

Government at a Glance: Latin America and the Caribbean 2024



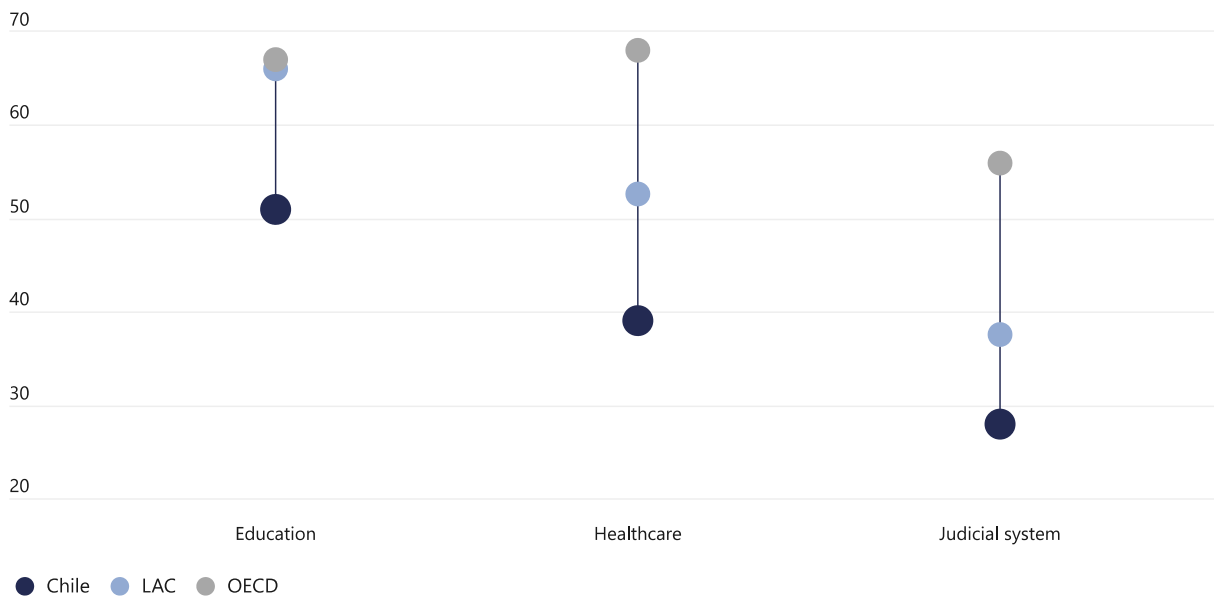
Chile

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 majority of Chileans are satisfied with education, although satisfaction with public services in Chile is below LAC and OECD averages. About half of the population in Chile is satisfied with the education system (51%), a lower share than the LAC (66%) and OECD averages (67%). The healthcare system has a satisfaction rate of 39%, which is below the LAC average (53%) by 14 percentage points (p.p.) and the OECD average (68%) by 29 p.p. Only 28% of Chileans are satisfied with the judicial system, a share that is substantially lower than the LAC average of 38%.

Figure 1. Satisfaction with public services, 2022



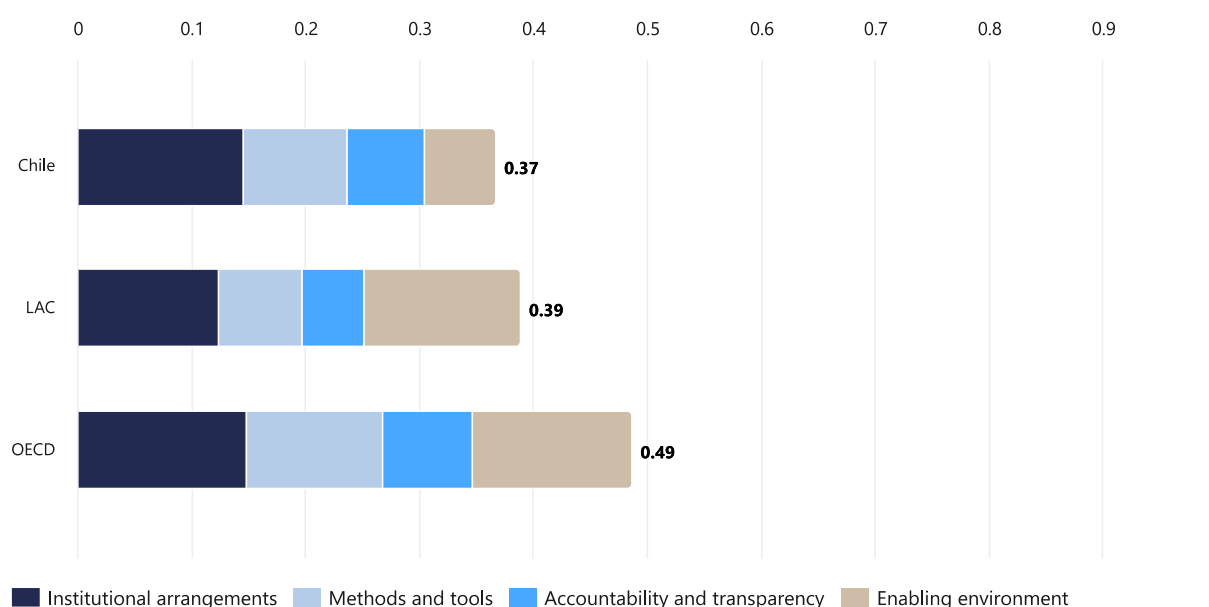
Good governance for inclusiveness and sustainability

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 practices, such as green budgeting, can help face the climate crisis and achieve environmental goals. Green budgeting mechanisms include institutional arrangements to assess the environmental impacts of budgetary and fiscal policies, methods for evaluating their consistency, mechanisms to enhance transparency and accountability, and an enabling environment for green budgeting. Only a few countries in LAC have adopted green budgeting mechanisms and their implementation could be made more effective.

Chile, one of the few countries with green budgeting mechanisms, performs close to the LAC average. It has a score of 0.37, on a 0-1 scale, compared to 0.39 (LAC) and 0.49 (OECD). Chile's institutional arrangements (0.15), as well as accountability and transparency (0.07) are above the LAC average (0.12 and 0.05, respectively, out of a maximum value of 0.25) and very similar to the average across OECD countries (0.15 and 0.08, respectively). There is room for improvement especially for the enabling environment dimension, which scores 0.06, compared to 0.14 on average, across both LAC and OECD countries.

Figure 2. OECD Green Budgeting Index, 2022












Public procurement – the purchase of goods, services and works by governments and state-owned enterprises – averaged 17.4% of total government expenditure in Latin America and the Caribbean countries in 2021. Public administrations are increasingly adopting public procurement as a strategic policy instrument to promote social objectives, for example to strengthen sustainability and environmental

responsibility, by favouring green procurement and responsible business conduct, and inclusiveness, by incentivising the participation of different individuals and business groups as suppliers.

Chile has developed a strategy at the central level of government to promote green public procurement, responsible business conduct, and pursue the participation of SMEs in public procurement processes. In comparison, 14 of 19 LAC countries surveyed have a central government strategy to promote the participation of SMEs in public procurement, 9 countries for green public procurement, and 7 for responsible business conduct.

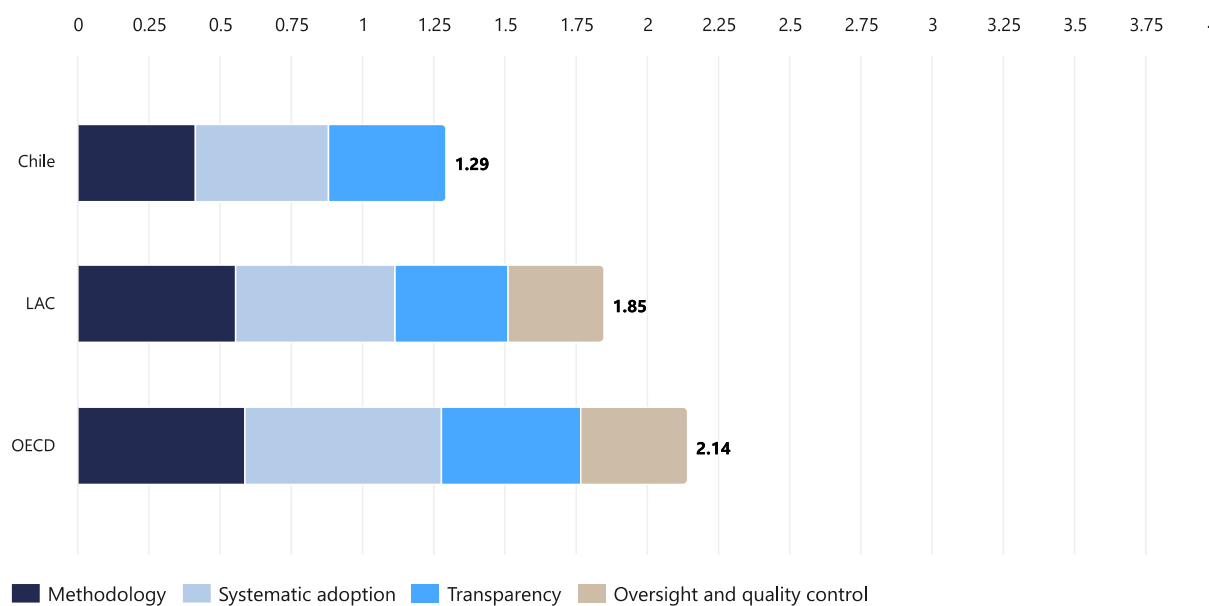
Figure 3. Strategic public procurement at the central level to pursue sustainability and inclusiveness, 2022

	Green public procurement	SME	Responsible business conduct
A strategy/policy has been developed at a central level	 LAC countries: 9 Yes / 10 No	 LAC countries: 14 Yes / 5 No	 LAC countries: 7 Yes / 12 No
Some procuring entities have developed an internal strategy/ policy	 LAC countries: 6 Yes / 13 No	 LAC countries: 1 Yes / 18 No	 LAC countries: 3 Yes / 16 No
No strategy/ policy in place	 LAC countries: 6 Yes / 13 No	 LAC countries: 7 Yes / 12 No	 LAC countries: 3 Yes / 16 No

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.

Chile performs below the LAC average on the iREG index for stakeholder engagement for developing subordinate regulations. Chile's total score of 1.29, on a 0-4 scale, is below both the LAC (1.85) and OECD (2.14) averages. Its highest score is in systematic adoption (0.47 out of a maximum score of 1). In both methodology and transparency Chile scores 0.41. There is room for improvement in all dimensions, particularly on the stakeholder engagement, oversight and quality control dimension, where Chile scores 0.

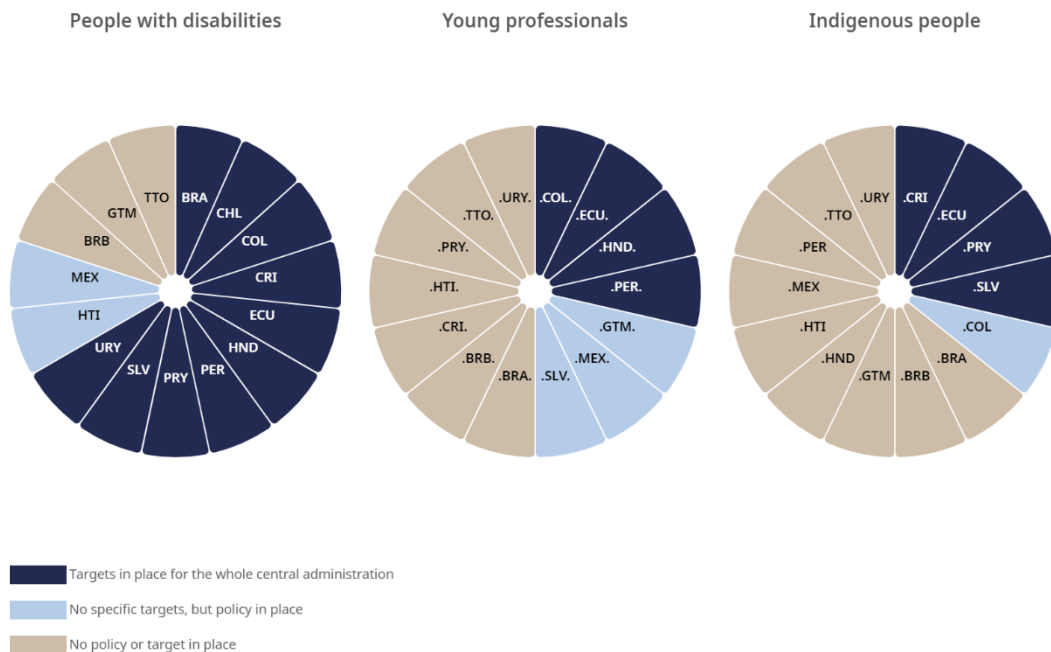
Figure 4. iREG on stakeholder engagement in developing subordinate regulations, 2022



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.

Chile has set specific targets for the whole central government for the inclusion of people with disabilities in the public workforce. It lacks policies or targets for indigenous people. Data are not available for young professionals. Among the 15 surveyed LAC countries, 10 have targets for people with disabilities, 4 have targets for young professionals and for indigenous peoples.

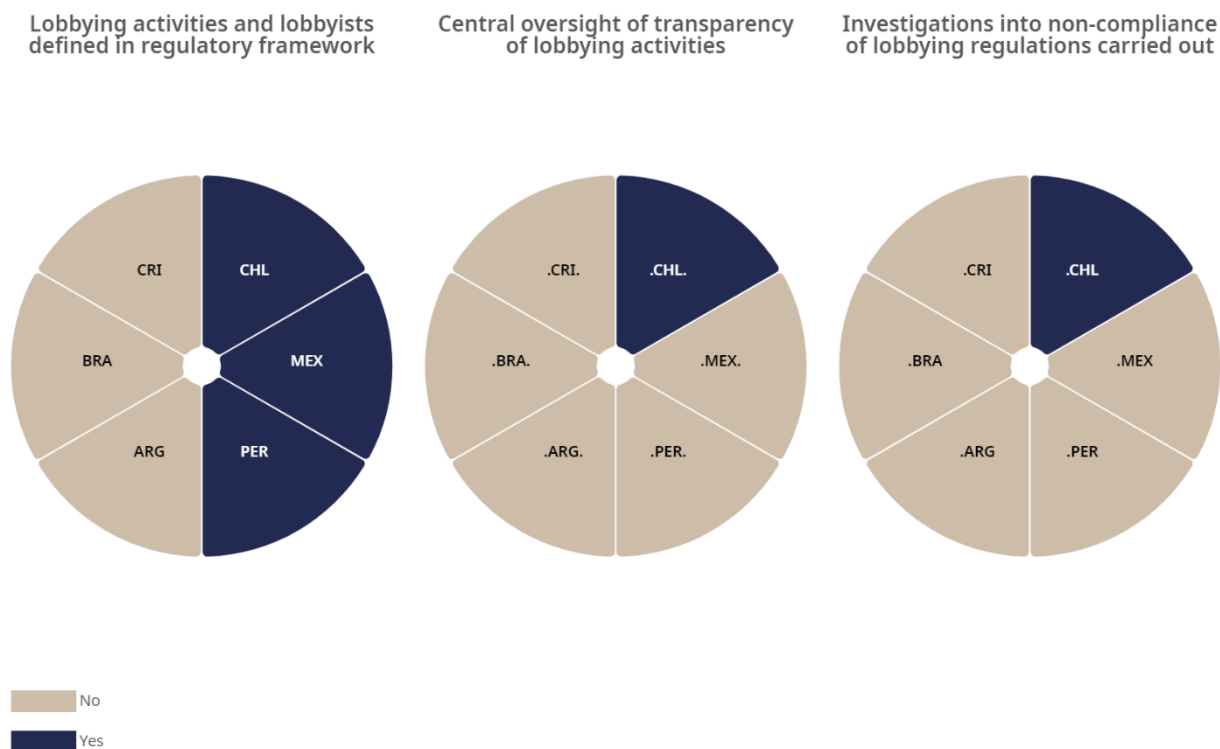
Figure 5. Policies and targets to improve the representation of specific groups in the central/federal administration, 2022



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.

Chile defines lobbying activities in its regulatory framework, including which actors are considered lobbyists. Among 6 LAC countries surveyed, Chile stands out as the only LAC country with a body in charge of overseeing the transparency of lobbying activities. In addition, it is the only surveyed country in the region that carried out investigations into non-compliance with lobbying regulations during the last calendar year.

Figure 6. Lobbying regulations, oversight and sanctions, 2022



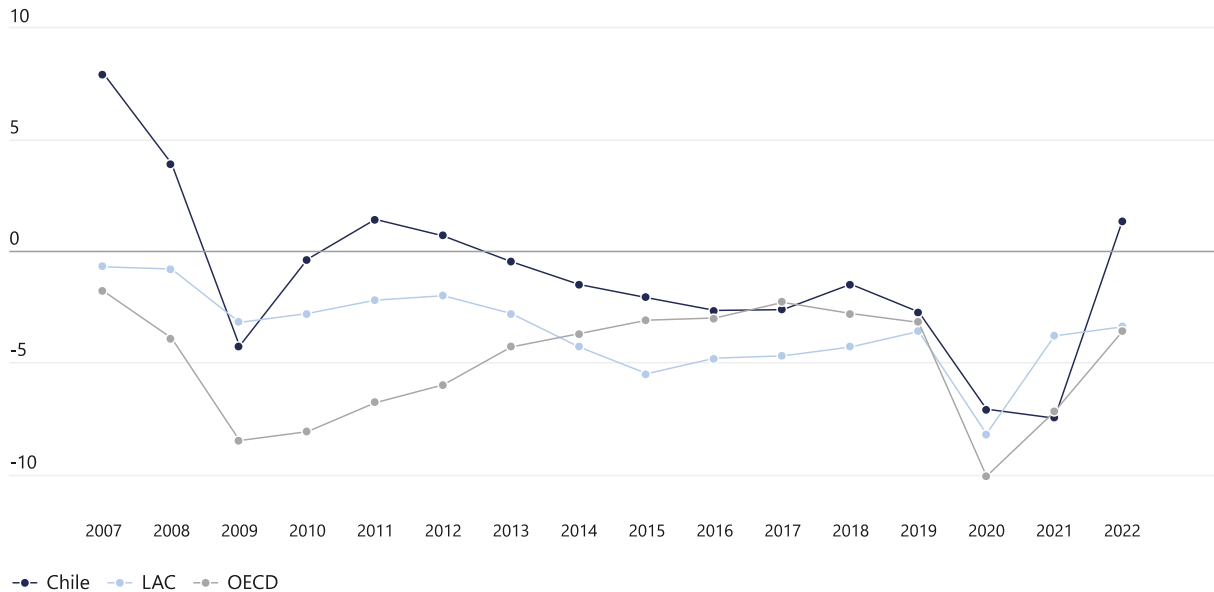
Use and management of public resources

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, Chile was one of the few LAC countries with a fiscal surplus (1.4% of GDP), compared to the negative fiscal balance on average across LAC countries (-3.4%). Its balance improved by 4.1 p.p. compared to 2019. Government revenue represented 28.1% of Chile's GDP in 2022, compared to 31.5% on average in LAC countries and 39.7% in OECD countries. This ratio of revenue relative to GDP has increased from 23.7% in 2019.

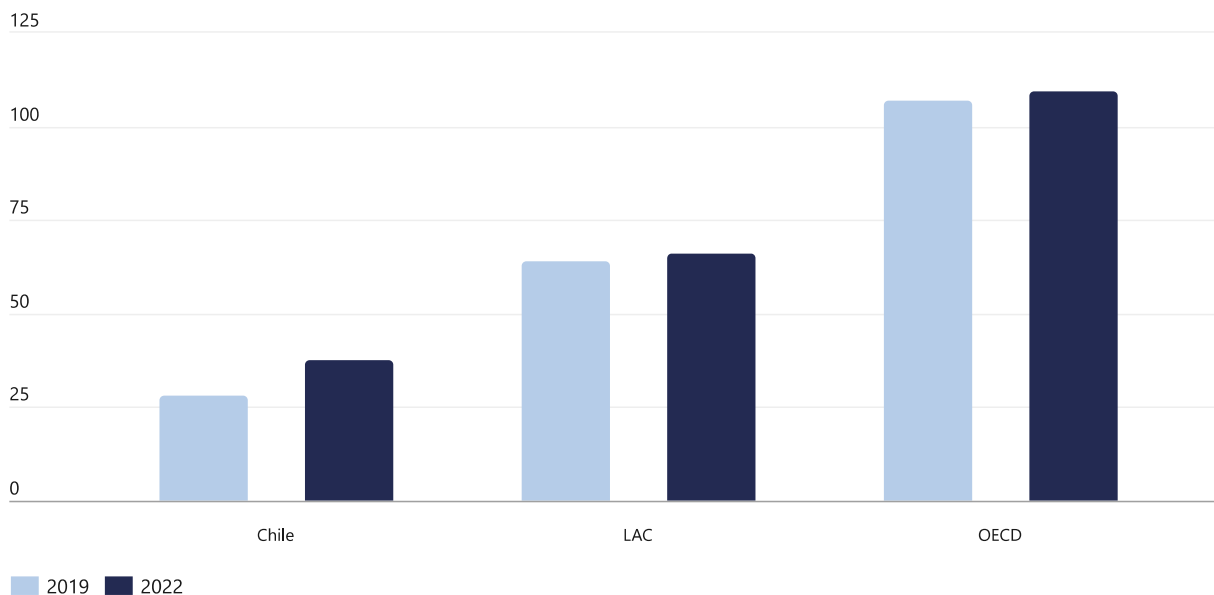
Figure 7. General government fiscal balance as a percentage of GDP, 2007 - 2022



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, Chile's government debt amounted to 38% of GDP, well below the LAC average of 66.3% of GDP. Its debt level has increased from 28.3% of GDP in 2019.

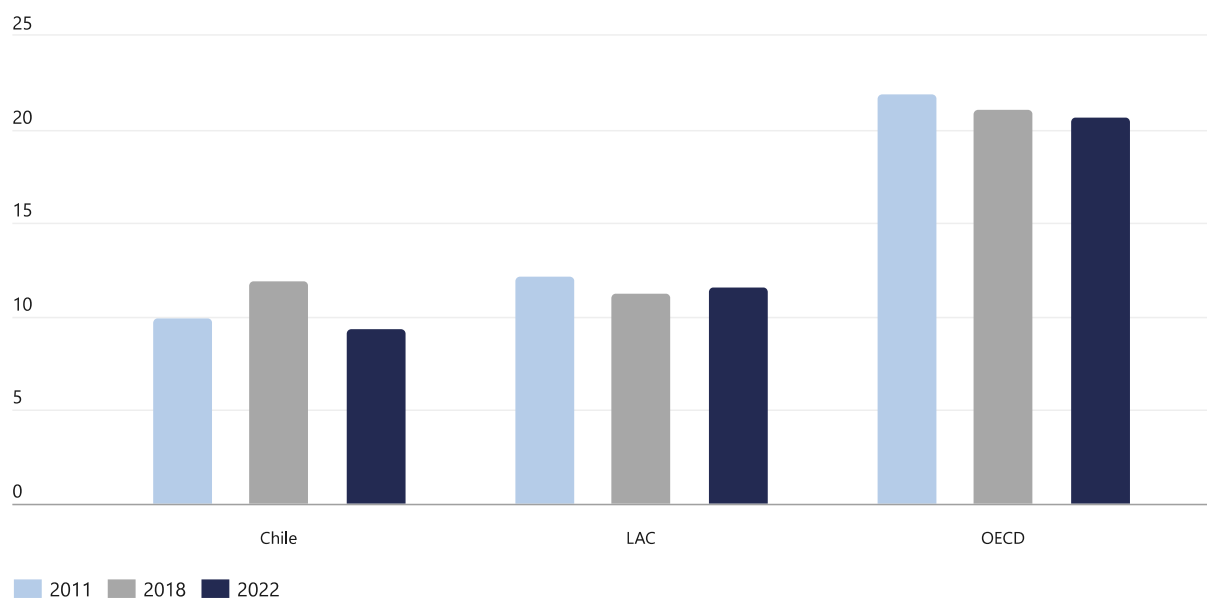
Figure 8. General government gross debt as a percentage of GDP, 2019 and 2022



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 Chile amounted to 9% of total employment, below the LAC average of 12%, and the OECD average of 21%. Public employment in Chile has decreased since 2018 from 12%.

Figure 9. 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 management roles in the public sector in Chile is in line the LAC average. Women hold 56.1% of public sector positions in Chile, above the LAC average (51.5%) and 43% of senior management positions, aligned with the LAC average of 43.4%.

Figure 10. Share of women by position in central/federal public administration, 2022

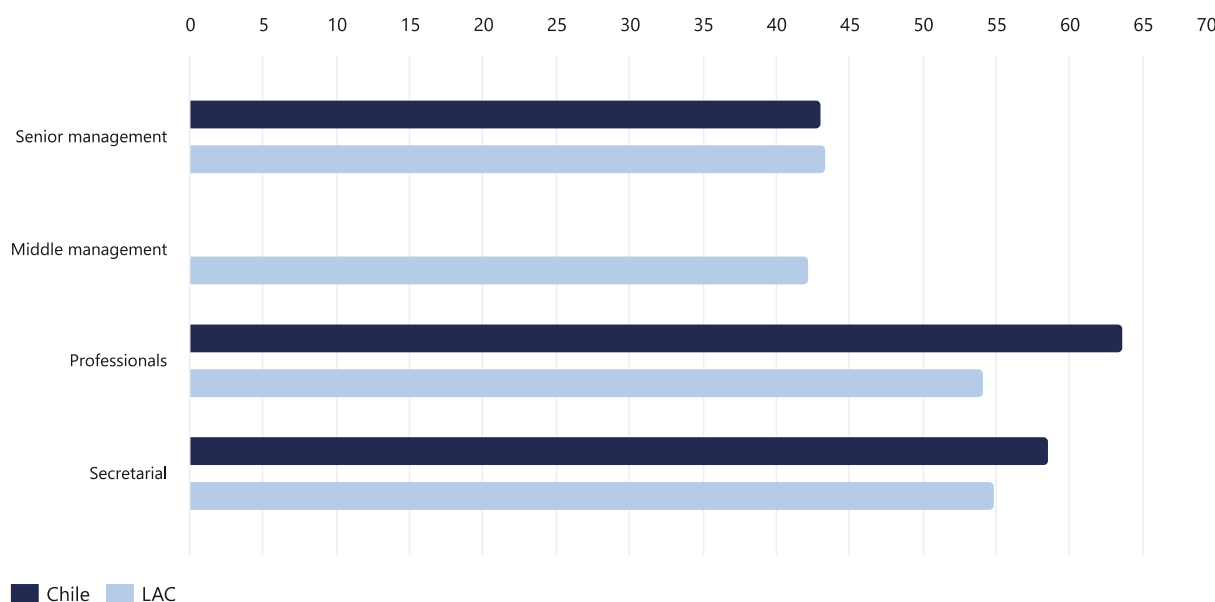


Figure notes

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/