

Executive Summary:

Key facts and data

Latin American and Caribbean (LAC) countries have the potential to achieve a green transition that brings sustainable economic growth and addresses structural inequalities. Yet, to fulfil their potential, their governments must rise to the task.

While democracies in the region have become more firmly established, trust in government has continued to decline, inequality and informality remain challenges, and governments have limited fiscal space to address pressing problems, including climate change and other environmental issues. The region needs a more ambitious and comprehensive deployment of public governance tools if it is to achieve a green transition.

Government at a Glance: Latin America and the Caribbean 2024 presents internationally comparable indicators of public governance practices and reforms. Overall, the evidence laid out in this report underlines how the region has made progress in several areas, including establishing participatory mechanisms and public integrity regulations, and addressing gender gaps in public administration. The indicators show that LAC countries need to improve in areas such as citizen and stakeholder engagement, key public governance competencies to drive sustainable prosperity, and public integrity if they are to achieve sustainable and inclusive prosperity.

Citizen and stakeholder engagement mechanisms exist in policymaking, but must become more effective to ensure equal access, representation and inclusiveness in public decisions

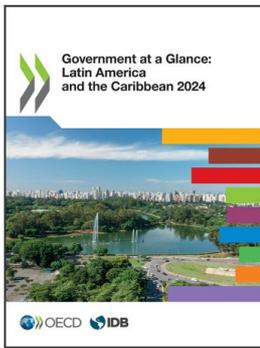
- As of 2022, 36.3% of the population in 16 LAC countries reported having trust in government, 3.9 percentage points (p.p.) lower than in 2008 (40.2%). Only 31.4% of people in the LAC region believed they had a say in what the government does.
- Although 15 LAC countries have open government strategies to enhance the participation of women in public decision making, and 14 have strategies targeted at youth, only 8 have strategies to involve socially or economically marginalised people. In 2022, 10 out of the 15 surveyed LAC countries had at least one digital platform to enhance participation in public consultations.
- LAC countries are increasingly adopting more advanced practices to engage stakeholders in developing regulations. Out of 11 surveyed countries, 8 (73%) had improved their engagement mechanisms for developing subordinate regulations since 2019, according to the iREG index on stakeholder engagement. However, challenges remain in how they use and respond to this engagement: by 2022, only five of these countries required stakeholders' comments to be considered for the resulting regulations; six required policy makers to publish their responses to comments.
- Female representation in public management and politics has improved. The share of women in senior management positions in government was higher in the LAC region (43%) than in the OECD-EU countries (42%) in 2022. However, progress in closing gender gaps in politics is slow: the proportion of female parliamentarians increased from 28% in 2019 to 31% in 2023 on average across 24 LAC countries, compared to 34% across OECD countries.
- A large majority of the 13 surveyed LAC countries practise gender budgeting (77%), which aims to address gender disparities in policy and resource allocation, compared to 61% of OECD countries.

Governments must reinforce key governance competencies to achieve sustainable and inclusive growth

- Maintaining robust financial resources is essential if governments are to be able to address unforeseen challenges in the environment and society. General government revenues in LAC countries averaged 31.5% of gross domestic product (GDP) in 2022, an increase from 30.4% in 2019, although below the OECD average of 39.7%. Government spending on investments (4.8% of total government expenditure) and social benefits (34.8%), both essential for a just green transition, are substantially lower in LAC countries than in OECD countries, which average 7.4% of spending on investments and 41.4% on social benefits.
- LAC governments face the twin challenges of increased debt burdens and low levels of domestic revenue mobilisation. General government gross debt in the region has risen from 46% of GDP in 2007 to around 66% of GDP in 2022; however, this remains considerably lower than the OECD average of 109.8% in 2022. In 2021, the average tax-to-GDP ratio in LAC countries was 21.7% of GDP, compared to 34.2% among OECD countries.
- Among the 12 surveyed LAC countries, only 5 – Chile, Colombia, the Dominican Republic, Honduras and Mexico – use green budgeting, which refers to integrating climate and environmental considerations into decisions on taxes and public spending, compared to 67% of OECD countries.
- Centres of government (CoGs) in nine surveyed LAC countries are responsible for whole-of-government national strategies, focusing on planning and monitoring. However, only five countries task CoGs with strategic forecasting and risk assessment, which should improve their capacity to react to crises.
- Public procurement and infrastructure can be used to promote social objectives, sustainability and environmental responsibility. In 2022, 16 of the 19 surveyed LAC countries (84%) used their central e-procurement systems in one or more stages of the public procurement cycle and reported having policies or strategies to pursue social objectives through central public procurement. Out of the 19 surveyed LAC countries, 14 have a central government strategy to promote the participation of small and medium-sized enterprises (SMEs) in public procurement (74%); however, only 9 have a strategy for green public procurement (47%) and 7 for responsible business conduct (36%). In contrast, only 4 out of 15 surveyed countries (Brazil, Chile, Costa Rica and Peru) align their long-term infrastructure plans with environmental or climate action plans, compared to 73% of OECD countries.
- Sound recruitment practices can help the public workforce respond to a changing environment. LAC countries lag behind OECD countries in their use of proactive practices, scoring 0.26 on average in the proactive recruitment practices index in 2022, compared to the OECD average of 0.45. Out of 15 LAC countries surveyed, 7 use communication campaigns to attract skilled employees, while only 4 offer career advancement opportunities or access to learning and development programmes.
- In 2022, all seven surveyed LAC countries had developed a national digital public infrastructure to deliver digital services, which included interoperability frameworks and, in six countries, shared networks, essential for government communication and data exchange.

LAC countries need better implementation of existing public integrity regulations to prevent undue influence and policy capture

- Public perceptions of corruption remain high in the LAC region. According to the Gallup World Poll, 75.5% of respondents in 2023 believe that corruption is widespread throughout their government, compared to 53.6% on average among OECD countries.
- To mitigate public integrity risks in the public sector, all six of the LAC countries with available information have established safeguards, such as regulations requiring members of government to submit interest declarations when they take office. However, Chile is the only country in which all government members have submitted their declarations.
- There are also implementation gaps related to lobbying and political finance. Three of the six LAC countries with available information have a legal definition of lobbying, but only Chile has established a supervisory body and has investigated non-compliance with regulations on lobbying activities. All six countries have regulations that ban anonymous donations and require contributions to political parties and candidates to be registered and reported. However, only in Argentina, Mexico and Peru is information about the number of cases related to breaches of political finance regulations published by an independent oversight body.



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