

Regulations are the rules that govern the everyday life of businesses and citizens and one of the key levers by which governments act to promote economic prosperity, enhance welfare and pursue the public interest. To achieve these objectives and ensure regulations are of high quality and fit-for-purpose, a systemic governance framework is needed. In that sense, regulatory policy refers to the set of rules, procedures and institutions by which governments develop, implement and evaluate regulations. Recognising the critical importance of regulatory policy, OECD countries adopted in 2012 the *OECD Recommendation of the Council on Regulatory Policy and Governance*, which sets out the instruments and institutions that help governments prepare better new rules and improve existing rules.

LAC countries have made some efforts in adopting a whole-of-government approach on regulatory policy, but important challenges remain. Mexico and Costa Rica have been implementing regulatory policy for more than a decade, although with diverse depth and practices, while Brazil, Colombia and Ecuador have more recently embraced this trend. In the region, with the exception of Mexico, regulatory policy still lacks the comprehensiveness that several OECD member countries have achieved, in terms of ensuring that all regulators follow the same practices and coordination at different levels of government is promoted.

Most LAC countries covered in this analysis have set up a body (or bodies) responsible for promoting regulatory quality across the administration, but these bodies have different degrees of responsibility. In some countries, they are not yet able to implement the use of tools and support a common regulatory policy across the whole administration. COFEMER, the Mexican oversight body for regulatory improvement, is still a singular case in the region. Typically, the oversight bodies are located close to the centre of the government or the ministry of economy. While most countries have assigned responsibility for regulatory reform to a minister or high-level official, continued political support is required to ensure commitment to this type of reform agenda.

Regulatory policy covers various areas of responsibility in LAC countries, which reflects the variety of emerging systems. Legal quality and administrative simplification are the most common areas in which regulatory bodies operate, but initial efforts to introduce the use of Regulatory Impact Assessment (RIA) and *ex post* evaluation can be identified. Stakeholder engagement is an area that only few countries actively promote, indicating the need to strengthen the link between the state and the regulated community.

Methodology and definitions

The OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 draw upon responses to the OECD-IDB Survey on Regulatory Policy and Governance 2015 from selected LAC countries: Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. Responses were provided by government officials and reflect the situation as of 31 December 2015. The scope of the data covers regulations initiated by the executive at the national level. Data for OECD countries are drawn from the OECD Indicators of Regulatory Policy and Governance (iREG) 2015.

Primary laws are regulations which must be approved by parliament or congress, while subordinate regulations can be approved by the head of government, by an individual minister or by the cabinet – that is, by an authority other than parliament/congress. Minister refers to the most senior political role within a portfolio. High-level official refers to a senior public official in the ministry, for example a permanent secretary, departmental secretary, state secretary, secretary-general or deputy minister. Regulatory Impact Analysis (RIA) is the systematic process of identification and quantification of benefits and costs likely to flow from regulatory or non-regulatory options for a policy under consideration.

Further reading

- OECD (2015), *Regulatory Policy Outlook 2015*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264238770-en>.
- OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264209022-en>.
- OECD (2016), “OECD Indicators of Regulatory Policy and Governance”, OECD, Paris, www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.
- OECD (2016), “OECD work on regulatory policy”, OECD, Paris, www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

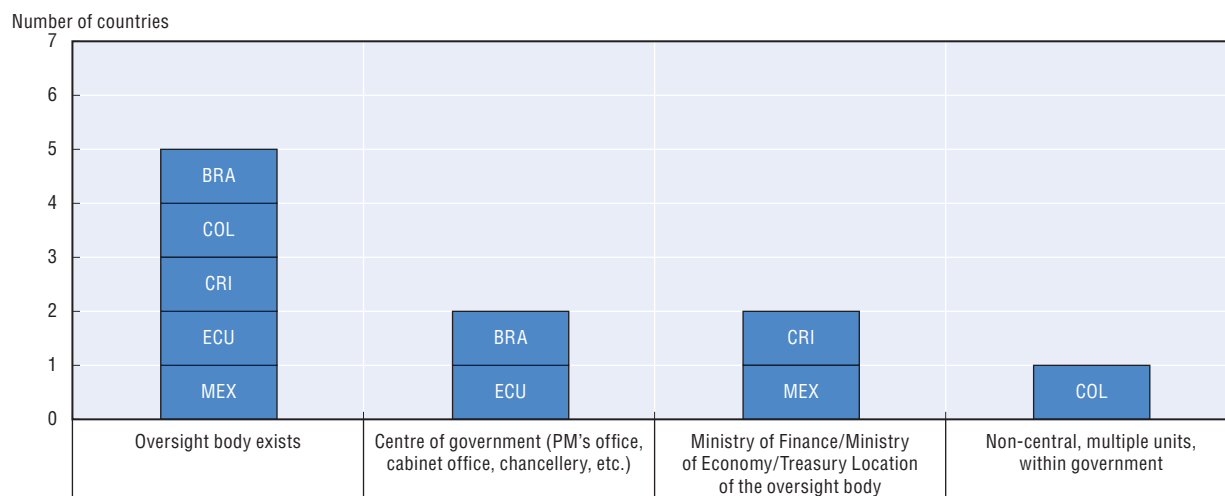
7.1. Whole-of-government approach to regulatory quality, 2015

| | Explicit, published regulatory policy exists | Standard procedures adopted by which the administration develops... | | Minister/ high-level official accountable for promoting regulatory reform | Body responsible for promoting regulatory policy and reporting on regulatory quality | Areas of responsibility of the regulatory oversight body | | | | |
|-------------------|--|---|-------------------------|---|--|--|--|------------------------------|--------------------|---------------|
| | | Primary laws | Subordinate regulations | | | Admin. Simplification or burden reduction | Consultation or stakeholder engagement | Regulatory Impact Assessment | Ex post evaluation | Legal quality |
| Brazil | ● | ● | ● | ○ | ● | ○ | ● | ● | ○ | ● |
| Chile | ○ | ● | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Colombia | ● | ● | ● | ● | ● | ● | ○ | ● | ● | ● |
| Costa Rica | ● | ● | ● | ● | ● | ● | ○ | ● | ● | ● |
| Ecuador | ● | ○ | ○ | ● | ● | ● | ● | ● | ● | ● |
| Mexico | ● | ● | ● | ● | ● | ● | ● | ● | ● | ○ |
| Peru | ○ | ● | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| LAC total | | | | | | | | | | |
| ● Yes | 5 | 6 | 6 | 4 | 5 | 4 | 3 | 5 | 4 | 4 |
| ○ No | 2 | 1 | 1 | 3 | 2 | 3 | 4 | 2 | 3 | 3 |
| OECD total | | | | | | | | | | |
| ● Yes | 32 | 32 | 33 | 28 | 32 | 29 | 28 | 26 | 26 | 25 |
| ○ No | 2 | 1 | 1 | 6 | 2 | 5 | 6 | 8 | 8 | 9 |
| x Not applicable | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. OECD Indicators of Regulatory Policy and Governance (iREG) 2015. www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

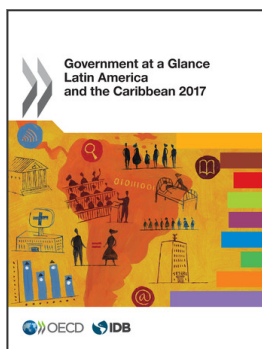
StatLink  <http://dx.doi.org/10.1787/888933431777>

7.2. Oversight bodies, 2015



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016. www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm.

StatLink  <http://dx.doi.org/10.1787/888933431355>



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