

By engaging with those that bear the costs or enjoy the benefits of regulations, such as businesses, consumers and other stakeholders, regulators can gain information from those “on the ground”, broadening the evidence base and thus improving the quality of regulations.

Latin American and Caribbean (LAC) countries are committed to involving stakeholders in developing subordinate regulations. However, results from the OECD Indicators of Regulatory Policy and Governance (iREG) show that the development of effective systems to consult stakeholders lags behind OECD countries. For instance, all LAC countries have legal requirements for stakeholder engagement for subordinate regulations. However, although improvements have been made, these requirements are often not systematically reflected in practice.

It is important to engage with stakeholders at various stages of the rulemaking process, including before a decision to regulate is taken, when their input serves to identify the magnitude of policy problems and possible solutions. This also strengthens their sense of ownership, as they know the purpose of regulations and are more likely to comply. Most LAC countries conduct early consultations only for some regulations, showing, this is not yet a common practice in the region.

Conversely, all LAC countries consult on draft regulations, which is key to identify unintended effects and practical problems, and to provide quality checks on these proposals. Yet, contrary to the majority of OECD countries, in most LAC countries this is limited to sectorial or ad-hoc consultations or stakeholder engagement on regulations that affect specific groups of the population. Exceptionally, Colombia, Costa Rica and Mexico have more systematic consultation systems in place.

The effectiveness of these consultations depends in part on the availability of the means to provide feedback. LAC countries increasingly consult on line, and in all countries at least some regulators have websites to receive feedback on draft regulations.

LAC countries would benefit from further improving the transparency of their consultation processes. Received comments should be considered to identify better policy options and improve regulations. Stakeholders should also be informed how their contributions are used, for the process to be perceived as fair. This increases trust in the rulemaking process and acceptance of regulations (Lind and Arndt, 2016). LAC countries still lack effective mechanisms to incorporate and take advantage of these contributions. Only in four countries are regulators required to consider them for final regulations. Likewise, only in Brazil and Colombia are regulators required to respond to these comments. Nevertheless, in Costa Rica, Mexico and Peru, even when there is no legal requirement to do so, some regulators respond to comments.

Finally, LAC countries can ensure systematic stakeholder engagement by improving co-ordination and oversight mechanisms. They could also benefit from

assessing the performance of their stakeholder engagement processes to identify areas of improvement, a practice that is very rare in the region.

Methodology and definitions

The iREG indicator for stakeholder engagement is based on the practices 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. The composite indicator has four equally weighted categories: methodology; oversight and quality control; systematic adoption; and transparency. The maximum score for each category is 1; the total score for the composite indicator ranges from 0 to 4. See Annex C for additional information on the methodology. The dataset underlying the indicators can be accessed at www.oecd.org/gov/regulatory-policy/ireg-lac.htm.

The iREG indicator for Latin America 2019 draws on responses to the OECD-IDB Surveys on Regulatory Policy and Governance 2015-2016 and 2019. The countries surveyed in 2015-16 were Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. The 2019 survey updates those countries and additionally draws on data from Argentina, the Dominican Republic and El Salvador, surveyed for the first time in 2019. Responses were provided by government officials and reflect the situation as of 31 March 2019. The data cover regulations initiated by the executive at the national level, with a focus on subordinate regulations.

Regulation refers to the diverse set of instruments by which governments establish requirements on enterprises and citizens. Subordinate regulations are created by the executive and are generally approved by the head of government, a minister or the cabinet.

Further reading

Lind, E. and C. Arndt (2016), “Perceived fairness and regulatory policy: A behavioural science perspective on government-citizen interactions”, OECD Regulatory Policy Working Papers, No. 6, OECD Publishing, Paris, <https://doi.org/10.1787/1629d397-en>.

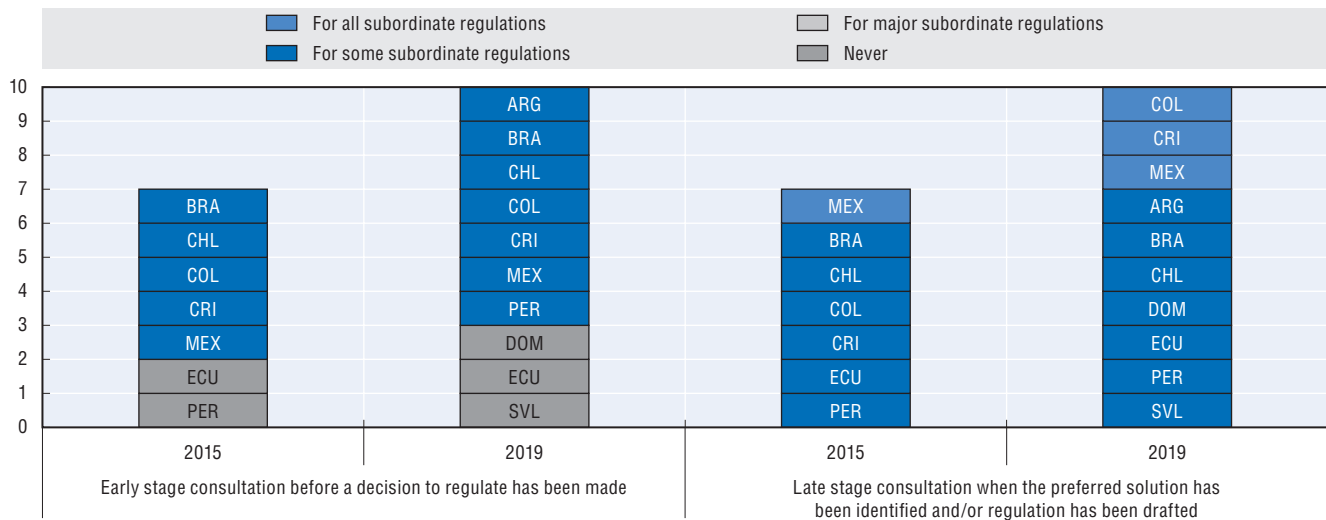
OECD (2018), *OECD Regulatory Policy Outlook 2018*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264303072-en>.

Figure notes

Data for 2015 cover Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru. Data for 2019 additionally cover Argentina, the Dominican Republic and El Salvador.

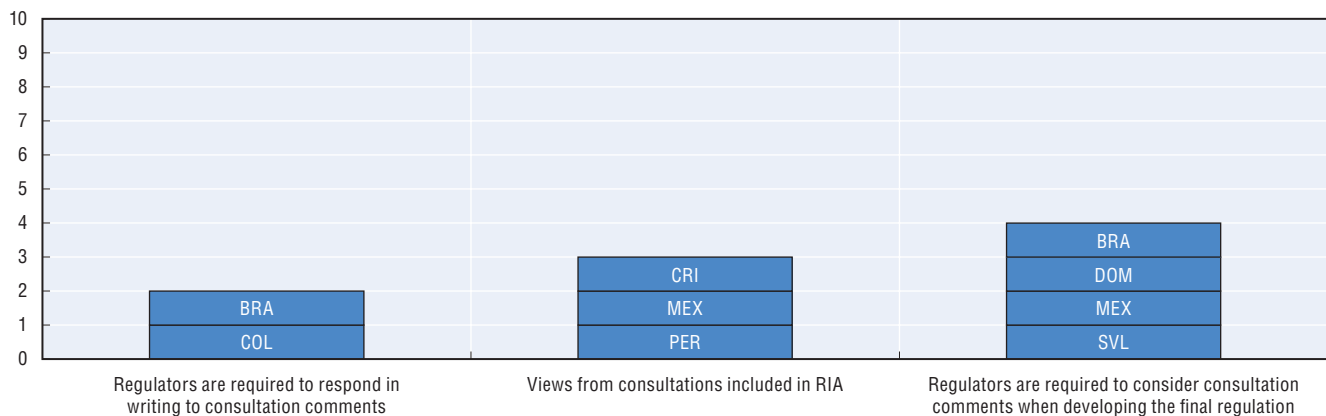
7.6 Data for OECD countries are drawn from the OECD iREG indicators 2015 and 2018.

7.4. Stakeholder engagement at different stages of rule-making, 2015 and 2019



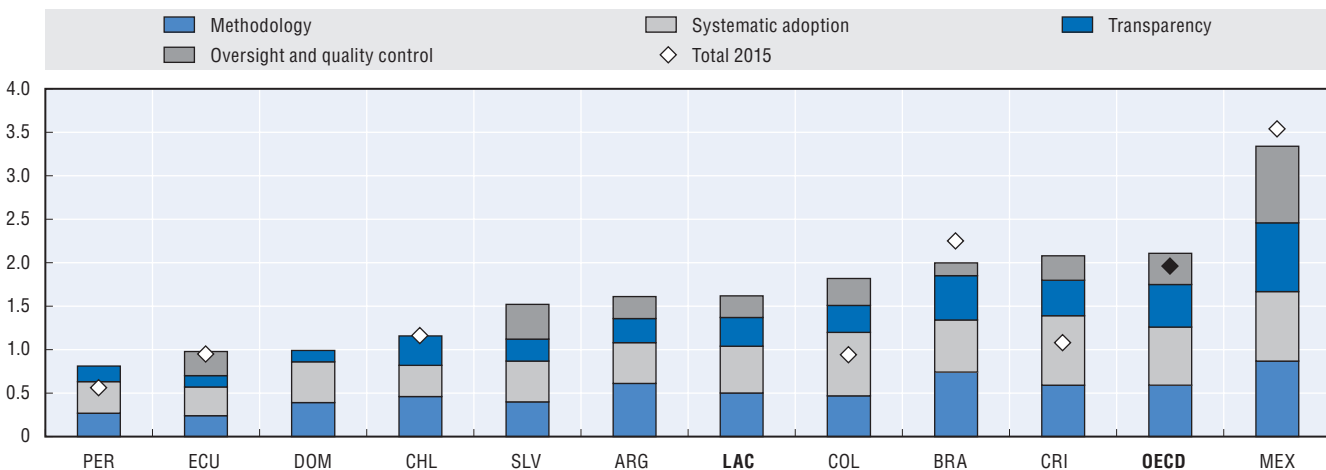
Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 and 2019, <http://www.oecd.org/gov/regulatory-policy/ireg-lac.htm>.
 StatLink <https://doi.org/10.1787/888934092512>

7.5. Consideration of consultation comments received, 2019



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2019, <http://www.oecd.org/gov/regulatory-policy/ireg-lac.htm>.
 StatLink <https://doi.org/10.1787/888934092531>

7.6. Stakeholder engagement in developing subordinate regulations, 2015 and 2019



Source: OECD Indicators of Regulatory Policy and Governance (iREG) for Latin America 2016 and 2019, OECD Indicators of Regulatory Policy and Governance (iREG) 2015 and 2018, <http://www.oecd.org/gov/regulatory-policy/ireg-lac.htm> and <http://oe.cd/ireg>.

StatLink <https://doi.org/10.1787/888934092550>



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