

Reader's guide

In order to accurately interpret the data included in the *Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management*, readers need to be familiar with the following methodological considerations that cut across a number of indicators. The standard format for the presentation of indicators is on two pages. The first page contains text that explains the relevance of the topic and highlights some of the major differences observed across LAC countries. Furthermore, when data are comparable, the OECD averages are considered as an additional benchmark. It is followed by a “Methodology and definitions” section, which describes the data sources and provides important information necessary to interpret the data. Closing the first page is the “Further reading” section, which lists useful background literature providing context to the data displayed. The second page showcases the data. These figures show current levels and, where possible, trends over time. A “Glossary” of the main definitions of the publication can be found in the final chapter of the book.

Data sources and features

Most of the data used in the *Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management*, are collected from government officials by the OECD/IDB via specifically defined surveys. As such, they represent either official government statistics or the country's own assessment of current practices and procedures. To the extent possible, OECD data collection instruments use standardised definitions and common units of measure. However, bias can occur in that countries may interpret and answer questions differently and/or may not answer the questions completely objectively. In general, the direction of the bias is known but not necessarily its extent. To try and minimise these biases the OECD/IDB have cleaned and verified the collected data by following up with countries when there are potential inconsistencies or outliers. This has been done by benefitting from the OECD's knowledge through previous work in the region and mainly from the IDB's expertise and local presence in the countries under study. In addition, responses have been verified with other external and additional sources, whenever available, such as the IMF dataset on Fiscal Rules or the Open Budget Survey from the International Budget Partnership.

Data are also drawn from other international organisations such as the *International Labour Organization* (ILO), the *International Monetary Fund* (IMF) and the *Inter-Parliamentary Union* (IPU). The Public Finance and Economics data for LAC countries are based on the IMF *World Economic Outlook* (IMF WEO) and the IMF *Government Financial Statistics* (IMF GFS) databases. Data from the IMF WEO and GFS databases were extracted on 16th December 2013 (for the IMF WEO corresponding to the October update). For the OECD averages, the data are based on the *System of National Accounts* (SNA), and were excerpted from the OECD *National Accounts Statistics* database and published in the OECD *Government at a Glance*, 2013 edition (unless specified otherwise). In most cases, data on public finances are presented for 2001, 2009 and 2011, showcasing years prior, during and after the economic crisis.

The Public Employment data for LAC countries was extracted from the ILO dataset *LABORSTA* on 15th November 2013. Data on women ministers were obtained from the Inter Parliamentary Union's (IPU) "Women in Politics" posters and represents appointed women ministers as of 1 January 2012 and 1 January 2005. Data for women parliamentarians was obtained from the IPU *PARLINE* database. It refers to the share of women parliamentarians recorded as of 31 October 2012 and 25 October 2002.

Despite the significant accomplishments of international organisations in harmonising data among the different statistical systems several differences exist in different occurrences which impact some of the indicators analysed. In consequence, within the methodological section specific notes are included whenever specific methodological considerations need to be taken into account.

Country coverage

Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management was meant to include data for 12 LAC countries, based on available information. The 12 countries to which the surveys were initially sent are: Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Jamaica, Mexico, Panama, Peru and Uruguay. In the framework of the LAC Senior Budget Officials (SBO) meeting that took place in the Dominican Republic from 15th to 16th April 2013, preparatory workshops were carried out with the government representatives in charge of filling out the surveys.

Given their presence in the LAC SBO meeting and participation in the preparatory workshops, some of the surveys were sent to a larger group of countries whose answers are also included in this publication: Barbados, El Salvador, Guatemala, Haiti, Honduras, Paraguay. In addition, the largest number of countries with available information is included when using information from external sources. Uruguay was the only country which received all the surveys and participated in the preparatory workshops, but never replied to the surveys. Several efforts were made to encourage the participation of Uruguayan authorities in the process but no answers were received. In the case of Argentina, answers to the different surveys were provided by the Public Budget International Association (ASIP).

Country codes (ISO codes)

The International Organization for Standardization (ISO) defines three letter codes for the names of countries, dependent territories and special areas of geographical interest. For the graphical display of some figures the following codes based on the ISO classification are used.

LAC countries			
Argentina	ARG	Haiti	HTI
Brazil	BRA	Honduras	HND
Barbados	BRB	Jamaica	JAM
Chile	CHL	Mexico	MEX
Colombia	COL	Panama	PAN
Costa Rica	CRI	Paraguay	PRY
Dominican Republic	DOM	Peru	PER
Ecuador	ECU	Suriname	SUR
El Salvador	SLV	Uruguay	URY
Guatemala	GTM		

LAC and OECD averages and totals

Averages

In figures and text, the LAC and OECD averages refer to the unweighted, arithmetic mean of the LAC region and OECD member countries for which data are available. LAC countries not included in the graphs and tables are those where data was not available.

When a figure depicts information for one or more years, the LAC average includes all member countries with available data. For instance, a LAC average for 2011 includes all current LAC countries with available information for that year. In the case of the OECD average, the data are those published in the *OECD Government at a Glance*, 2013 edition (unless specified otherwise).

Totals

LAC and OECD totals are most commonly found in tables and represent the sum of data in the corresponding column for LAC and OECD countries for which data are available. In the case of LAC countries, those not included in the tables are countries without available data. In the OECD member countries, the totals are those published in the *OECD Government at a Glance*, 2013 edition.

Online supplements

The report *Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management* also offers access to StatLinks, a service that allows readers to download the corresponding Excel files of the data featured. StatLinks is found at the bottom right-hand corner of the tables or figures and can be typed into a web browser or, in an electronic version of the publication, clicked on directly.

In addition, the following supplementary materials are available online at: www.oecd.org/gov/government-at-a-glance-lac.htm.

- Country fact sheets that present key data by country compared with the LAC and OECD averages.

Per capita indicators

Some indicators (e.g. expenditures, revenues and government debt) are shown on a per capita (e.g. per person) basis. The underlying population estimates are based on the notion of residency. They include persons who are resident in a country for one year or more, regardless of their citizenship, and also include foreign diplomatic personnel and defense personnel together with their families, students studying and patients seeking treatment abroad, even if they stay abroad for more than one year. The one-year rule means that usual residents who live abroad for less than one year are included in the population, while foreign visitors (for example, vacationers) who are in the country for less than one year are excluded. An important point to note in this context is that individuals may feature as employees of one country (contributing to the GDP of that country via production), but residents of another (with their wages and salaries reflected in the gross national income of their resident country).

Purchasing Power Parities

Purchasing power parity (PPP) between two countries is the rate at which the currency of one country needs to be converted into that of a second country. This conversion is done to ensure that a given amount of the first country's currency will purchase the same volume of goods and services in the second country as it does in the first. In consequence, when converted by means of PPPs, expenditures across countries are in effect expressed at the same set of prices enabling comparisons across countries that reflect only the differences in the volume of goods and services purchased.

The PPP index used for LAC countries is the same as that used by the IMF *World Economic Outlook* (WEO). The International Comparisons Program (ICP) is a global statistical initiative that produces internationally comparable Purchasing Power Parity (PPP) estimates. The PPP exchange rate estimates, maintained and published by the World Bank, the OECD, and other international organisations, are used by WEO to calculate its own PPP weight time series.

Composite indicators

The publication includes two descriptive composite indexes in narrowly defined areas related to budget practices and procedures. These composite indexes are a practical way of summarising discrete, qualitative information. The composites presented in this publication were created in accordance with the steps identified in the *Handbook on Constructing Composite Indicators* (Nardo et al., 2008).

Details about the variables and weights used to construct the budget practices and procedures composites are available in Annex C. The composite indicators are based on theory and/or best practices, the variables composing the indexes and their relative weights are based on expert judgments and, as a result, may change over time. For both LAC and OECD countries, the composites on budget practices and procedures are not comparable with those in the 2009 edition of *Government at a Glance*, as the latest Budget Practices and Procedures and Performance Budgeting surveys (2012) include questions that are worded slightly differently from the 2007 survey. Moreover, additional questions were included and some of the weights have been redefined.

Signs and abbreviations

- .. Missing value or not available
- x Not applicable (unless otherwise stated)
- EUR Euros
- USD US dollars
- LAC Latin America and the Caribbean
- p.p. Percentage points



From:

Government at a Glance

Latin America and the Caribbean 2014: Towards Innovative Public Financial Management

Access the complete publication at:

<https://doi.org/10.1787/9789264209480-en>

Please cite this chapter as:

OECD/Inter-American Development Bank (2014), "Reader's guide", in *Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264209480-4-en>

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