

Forming Innovative Leaders: The Leadership Skills Certificate Program of the Bío Bío Region, Chile

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Abstract

The Department of Industrial Engineering, University of Chile, through its Programa de Habilidades Directivas (PHD), offers a Leadership Skills Certificate Program in Chile's Bío Bío Region. The Leadership Skills Certificate Program uses a specific technological and pedagogical approach to stimulate innovation and guide the processes of transformation that take place in all types of human organizations. This approach relies heavily on the construction of social capital, a necessary condition for survival in today's turbulent environment of globalization.

The Leadership Skills Certificate Program stems largely from the work of the Chilean biologist Humberto Maturana, known as the Biology of Cognition. The program uses a constructivist pedagogical model aimed at expanding self-awareness, and identifies five principal areas of learning in its theoretical framework. Using this model, the Certificate Program in Leadership Skills has reached some hundred public and private leaders in Chile's Bío Bío Region. Here we present the program's formative approach and an evaluation of its short- and medium-term impact.

Introduction: The genesis and the point of the game

The Certificate Program in Leadership Skills grew from a series of conversations held between academics, politicians, and private and public managers who coincided in a search for a better world. The resulting program, supported by the Regional Institute of Business Administration (IRADE), has been offered by the Department of Industrial Engineering, University of Chile (DIE-UC) in the Bío Bío Region¹ since 2001.

Perhaps the most influential conversation in this creation process was held at the end of 2000 between the intendant of the Bío Bío region (the top regional political authority) and the director of the "Programa de Habilidades Directivas" (PHD). After nearly a decade of sitting in the board of directors of Fundación Chile, the main Chilean organization dedicated to technological innovation, they agreed on a personal and institutional commitment to bring the pedagogical and technological innovations in social capital of the PHD to the Bío Bío Region, from whence both originate.

In 1985, the founders and academic directors of the CPLS met at the Communication for Action workshops given by REDCOM. It was there that they became aware

of the Linguistic Ontology of Organizations, and began conversations leading to CPLS. One important contribution to that ontological proposal occurred in 1974-1975, when the renowned Chilean biologist Humberto Maturana agreed to teach his revolutionary epistemological approach, the Biology of Cognition, to the incarcerated ex-Minister of Finance and Economy Fernando Flores, who had served under the late President Salvador Allende. The scientific and philosophical developments these men discussed, and which had germinated in Harvard University's epistemological laboratories at the end of the 1950s, were central to Flores' doctoral work and later business and philosophical work carried out in Berkeley's diverse and intense campus of the University of California and surrounding businesses.

Other conversations took place in 1985 as to how to incorporate the work of the Wilhelm Reich Institute of Sao Paulo (where the proposals of the "renegade disciple" of Sigmund Freud underwent major development) into Chilean epistemological and therapeutic work. The result was the Wilhelm Reich Institute of Chile, which featured contact as a fundamental factor of the quality of human life. Thus this feature came to the attention of the founders and academic directors of the CPLS. It should be noted that the Wilhelm Reich Institute of Chile opened fifteen years before the editorial of the

special December 2001 issue of the Harvard Business Review designated the “contact factor” as a key element of the new business leadership, and that the special issue, entitled “Breakthrough leadership: It’s personal. Why the best strategy now is knowing yourself,” was the first in the journal’s seventy-nine years of existence.

In 1990, as Chile was initiating the process of recovering its democracy after seventeen years of military regime, conversations were taking place in the DIE-UC that sparked the Modernization of Public Management Program, the Innovators Club, the Worldwide Network of Outstanding Chileans Ex-pats, the Program of Management and Economy of Health Systems, and courses such as Development of Entrepreneurial Capacity, Development of Leadership Skills, Design and Management of One’s Self, and Sociotechnology. The unifying characteristic of these and many other conversations was the conviction that development—of nations, regions, organization, and persons—comes from the conversational process of constructing reality.

This conviction gave rise to the design of the Certificate Program in Leadership Skills (CPLS) of the Bío Bío Region, whose declared “point of the game” is to provide its participants with living proof of the enormous potential inherent in adopting a constructivist conversational posture, which generates innovation, leadership, and development by “expanding awareness.”

The CPLS got its final push from the Harvard Business Review editorial entitled “Can we talk?” (April 2001) and “Only connect,” one of the “Breakthrough ideas for the business agenda” (same issue); the first CPLS was kicked off in August 2001.

More the 150 people have taken or are taking this formative leadership and innovation program. Here, we detail the philosophical and pedagogical bases of the program and do a preliminary exploration of the impact the program has had on its participants and their work and social environments.

The primal premises and the epistemological framework

The rehumanization of work and management

The first premise of the CPLS is that the main challenge facing businesses and organizations today is the need to simultaneously tend to two spheres of demand: work and personal. Reconciling the demands for productivity and quality service with those for well-being in the workplace and quality of life outside of the workplace are the orders of the day. This new demand lies at the

heart of the differences between managers and leaders, as is reflected clearly in the evolution of the Harvard Business Review’s articles of the last five years. Since the seminal November-December 1998 issue, which included Friedman, Christensen, and DeGroot’s highly suggestive paper, “Work and Life: The End of the Zero-Sum Game,” nearly 50% of the papers published have a direct or indirect relationship with the need to “rehumanize” work, business, and management.

Accept to change. Innovate to conserve.

The second premise of the CPLS is probably its most important, distinctive, and innovative. It asserts that the key to change lies in acceptance and the key to living well in conservation, and that change and innovation only make sense in terms of conservation. Here the CPLS reveals its deepest and most solid philosophical roots: Buddha, Christ, Fromm, Nietzsche, Reich, Maturana, and Varela. Therefore, although the program’s main objective is pragmatic, its participants must immerse themselves in philosophical texts and a review of the historical paradigms from which these have emerged, as well as the social conceptions and lifestyles that have permeated human personal and professional *modus operandi*.

CPLS participants are encouraged to intellectually explore as well as to experience an acceptance-based lifestyle in which acceptance is understood as not opposing what cannot be changed, clearly differing from resignation, or not opposing what can be changed.

Essentially, CPLS participants learn to live the familiar prayer “God grant me the Strength to change the things that can be changed, the Serenity to accept the things that cannot be changed, and the Wisdom to know the difference.” When wisdom is lacking, they are invited to replace it with teamwork and support networks, which can be more human and accessible ways to differentiate between acceptance and resignation.

Above all, the CPLS is an invitation to self-acceptance and self-love. The program uses self-exploration techniques within a highly accepting atmosphere where there is mutual concern amongst the participants to achieve these goals. Self-exploration focuses on the search for core competencies and major faults, the strong roots and the rotten ones.

The belief is that self-exploration in a protected environment generates increased self-esteem and authenticity on the one hand and, consequently, expanded integral

consciousness—intellectual, emotional, and physical—of one’s self and one’s surroundings on the other hand.

Reality doesn’t exist! Neither do problems! (Except as human constructions.)

The CPLS can be understood as an invitation to know—intellectually and experientially—the life possibilities that a radical constructivist approach offers. Two central postulates of Maturana and Varela which deal with this third premise are:

- Humans construct the world by living in it, and we do this from our unique and socially determined structure. There is a difference between really knowing something and simply seeing a reality out there as an independent observer. Our perceptions and our emotions specify what things are. We live in a world of interpretations. We cannot ever, given our biology, truly know how things are; we can only know how we perceive them.
- What happens to a human being throughout his/her existence is only that which can happen given his/her structure. We do not decide what will happen to us; what happens happens.

Maturana and Varela’s *Biology of Cognition* provides a conceptual framework that favors the search for acceptance, autonomy, and authenticity, all of which are considered to be fundamental principles for human beings to live and function well. The CPLS shows how to live the epistemology—this is the matter of knowing—as a human option, and shows Maturana’s epistemology to be an option expanding the possibilities of living well in these times of globalization and the vertigo of constant, profound, and unpredictable change. The invitation is to reconstruct the way in which we observe the world, thereby significantly modifying the life experience.

Essentialism, rationalism, and individualism: Sparks for innovation

In its fourth premise, the CPLS sets forth the conversational constructivism option—the idea that reality is built in a community’s conversations—as a better alternative for contemporary life than the paradigms that have dominated western thought for the last twenty-five centuries. Supported by empirical research on business innovation and the monumental contribution of Nonaka and Takeuchi—which allows for a counterpoint between east and west—the participants become aware of the consequences of the basic paradigms of western

modernity. Individual and group exercises show CPLS participants how the Aristotelian conception of a “being that is” makes the human space of being and doing rigid and restrictive by assuming that people are born determined to be a certain way. This contrasts sharply with the enormous space for being and doing found in constructivist approaches.

Likewise, the limitations of the rationalist reductionist conception of the human being are discovered, in which the only adequate and recommended human action is that which is previously contemplated. The works of Mintzberg and Heidegger are used to show the costs of the old paradigms and to sketch out some new paradigms featuring automatism, intuition, and emotion as key players.

Social capital as an added value

The fifth CPLS premise is that development is not only related to economic variables, but rather is based on a community’s capacity to generate value. The generating of value is related to how a community interacts and lets its members maximize and deploy their capacities. Social capital is presented as a new developmental approach that is empowered in environments amenable to innovation and humanistic leadership, or as Maturana would say, where conversations are turned into coexistence.

The CPLS, therefore, tries to stimulate conversations that empower the development of trust, the coordination of actions, and networks of collaborative relationships. These characteristics build social capital in the regions and organizations where the participants live and work.

Innovating, learning, and living: The same thing

The sixth and last fundamental premise of the CPLS is that innovation is not a fad, nor is it something new, nor is it an option. Rather, it is a way of understanding a fundamental principle of life: the conservation of adaptation to the environment. Innovation is understood as the process of adapting to a changing environment. The surge of innovation as a recent topic is the result of greater and faster changes in the world, marked by globalization and technological development. Nowadays, businesses, organizations, nations, regions, and persons must engage in constant and serious innovation in their paradigms and practices, not because innovation is something new, but because the environment is changing like never before in human history.

Innovation, then, is an inevitable condition for survival. “Innovate or die” is a valid motto, a systematic law, for all kinds of organizations and people. It is a life condition. The only way to conserve that which one wants to conserve as fixed principles and values is to be willing to let go and get rid of that which does not constitute the being of the system. This also means learning and generating new adaptive abilities in order to continue being that which one wants to be, whether organization or person. Innovation, learning, and living are the same thing.

Innovation, as a systemic law, is valid for all types of systems, including philosophical systems. CPLS participants are encouraged to understand the problems, including human and organizational pathologies, stemming from a continued faithfulness to philosophical systems that were created and useful in other contexts, but that are no longer useful today. To paraphrase the beginning of Hamel’s “Strategy as Revolution,” we can say, “Let’s admit it. We’ve come to the end of incrementalism.” The old paradigms about humanity and society are no longer applicable. New paradigms are needed in order to survive in the “New Realities” which Peter Drucker has been talking about for quite some time now with dignity, serenity, and productivity.

The pedagogical model of the CPLS

In keeping with the above premises, and unlike many leader-forming programs, the CPLS does not set out to change its participants, but to increase their self-acceptance. At the point of the game of the CPLS is an expanding self-awareness (awareness of interests, strengths, and weaknesses) rather than pressure to change. The central argument of the CPLS is that the fastest, most effective, efficient, and gratifying way to increase productivity and quality of life in the workplace is through broadening awareness—of self and surroundings—and not the impulse to change the self. Furthermore, it is the option of least ethical risk, when taking the point of view of a learning facilitator, as it minimizes the eventual collateral effects of behavioral and attitudinal changes in other areas of life (with partners, family, spirituality, social life, recreation, and so on).

Should the development of abilities or the modification of attitudes be renounced, then? Definitely not! To accept is not to resign, in the first place. And change is easier, more stable, and without harmful side effects when it comes from a decrease in pressure rather than an increase in pressure. Being overly demanding of one’s self, according to the CPLS, is not a good idea

if the goal is innovation and living well. Therefore, the search for the attitudinal and behavioral changes runs, in this program, through the widening of the integral awareness of one’s self (a hermeneutic change, eruditely-speaking) more than through the changing of one’s self.

In concrete terms, CPLS participants cycle repetitively through the following learning phases:

The Cognitive Phase, or the space where knowledge is acquired

Here, participants are invited to learn—through conferences and readings—about the philosophical, psychological, sociological, and managerial developments of the constructivist approach, on which the certificate program is based.

The Attitude and Ability Phase

Using the intellectual base gained in the cognitive phase, participants work on a set of individual and group exercises, in which they experience – emotionally and physically – some of the characteristic situations of contemporary work and personal life: seduction and declining a seductive situation, being evaluated and evaluating others, working in teams under pressure, deciding when uncertain, etc. When discussing these experiences, participants become aware of the consequences of living these exercises from different epistemological and ontological approaches. Specifically, they are helped to visualize the change in the concept of listening, which is generated upon moving from an essentialist position to a constructivist position. The exercise listening to one’s self impacts the CPLS students; as they listen to others, they live the role of constructor with the others as part of the listening process, visualizing the possibility to rebuild the other from the ears, eyes, and heart of the “obstlistener.” An even greater breakthrough is when participants become aware that this is also valid in the construction of one’s self. In other words, the self can be reinterpreted as the story that a human being tells about him/herself. Under certain conditions, the self can even be modified via the conversations that a human being has about his/her self and with his/her self.

The Expansion of Self-Awareness Phase

Working from these same exercises, participants reflect on and become aware of their ability to function competently or incompetently in the diverse situations experienced. Some of the questions that guide this learning phase are: In what areas am I competent, a virtuoso? In what areas am I a novice or openly incompetent? Which

competencies and incompetencies was I not aware of? In which areas was I cognitively blind? In which situations am I interested in functioning competently? In which am I not? Participants are thus invited to be active observers of their learning, emotions, moods, and life. Learning to listen to surroundings and to one's self are the basis of the learning process, and therefore, the participants are motivated to generate habits, such as the use of a journal, that allow them to develop these abilities, and that focus on learning about and caring for their selves.

The Redesigning Phase

Unlike most other leader-forming programs, CPLS participants are not asked to carry out a training program geared at closing the gap of their incompetencies with respect to a desired profile at the end of the learning process. Instead, they become aware that they can redesign their manner of being at work and in life in general so as to make the most of their strengths, make their weaknesses irrelevant, and align their tasks with their most profound interests and desires. This is done through the declaration of "breakdown" in the Heideggerian sense, revealing opportunities rather than problems and leaving a space for the redesign of work practices, breaking with the old traditional paradigms as to how things should be done, and showing the potential for teamwork and networks as two great areas of discovery and action.

The Network Phase

In this phase, the participants' networks are widened and reinforced amongst themselves and with other relevant actors regionally, nationally, and internationally. The generation of trust and collaborative spaces of intervention facilitates this process. Here, social construction comes alive and begins generating synergies that allow the development of social capital, understood as the capacity to add value to any organization².

Characterization

From August 2001 to the present, two sections of the CPLS have been carried out and a third is in process. Participants come from diverse private, public, and academic sectors³.

The CPLS consists of ten monthly modules, totaling two hundred pedagogical hours; each module lasts one a day and a half. Most of the work is done as workshops, with brief presentations and individual and group exercises aimed at achieving a positive learning environment. At present, four areas of learning are considered:

- Ability development
- Organizational management and teamwork
- General formation
- Integration

Individual assignments are supervised between the modules via e-learning methods. This increases the continuity of the process, allows participants to practice what they have learned, and provides an immediate contribution through the generation of new practices and work styles. These assignments are the main methodological tool used for keeping track and assessing each participant's learning progress.

Furthermore, individual work is empowered through learning groups, in which a supportive community is formed to accompany each participant throughout the CPLS.

Impact evaluation: Some results

Qualitative measures (e.g., the participants' opinion of learning and perceived benefits) rather than external impact indicators are prioritized in evaluating the benefits reaped from the CPLS. This is in keeping with the nature of the program's objectives and the conceptual framework that sustains the CPLS. Therefore, impact is understood to be a justified declaration of perceived benefits stemming from learning triggered in the CPLS.

Short- and middle-term benefits were analyzed. For short-term benefits, the final evaluation reports of the participants were evaluated, and for middle-term benefits, an e-mail opinion poll was carried out on the community of CPLS graduates.

Short-term benefits

Following are literal extracts from the final individual assignments and the final exam, an essay on the evaluation process focused on justifying the assessment of the knowledge that was obtained in the formative process of the CPLS. This work is also presented orally to the group in the last session.

One of the most frequently mentioned benefits is the knowledge and acceptance of one's self.

I've learned to know myself and to love myself,
something I never had done before.

Today I'm proud of who I am and what I've lived.

The participants discover a place of calm and peace, of enjoyment of life.

I like the way I'm living now, at peace with myself and my surroundings.

I'm more sure of myself, my sensation of deep happiness has grown.

This increased self-awareness has repercussions beyond the individual, generating a new interpretation of coexisting.

I repeat, for me, the main benefit has been becoming aware of what I am, what I want to be, my attitude towards changes, believing in myself, being by doing ... the acceptance of my totality ... and of others.

An elevated self-awareness also gives the participants an integrated view of themselves as the human beings that they are in this increasingly complex and changing world and of their potential as constructive actors of their own lives.

I must confess that I didn't know myself, I didn't know who I was nor how I was living: everything happened so fast, I thought I was so clear, but I wasn't looking for anything. How could my friends know me then? I was so lost and alone. Today I see that, along with my body, I have emotions, the possibility to use language to build worlds and generate realities that didn't exist.

The participants also delineate the relevance of power for them in redesigning and innovating at work in order to decrease exhaustion and stress, manage themselves, and develop self-leadership. In this sense, one of the most-developed abilities is learning to declare breakdowns, to listen to the team and the surroundings, to delegate, to decline, and certainly to generate efficient teamwork. "Today I can do quality work that has value to others and changes the lives of many." "I'm happier at work and feel that I've become even more efficient."

These improved work practices have been passed on to the organizations where the participants work as well.

As a concrete benefit for the organization, there is better use of time, reducing the exhaustion of collaborators. Several of them have let me know that attending work meetings is much more pleasant now that they're more effective and carried out in a pleasant collaborative environment.

This Certificate Program, without exaggerating, has changed our vision of life—personally and as a group of supervisors that attend the program—allowing us to understand the past better, live the present more intensely, and design the future more intelligently, improving our quality of work and family life.

When the participants come from one business or organization, a positive change can be seen in the management styles:

... with more active participation and within a new language and way of relating that will likely be the base for future improvements in the company.

Another benefit declared by the participants is "the verification of the importance of conversation, dialog, and 'parlay'" that arises from valuing communication, networks, and dialog as learning moments in co-existence with others.

The conversation with my boss was the best conversation in the twenty-five years that he's been my direct boss.

This puts the participants in learning situations that are linked to the surroundings, the community.

Before I thought that I didn't have anything to learn from people in other organizations. Now I believe that it's indispensable for improving my management, since the number of opportunities to magnify the network of contacts is considerable.

The participants declare benefits from the CPLS in all areas, significantly improving their quality of life.

Before the CPLS, I was living for my work; today my quality of life is better. I'm a happier person, less over-taxed, more flexible, tolerant, and more willing to accept diversity. I have more time to enjoy life.

The greatest benefit has been finding the middle ground, the harmony between my personal life and my work responsibilities, from a perspective of caring for myself and for my family.

Halfway through the program, I felt that it had been a good deal in all senses: contacts, knowledge, the development of skills, friendships, work opportunities, personal and family growth, the possibility to look at the world in another way, but most of all, in improving my quality of life and living well.

Finally, the participants recognize that, in the CPLS,

you are allowed to start down a path of your choosing or you can simply see that the path exists and know it will be there for you when you want to take it.

The difference is that now I have more tools than before.

Middle-term benefits

The survey applied used open questions to uncover the perceived benefits after a year and a half (first generation) and six months (second generation) of having participated in the CPLS. The survey was carried out in November 2003; e-mails were sent to all graduates (N=ninety-seven). The survey had a 37% response in three days⁴.

Generally, 27% of the participants reported a very high impact, 61% a high impact (88% total high impact), 9% a medium impact, and 3% a low impact. No respondents reported a very low impact.

For a more rigorous analysis, four areas of impact were explored: work productivity and well-being, general quality of life, network of relationships, and regional social capital.

With regard to work productivity and well-being, the most common responses were, in order of importance, increased well-being at work, increased productivity, improved teamwork, improved time management, more tools for understanding, and acting on organizational phenomena.

These reflect different types of learning: the development of new abilities (47%), changes in understanding of self and environment (31%), attitudinal changes (12%), increased cognition for facing situations (8%), and the improved ability to relate to others (2%).

The graduates reported an increased general quality of life, because of the ability to make compatible or balance the different dimensions of life, especially work and family. The principal benefits reported were a decreased sensation of exhaustion and stress, increased importance of taking care of one's self, improved primary social relationships (family, friends) through greater awareness of the role the actor plays in how things happen, and increased importance given to living well (recreational enjoyment, the search for meaning, the validation of lifestyles).

Here, 55% of these benefits can be attributed to changes in understanding of self and environment, 23% to the

development of new abilities, 15% to attitudinal changes, 5% to the improved ability to relate to others, and 2% to new cognitive skills.

As for the network of relationships, 72% perceived a quantitative increase and 84% a qualitative improvement. The informants report an availability of better tools for working and living in networks and an increased value assigned to networks as a form of social co-existence of our day and age. Finally, by empowering this value, they report having improved the objective and subjective conditions of their lives.

Concerning regional social capital, 83% report an increase and more trust amongst regional actors that is expressed in their perceived capacity to be actors of what happens in the regional environment. A concrete example of this is the creation of a regional development agenda, coordinated mostly by graduates of the first CPLS. This agenda seeks to coordinate public, private, and university actors in the coordination of actions for joint regional development initiatives⁵.

Conclusions

Educating leaders by expanding awareness of the self and the environment permits innovative processes at personal, group, and organizational levels, as can be seen in the pedagogical model presented here, its principal characteristics, and the preliminary evaluation of its impacts. Participants learn important lessons as to the development of abilities, attitudes, and knowledge and this learning allows them to perform successfully in the changing world of globalization. Based on acceptance and self-awareness, the participants have been able to innovate in the different areas in which they work, increasing their productivity and improving their quality of life.

The learning acquired in this formative period, based on self-management, constitutes enduring tools and distinctions, allowing the development of new innovations to be applied to future areas of development. Participants are empowered as agents able to transform themselves and their surroundings.

Social capital in the processes of regional development is strengthened by the construction of spaces that favor collective learning, that generate trust, that value networks and collaborative work, that increase the capacity of communities to dialog about the future, that make the future a shared dream, and that make the individuals active builders of that dream.

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Endnotes

1 Chile is divided into thirteen administrative regions, the Bío Bío Region being the second in population and third in economic importance. Historically, the Bío Bío Region has been the main alternative for industrial activity outside of Santiago, the country's capital. Today the region supplies more than 15% of the national GDP, with a special emphasis on the development of forestry, fishing, and agricultural activities. There is also a strong

industrial presence in the region related to petroleum; the manufacture of steel, paper, and cellulose; and the petrochemical industry. Although rich in resources and capabilities, the region suffers from high levels of unemployment (12% in 2003) and poverty (27% in 2000, seven points over the national average). A further complication for regional development revolves around problems of integration for the Mapuches, the native peoples of the south of Chile; the integration issues are evident in conflicts over the installation of dams in the headwaters of the Bío Bío River and demands for the return of native lands presently held by forestry companies in the Arauco province of the Bío Bío Region.

2 In "El desarrollo como un proceso conversacional de construcción de Capital Social," Vignolo, Potocnjak y Ramírez, CLAD, 2002.

3 The first generation was made up of fifty-eight professionals from the region: twenty-nine from the private sector, two from the academic sector, and twenty-seven from the public sector, including regional government authorities. The professionals of the second generation totaled forty-two: thirty from the private sector, eight from the academic sector (including the managerial plant of the University of Concepción, the leading regional center of tertiary education), and four from the public sector. The present generation consists of fifty-five participants: forty from the private sector, eleven from the academic sector, and four from the public sector.

It should be highlighted that 38% of the present generation travels to the Bío Bío Region from Santiago (approximately 500 kilometers), a first for higher education in this highly centralized country.

4 One respondent was Mr. Jaime Toha, the intendant of the Bío Bío Region, a student of the first generation and participant in the genesis of the project.

5 An agenda laying out seven lines of action for the Bío Bío Region was presented to President Ricardo Lagos in March 2003. The agenda's impact has been such that other regions of the country have taken steps to begin similar processes of socially coordinated development.