years of schooling. Standard of living is measured by purchasing power, based on real GDP per capita (in constant US\$) adjusted for differences in international living costs (or, purchasing power parity, PPP). While the index uses these social indicators to measure national performance with regard to human welfare and development, not all countries provide the same level of information for each component needed to compute the index; therefore, as in any composite indicator, the final index is predicated on projections, predictions and weighting schemes. The index is a static measure, and thus, an incomplete measure of human welfare. In fact, the UNDP says itself the concept of human development focuses on the ends rather than the means of development and progress, examining in this manner, the average condition of all people in a given country.

Specifically, the index is calculated by determining the maximum and minimum for each of the three components (as listed above) and then measuring where each country stands in relation to these scales-expressed as a value between 0 and 1. For example, the minimum adult literary rate is zero percent, the maximum is 100 percent, and the reading skills component of knowledge in the HDI for a country where the literacy rate is 75 percent would be 0.75. The scores of all indicators are then averaged into the overall index.

For a more extensive examination of human development, as well as the ranking tables for each participating country, please visit: <http://www.undp.org>

Note on [History](#) sections

In some CountryWatch Country Reviews, open source content from the State Department Background Notes and Country Guides have been used.

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Note: Some or all these news services have been used to research various sections of this Country Review.

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Basic form, using an Internet protocol:

Author/editor. *Title of Print Version of Work*. Edition statement (if given). Publication information (Place of publication: publisher, date), if given. *Title of Electronic Work*. Medium. Available Protocol (if applicable):Site/Path/File. Access date.

Examples:

Youngblood-Coleman, Denise. *Country Review: France*. 2003. Houston, Texas: CountryWatch Publications, 2003. *Country Review:France*. Online. Available URL : http://www.countrywatch.com/cw_country.asp?vCOUNTRY=61 October, 12, 2003.

Note:

This is the citation format used when the print version is not used in the reference.

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This is the citation format used when the print version is not used in the reference.

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Fax: 713-355-3770
Web address: <http://www.countrywatch.com>
Email: support@countrywatch.com

ISBN: 1- 60523- 649-7

Chile Country Review

2016

ISSN: 1- 60523- 893-5

Printed in the United States of America