Foreword

The current global economic setting is turbulent, complex and fast-changing. Governments, businesses and societies are engaged in better understanding the ongoing technological, digital and industrial reorganisation processes and their profound potential impacts on the economy and the society. At a time in which is clear that growth is a necessary, but not exclusive, condition for development and that incentives are needed to guarantee that growth is inclusive and sustainable, planning and implementing strategies for economic transformation become paramount.

The Production Transformation Policy Reviews (PTPRs) are a policy assessment and guidance tool elaborated in response to countries’ demand in the framework of the OECD Policy Dialogue Initiative on Global Value Chains, Production Transformation and Development [the Initiative herein forward] to support knowledge sharing and policy dialogue and to increase the evidence on varieties of development trajectories. The PTPR framework is the result of a collective process that started in 2014 with a Working Group on Country Studies set up in the framework of the Initiative and led by Costa Rica, Uruguay and Turkey with contributions from UNIDO and UNCTAD. The PTPRs are a 15-18 month process based on peer-learning and multi-stakeholder dialogue to enable policy makers to better plan and act for the present and the future. The PTPRs assess the economic structure, the upgrading potential and the governance for economic transformation, identify lessons learned and clarify priorities for reform. They rely on peer review mechanisms through the participation of international peers and through a Peer Learning Group that steers each PTPR process. The PTPRs are enriching the OECD Development Pathways Series with their perspective on economic transformation and governance for change.

The PTPR of Chile involved an extensive process of consultation with multiple stakeholders and benefited from peer learning from Sweden, Emilia Romagna (Italy) and Germany. The PTPR of Chile has been a process of dialogue, consensus and trust building and provided an opportunity to identify common grounds for future reforms to enable Chile to reap the benefits of new technological frontiers.

The PTPR of Chile highlights the progress made by the country in maintaining a relatively stable and high growth in the last decades, its effective macroeconomic management and openness to the global economy. The review clarifies the persistent structural weaknesses of the domestic economy, including its low productivity, limited knowledge base and high territorial concentration of economic opportunities. It clarifies how the ongoing geopolitical and technological changes could open a window of opportunity for Chile to transform its economy and overcome its structural weaknesses. To this end it reviews the current strategy for economic transformation, including the strategic programmes Chile has put in place to reap the benefit of new technologies and global trends in solar energy, green mining and functional agro-food and identifies game changers for future reforms.
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The PTPRs are the policy assessment and guidance tool of the OECD Initiative for Policy Dialogue on GVCs, Production Transformation and Development (The Initiative herein after). This report is the result of a 18-month in-depth policy review consensus building process in Chile.

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