

OECD Regulatory Policy Outlook 2015

Country profile

CHILE



Access links

- **OECD Regulatory Policy Outlook 2015:** www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm
- **Indicators of Regulatory Policy and Governance and the underlying data:** www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm
- **Regulatory policy in Chile:** www.oecd.org/regreform/regulatory-policy/chile.htm
- **Regulatory Policy Outlook country profiles:** www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm
- **OECD regulatory policy website:** www.oecd.org/governance/regulatory-policy/

Overview

Key national regulations provide the general framework for administrative procedures and an efficient state administration. However, the lack of a comprehensive regulatory reform programme has reduced the possibilities to achieve better economic outcomes and unleash resources to boost productivity. There is evidence that the Chilean regulatory stock is complex, with a constant yearly production of laws. As there is no RIA system in place, most regulators prepare norms without clear evidence that this is the best way to intervene, and good practices in rule-making procedures are rather limited. The government of Chile has launched the National Agenda for Productivity, Innovation and Growth, which constitutes a good framework to use regulatory reform as a driver to foster these goals. Measure 33 of this agenda, for example, states that a regulatory oversight body should be established.

Even though recent reforms have mandated an upgrade of consultation mechanisms (i.e., Law No. 20 500 and Presidential Instruction No. 7 of 2014), there is no standard consultation practice for the whole-of-the-state administration and criteria (i.e., length, scope, timing, and procedures) still have to be consistently applied.

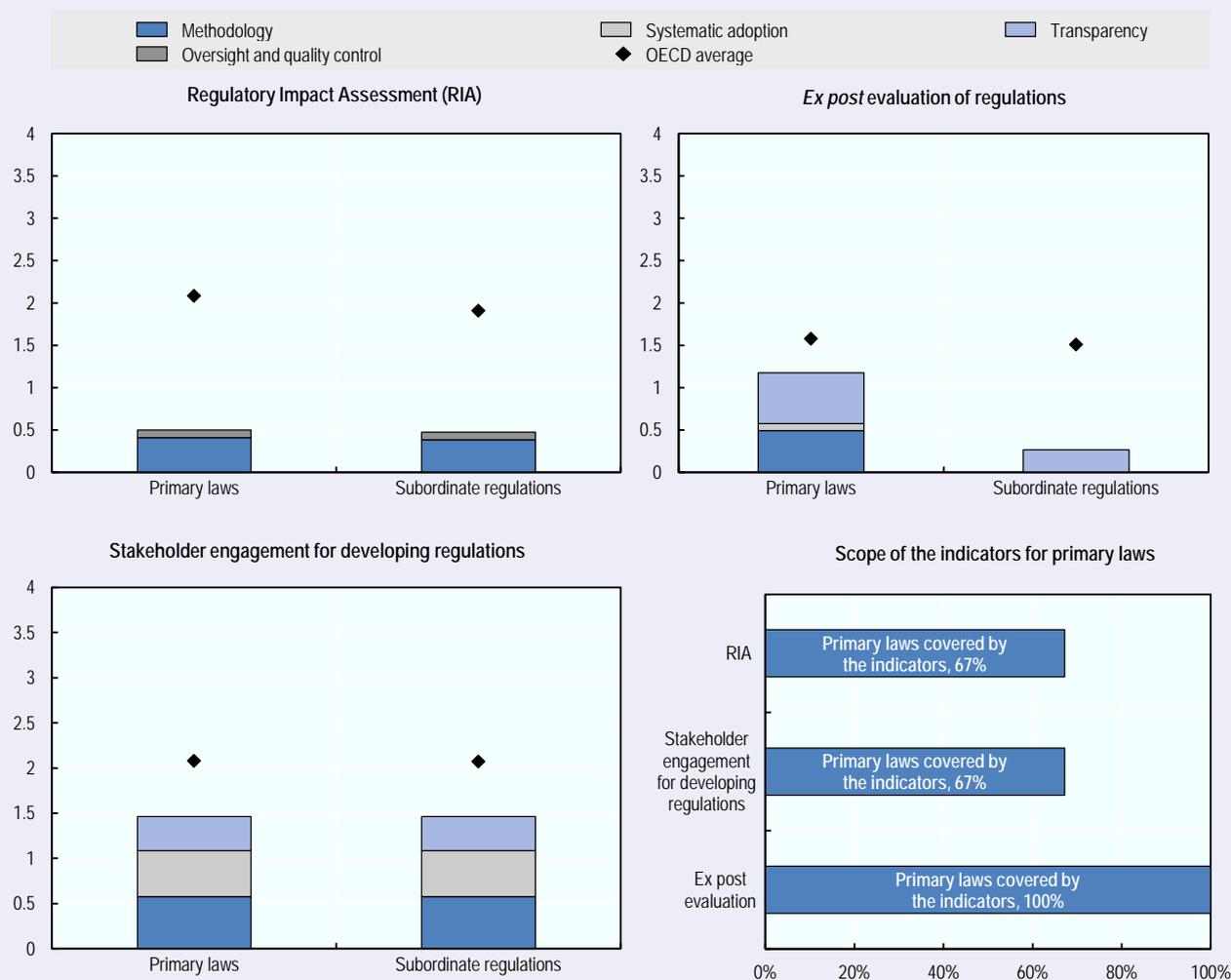
Four institutions play key roles in the rule-making process. The Ministry General-Secretariat of the Presidency (SEGPRES), the Ministry of Finance, the Ministry of Economy, and the General Comptroller of the Republic. However, one of the main weaknesses of Chile's institutional set up for regulatory reform is the lack of a regulatory oversight body.



Spotlight: The Law Evaluation Department (LED)

The Chamber of Deputies has made relevant progress in setting up a Law Evaluation Department (LED) that conducts *ex post* evaluations of selected laws. The LED developed a three-stage methodology to evaluate the effectiveness of laws, consisting of a technical analysis of the law, citizens' perception, and the preparation of a final report. The LED has also designed tools to collect information about citizen perception, such as online questionnaires, online chats, focus groups, and workshops. In addition, it built a database containing registries of civil organisations and experts that regularly participate in legislating, supervising, or representing stakeholders. Reports are published and used as input for discussions on law amendments. The Department is exploring the possibility to also conduct reviews on secondary regulations.

Indicators of Regulatory Policy and Governance 2015



1. The figures display the aggregated scores from all four categories giving the total composite score for each indicator. The maximum score for each category is one and the maximum score for each aggregated indicator is four.
2. The information presented in the indicators for primary laws on RIA and stakeholder engagement only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in Chile approx. 67% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 67% of primary laws. There is no formal requirement in Chile for consultation with the general public and for conducting RIAs to inform the development of primary laws initiated by parliament. The information presented in the indicators for primary laws on ex post evaluation covers processes in place for both primary laws initiated by parliament and by the executive. The percentage of primary laws initiated by parliament is an average between the years 2011 to 2013.

Source: 2014 Regulatory Indicators Survey results, www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Statlink: <http://dx.doi.org/10.1787/888933263081>

Indicators of Regulatory Policy and Governance (iREG)

The three composite indicators provide an overview of a country's practices in the areas of stakeholder engagement, Regulatory Impact Assessment (RIA) and *ex post* evaluation. Each indicator comprises four equally weighted categories:

- Systematic adoption which records formal requirements and how often these requirements are conducted in practice.
- Methodology which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used.
- Oversight and quality control records the role of oversight bodies and publically available evaluations.
- Transparency records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publically available.



The composite indicators are based on the results of the *OECD 2014 Regulatory Indicators Survey*, which gathers information from all 34 OECD countries and the European Commission as of 31 December 2014. The survey focuses on regulatory policy practices as described in the 2012 *OECD Recommendation on Regulatory Policy and Governance*. The more of these practices a country has adopted, the higher its indicator score. Further information on the methodology is available online at www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Whilst the indicators provide an overview of a country's regulatory framework, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

OECD Regulatory Policy Outlook 2015

The *OECD Regulatory Policy Outlook* (www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm) provides the first evidence-based, cross-country analysis of the progress made by OECD countries in improving the way they regulate. Findings are based on the results of the *OECD 2014 Regulatory Indicators Survey*.

Key findings:

- Laws and regulations are essential instruments, together with taxes and spending, in attaining policy objectives such as economic growth, social welfare and environmental protection. OECD countries have generally committed at the highest political level to an explicit whole-of-government policy for regulatory quality and have established a standing body charged with regulatory oversight.
- Implementation of regulatory policy varies greatly in scope and form across countries. While RIA has been widely adopted, few countries systematically assess whether their laws and regulations achieve their objectives. Stakeholder engagement on rule making is widespread in OECD countries, taking place mostly in the final phase of developing regulation.
- The national executive government has made important progress over the last decade to improve the quality of regulations. Parliaments, regulatory agencies and sub-national and international levels of government need to be more engaged to ensure that there are evidence-based and efficient laws and regulations for stimulating economic activity and promoting well-being.
- The impact of regulatory policy could be further improved by addressing shortcomings in the implementation and enforcement of regulations and by considering new approaches to regulatory design and delivery such as those based on behavioural economics.

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