

Government at a Glance: Latin America and the Caribbean 2024



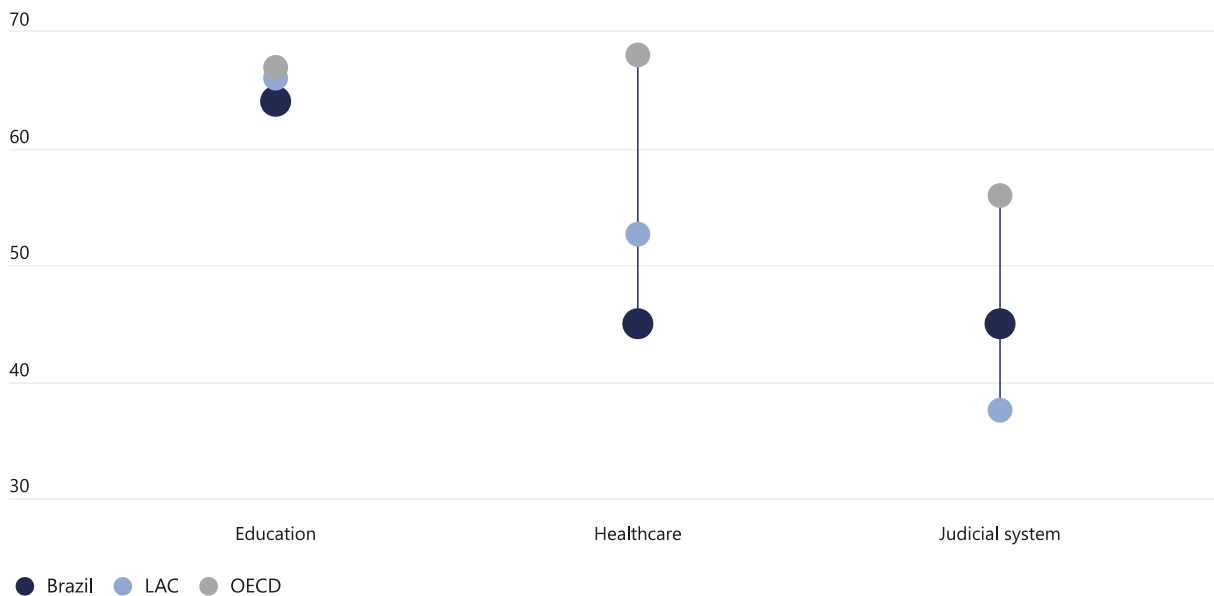
Brazil

Trust and satisfaction with public services

Trust in public institutions and satisfaction with public services are important outcomes of the quality of public governance. They reflect people's perceptions of government competence in designing and delivering policies and services, as well as expectations about the behaviour of public institutions and public officials. Satisfaction with public services and trust in public institutions – while not necessary outcomes of democratic governance – can enhance effective governance by fostering participation in public life, compliance with policies, and social cohesion.

A large majority of Brazilians are satisfied with the education system and satisfaction with the judicial system is above the LAC average. Brazilians are most satisfied with the education system, with 64% of the population being satisfied, slightly below both the LAC (66%) and OECD (67%) averages. The healthcare sector has a satisfaction rate of 45%, which is below the LAC average (53%) and significantly below the OECD average (68%). Satisfaction with the judicial system is also at 45%, higher than the LAC average by 7 percentage points (p.p.).

Figure 1. Satisfaction with public services, 2022



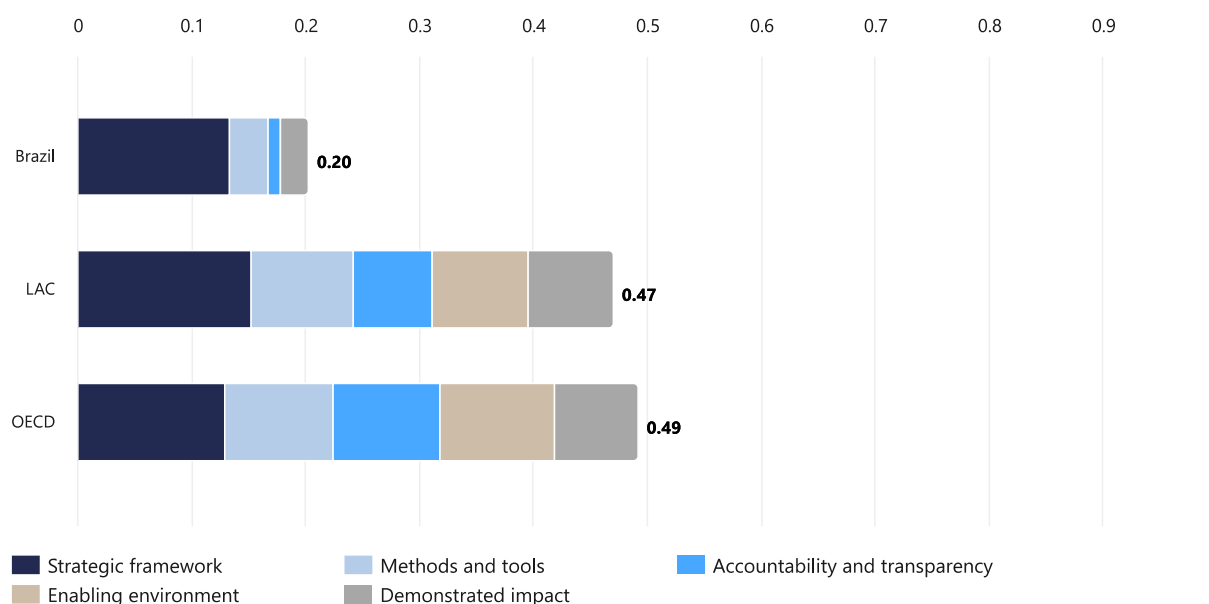
Good governance for inclusiveness and sustainability

In an age of multiple crises, countries in Latin America and the Caribbean need to pursue good governance practices that foster inclusiveness and sustainability, crucial for promoting prosperity and democratic resilience. Key actions include building on democratic strengths, such as enhancing stakeholder engagement in decision making and promoting representation and inclusion in public workforce. Additionally, efforts should focus on reinforcing key competences to deliver inclusive and sustainable growth, including budgeting and public procurement approaches that support the green transition. Safeguarding against threats to democratic values demands that effective public integrity rules and robust regulation against undue influence be maintained.

Budget management processes, such as gender budgeting, can also help promote measures to close gender gaps. The OECD Gender Budgeting Index measures how countries perform on five dimensions of gender budgeting mechanisms: institutional and strategic framework to assess the gender impact of budgetary and fiscal policies; methods and tools used to implement gender budgeting; mechanisms to enhance transparency and accountability; the enabling environment for the effective and consistent implementation of the gender budgeting framework; and the impact of gender budgeting on policy development and allocation decisions. Of the 13 surveyed LAC countries, 10 practice gender budgeting (77%), compared to 61% of OECD countries.

Among the 10 LAC countries that have adopted gender budgeting, Brazil has the lowest score in the OECD Gender Budgeting Index. Brazil scores 0.2 on a scale of 0 to 1, lower than the LAC average (0.47) and the OECD average (0.49). While progress has been made to establish the institutional and strategic framework for gender budgeting (reflected in the score for this dimension of the index), there is room for improvement in all the other dimensions of the index.

Figure 2. OECD Gender Budgeting Index, 2022

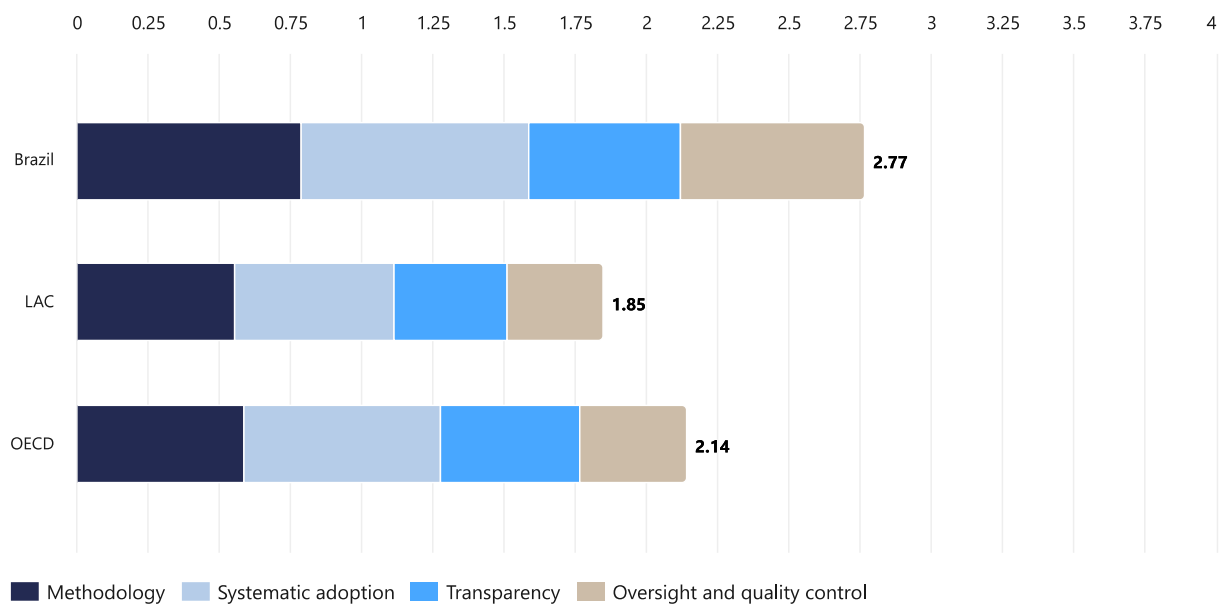


Meaningful engagement with stakeholders in decision making helps to improve the design and public acceptance of public policies and services. The OECD's Regulatory Policy and Governance Index (iREG) assesses stakeholder engagement in the development of subordinate regulations (those approved by the head of government, ministries or the cabinet). This index measures countries' performance in

systematically involving stakeholders in public decision making, the use of tools, the transparency of their consultations, and their oversight and quality control. Between 2019 and 2022, 8 out of 11 surveyed LAC countries (73%) improved their iREG score on stakeholder engagement.

Brazil has one of the highest scores among LAC countries on the iREG index for stakeholder engagement for developing subordinate regulations. With an overall score of 2.77, on a 0-4 scale, Brazil performs above both the LAC (1.85) and OECD (2.14) averages. Brazil achieves its highest scores for systematic adoption (0.8 out of a maximum score of 1) and methodology (0.79). There is still room for improvement, particularly on the oversight and quality control dimension, with a score of 0.65, and in the transparency dimension, with a score of 0.53.

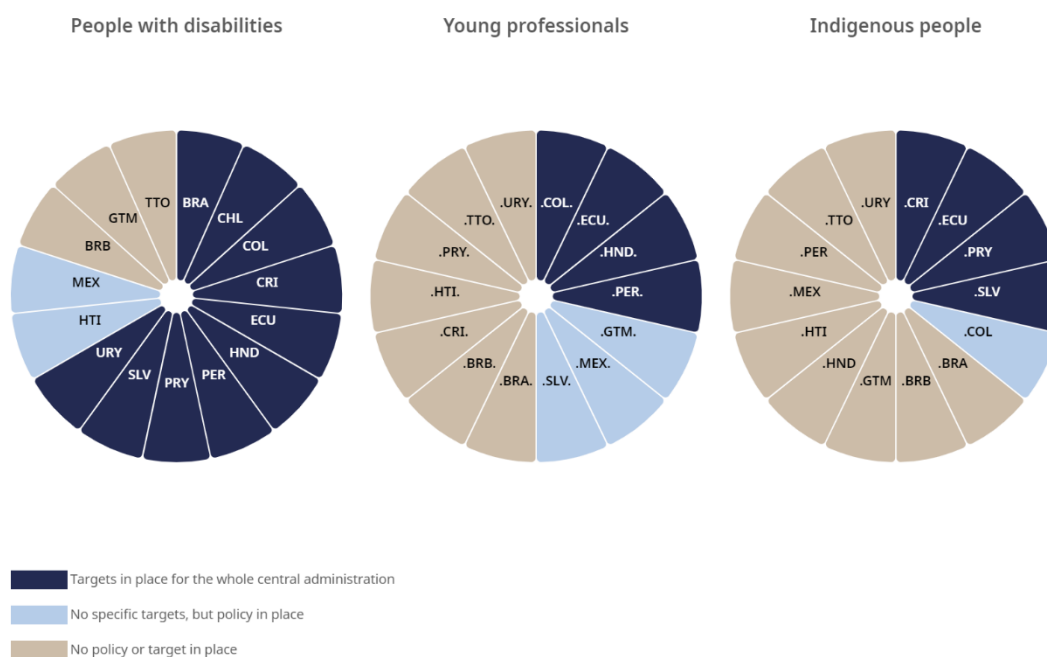
Figure 3. iREG on stakeholder engagement in developing subordinate regulations, 2022



A diverse public sector workforce is essential for promoting representation and inclusion of underrepresented and vulnerable groups. It strengthens government performance by driving innovation and contributing to tailored public services to meet the community's needs. Governments can use policies and targets to recruit and retain under-represented groups in the workforce.

Brazil has set specific targets for the whole federal government for the inclusion of people with disabilities in the public workforce; while it lacks policies or targets for young professionals or for indigenous people. Among the surveyed LAC countries, 10 out of 15 have targets for people with disabilities, and 4 countries have targets for young professionals and for indigenous peoples.

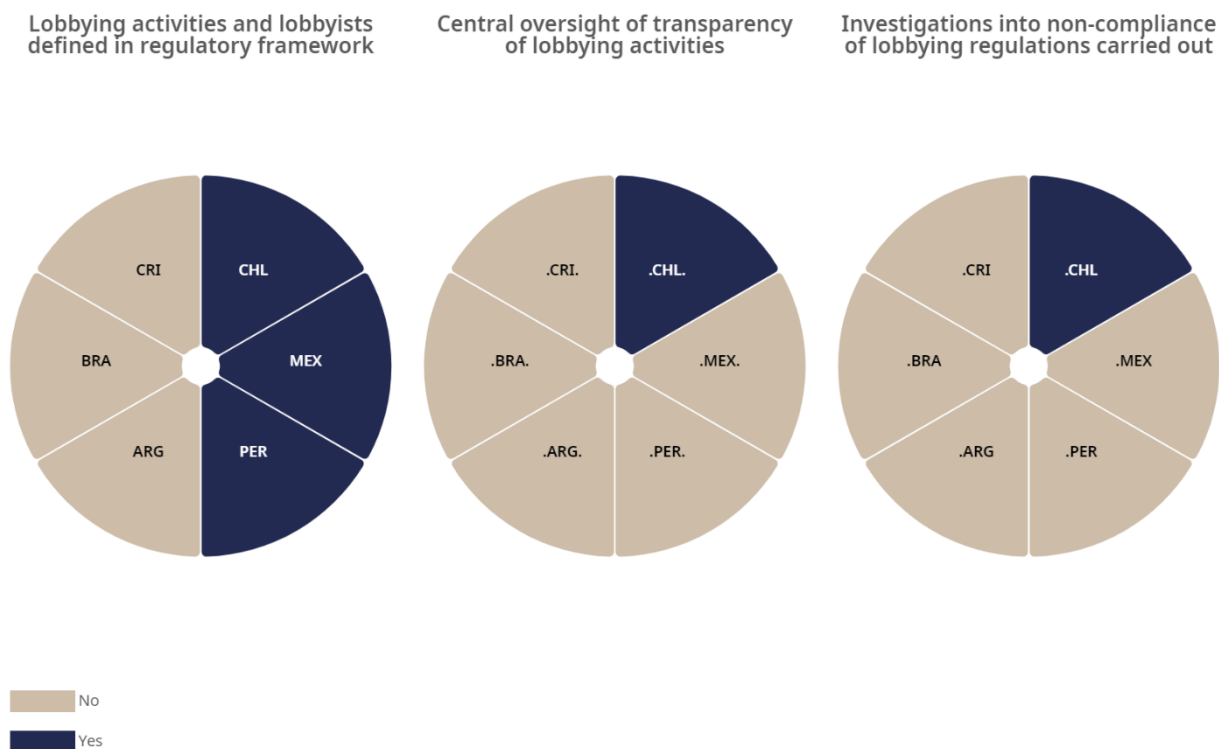
Figure 4. Policies and targets to improve the representation of specific groups in the central/federal administration, 2022



Lobbying has long been a part of democracy, as it facilitates the representation of a range of interests and helps identify the impact that policies will have on diverse groups. However, public policies suffer if lobbying practices are not transparent or regulated allowing interest groups to monopolise influence, manipulate public opinion, sway government decisions and ultimately hinder the effective implementation of policies. For lobby regulations to be effective, governments need to oversee compliance with them, and impose sanctions when there are breaches. As of 2022, three of the six surveyed LAC countries (50%) regulate lobbying by defining lobbying activities and actors. Most LAC countries, however, lack institutions and frameworks to oversee lobbying practices, and fail to investigate breaches.

Brazil does not define lobbying activities in its regulatory framework, which makes it more difficult to prevent groups from exercising undue influence. In addition, it has no body in charge of overseeing the transparency of lobbying activities and has carried not out any investigations into lobbying during the last calendar year.

Figure 5. Lobbying regulations, oversight and sanctions, 2022



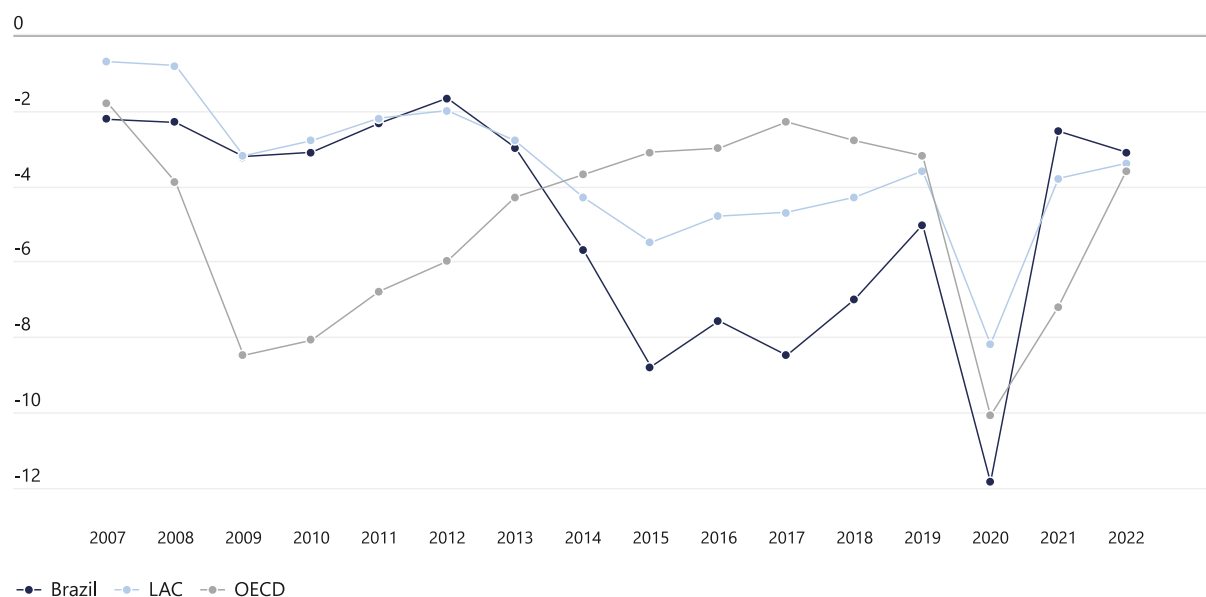
Use and management of public resources

To make meaningful progress toward inclusive and sustainable growth, governments need to manage their existing resources strategically. From a fiscal perspective, this entails balancing how much the government spends and collects. From a human resource perspective, it means strengthening the capacity and skills of public employees and creating a public workforce and elected public officials who represent all the people they serve.

Public finances in the LAC region show modest positive signs, after a stark deterioration in 2020. This downturn was due to emergency measures taken to fight the COVID-19 pandemic, along with measures to support businesses and people to manage its impacts. Fiscal balances - the difference between a government's revenues and its expenditures in a year - had broadly recovered to pre-COVID levels by 2022 across Latin America and the Caribbean. However, economic recovery remains fragile.

In 2022, Brazil had a fiscal deficit of 3.1% of GDP, smaller than the average across LAC countries (3.4%) and reduced from 5.0% in 2019. Government revenue represented 43.3% of Brazil's GDP in 2022, the highest among LAC countries. This ratio of revenue relative to GDP has increased from 41.8% in 2019. In comparison, the average among LAC countries was 31.5% in 2022 and 39.7% in OECD countries.

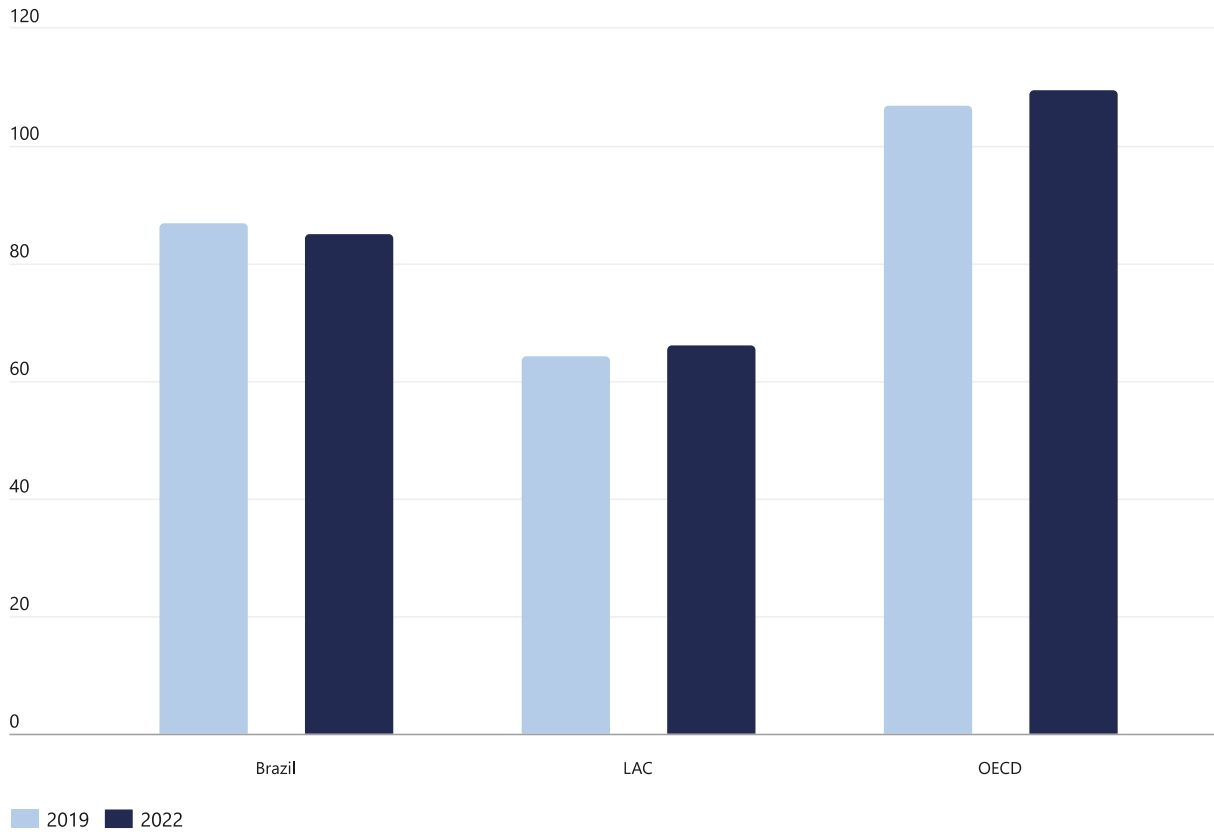
Figure 6. General government fiscal balance as a percentage of GDP, 2007 - 2022



Government debt can be used to finance both current expenditure and investments but comes at a cost in the form of interest payments. Debt as a share of GDP increased during the COVID-19 pandemic in the LAC region due to increased expenditure and loss of tax revenues, and in 2022 still remained 2 p.p. above its 2019 level.

In 2022, Brazil's government debt amounted to 85.3% of its GDP, above the LAC average of 66.3%. The country's debt level has fallen from 87.1% of GDP in 2019.

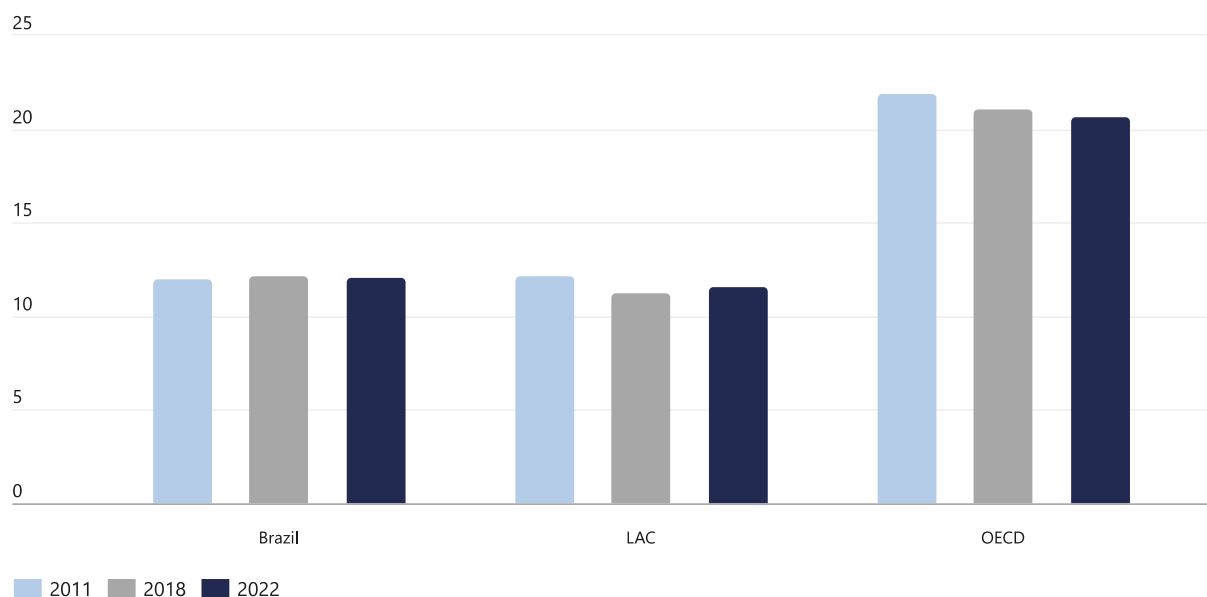
Figure 7. General government gross debt as a percentage of GDP, 2019 and 2022



Public employees are at the forefront of policy design and formulation and the delivery of public services. The share of public employment varies significantly across the LAC region, ranging from under 5% of total employment to over 20%.

In 2022, public employment in Brazil amounted to 12% of total employment, equal to the LAC average, and lower than the OECD average of 21%. Public employment in Brazil has remained steady between 2018 and 2022.

Figure 8. Public employment as a percentage of total employment, 2011, 2018 and 2022



Equal representation of women and men in the public sector is a benchmark for measuring progress towards gender equality, diversity and better representation. In 2021, more than half of the employees in the public sector in LAC countries were women (51.5%), with wide differences among countries. However, women are often under-represented in managerial positions in the region, in 2022, on average women held 43% of senior management positions, with large differences among countries.

The share of women in senior and middle management roles in the public sector in Brazil is below the LAC average. Women account for 55.7% of employment in the public sector in Brazil, but they hold just 18% of senior management positions, considerably lower than the LAC average of 43.4%. At middle management level, women hold 34.9% of posts, below the LAC average of 42.3%.

Figure 9. Share of women by position in central/federal public administration, 2022

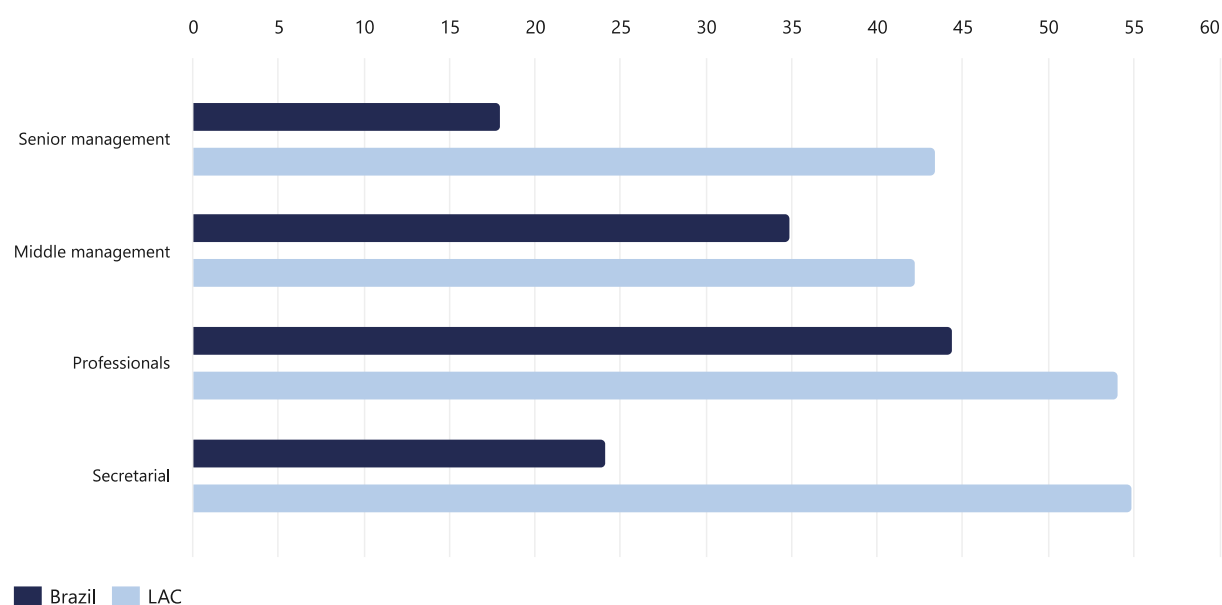


Figure notes

Data on public finance and economics are from the IMF World Economic Outlook (WEO) database (October 2023), which is based on the Government Finance Statistics Manual (GFSM) and were extracted on 3 November 2023. For the OECD averages data were based on the System of National Accounts (SNA) and were extracted from the Government at a Glance online database representing the last available update: 5 January 2024.

Fiscal balance, also referred to as net lending (+) or net borrowing (-) of general government, is calculated as total government revenues minus total government expenditures.

Data on public employment are derived from the International Labour Organization (ILO) ILOSTAT database and were extracted on 17 February 2023. Data are based on the Labour Force Survey. Public sector employment covers employment in the government sector plus employment in publicly owned resident enterprises and companies.

LAC and OECD averages refer to the unweighted average with the exception of public finance indicators.

For more information see www.oecd.org/publication/government-at-a-glance-lac/2024/