

3.7 Managing conflicts of interest and lobbying

Identifying, regulating and managing potential conflicts of interest among policy makers, as well as potential undue influence from interest groups, are key elements to strengthen and enhance transparency and accountability. Failure to identify and manage conflicts of interests correctly can undermine the impartiality of policy making and service delivery. If not appropriately regulated, conflicts of interest can also open the door for potential policy capture by private interest groups. Likewise, while interest groups provide valuable insights on public policies, the misuse of lobbying practices can result in them exerting undue influence through the use of covert information or manipulation of public opinion, prioritising their interests over public ones.

Governments can establish frameworks with clear definitions of circumstances and relationships that may lead to conflict of interest situations to prevent the potential conflict of interests of public officials. Four out of six Latin America and the Caribbean (LAC) countries with available data have regulations with such definitions. To ensure the identification and management of potential conflict of interest situations, public officials should also be transparent about any affiliations or special interest they may have. All six LAC countries have regulations which require members of government to submit interest declarations, at the very least upon entry, renewal or change in public office. However, there are issues with compliance, since Chile is the only LAC country where all government members have submitted all interest declarations during the last six years (Figure 3.16).

To improve compliance with conflict-of-interest regulations, it is important to monitoring potential breaches and impose necessary sanctions. In five of the surveyed LAC countries, sanctions for breaches of conflict-of-interest provisions are defined and proportional to the severity of the offence (compared to 78% of OECD countries). However, out of the six LAC countries, only in Argentina the authority responsible for monitoring has issued recommendations for resolution within 12 months for all cases of conflict of interest detected for the past three years (35% of OECD countries). Also only Argentina has issued sanctions in cases of non-compliance with disclosure obligations, non-management or non-resolution of a conflict-of-interest situation in the past three years. Among OECD member countries, 55% have issued such sanctions during the same period (Figure 3.17). These data highlight a gap between regulations and their effective implementation in LAC countries. Undue influence through unregulated lobbying activities also presents a risk for policy makers and the public interest. Lobbying should be regulated to ensure transparency about the participation of private interest groups and prevent undue influence. However, only three out of six LAC countries (Chile, Mexico and Peru) have a definition of lobbying activities in their legal frameworks, and only Chile and Mexico have made their

lobbying registers publicly accessible online (Figure 3.18). Moreover, Chile is the only LAC country with available data that has a supervisory function in its central government to oversee issues with the transparency of lobbying activities. This further underscores the region's limited capabilities to monitor and sanction breaches in lobbying practices. Chile is also the only LAC country that has carried out any investigations into non-compliance with lobbying activity regulations over the past year (Online Figure F.1.2).

Methodology and definitions

Data were collected through a questionnaire based on the OECD Public Integrity Indicators on Accountability of Public Policy Making. Six LAC countries responded. Respondents were senior officials responsible for integrity policies in central government. The OECD Public Integrity indicators measure the state of play against the OECD Recommendation on Public Integrity.

Special interest groups are groups, usually limited in number relative to the population, that are well-organised and have significant financial resources to focus on influencing public policies and regulations.

Undue influence is the attempt to influence the design, implementation, execution and evaluation of public policies and regulations administered by public officials, whether by providing covert, deceptive or misleading evidence or data; manipulating public opinion; or using other practices intended to manipulate the decisions of public officials.

A conflict of interest in the public sector arises when a public official has private-capacity interests, which could improperly influence the performance of their official duties and responsibilities.

Further reading

OECD (2021), *Lobbying in the 21st Century: Transparency, Integrity and Access*, OECD Publishing, Paris, <https://doi.org/10.1787/c6d8eff8-en>.

OECD (2020), *OECD Public Integrity Handbook*, OECD Publishing, Paris, <https://doi.org/10.1787/ac8ed8e8-en>.

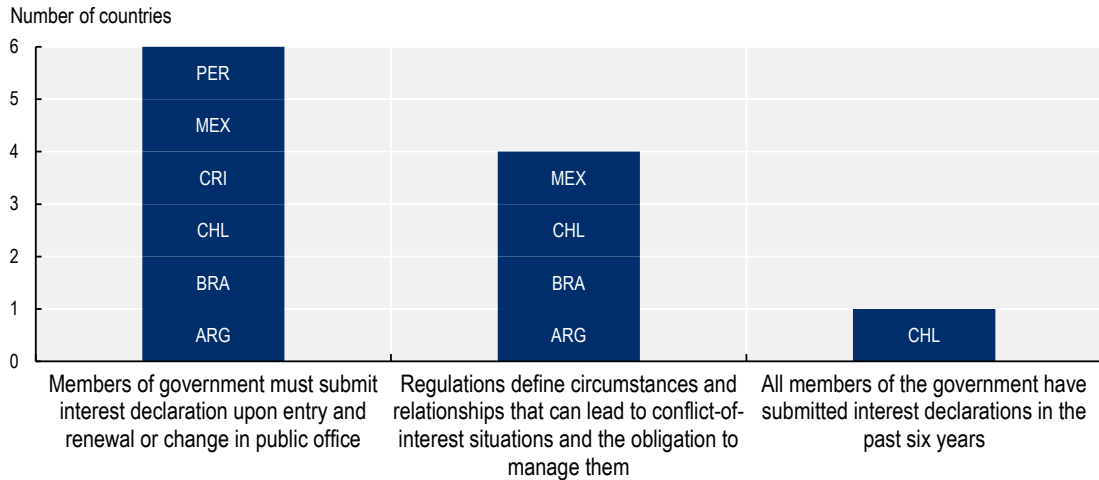
Figure notes

Figure 3.16. Data on members of the government having submitted their interest declarations are not available for Brazil and Costa Rica.

Figure 3.17. Data on recommendations issued by responsible authority for resolving for conflicts of interest are not available for Brazil. Data on sanctions issued are not available for Brazil and Peru.

F.1.2 (Oversight of and investigations into lobbying activities, 2022) is available online in Annex F.

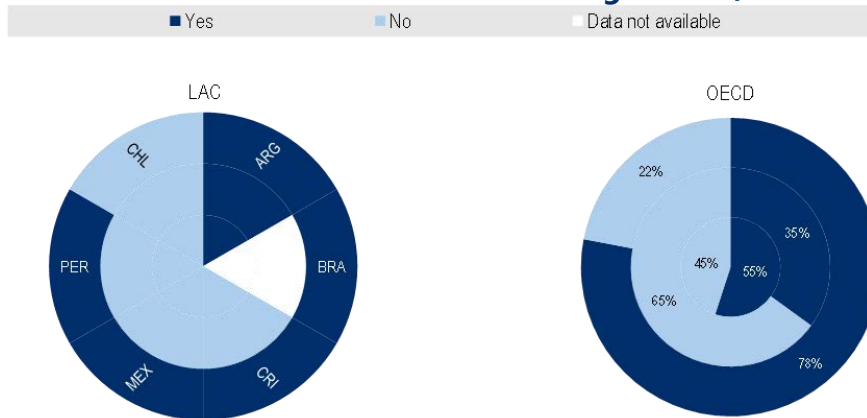
Figure 3.16. Management and oversight of private interest declarations, 2022



Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink <https://stat.link/o2jvkt>

Figure 3.17. Sanctions for breaches of conflict-of-interest regulations, 2022

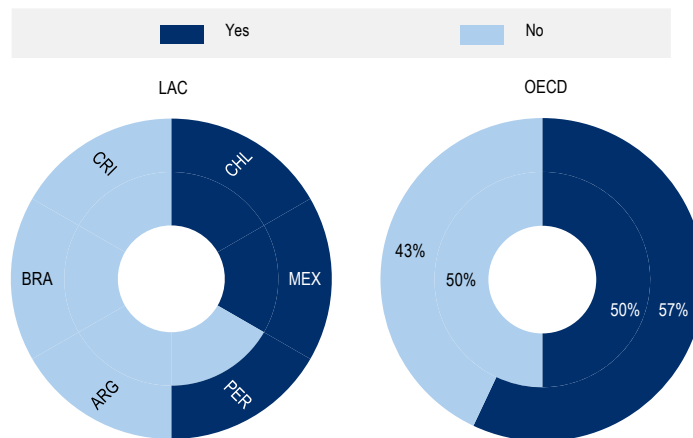


Note: Inner ring: a range of sanctions has been issued during the past three years in cases of non-compliance with disclosure obligations, non-management or non-resolution of a conflict-of-interest situation. Middle ring: the responsible authority has issued recommendations for resolution within 12 months for all cases of conflict of interest detected for the past three years. Outer ring: sanctions for breaches of conflict-of-interest provisions are defined and proportional to the severity of the offence.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink <https://stat.link/6xuyc4>

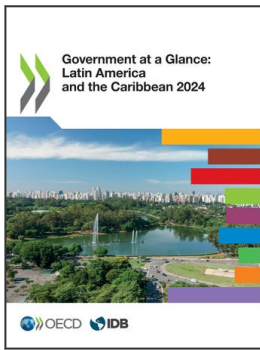
Figure 3.18. Lobbying regulations and sanctions, 2022



Note: Inner ring: the lobby register is accessible online. Outer ring: lobbying activities are defined in the regulatory framework, including which actors are considered as lobbyists.

Source: OECD (2022), Public Integrity Indicators (database), <https://oecd-public-integrity-indicators.org/>.

StatLink <https://stat.link/tclngb>



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