Executive Summary

In evaluating the quality of democracy and governance in Chile, one needs to take into account the fact that although the country returned to a democratic regime nearly 25 years ago, a strong ideological polarity regarding political opinions and approaches to public policy still prevails. This can be seen as a heritage of the former military regime. At the same time, historic experiences under the government of Salvador Allende and during the military dictatorship of Augusto Pinochet have led to a political culture that is oriented toward consensus and avoids conflict. Key actors and citizens tend to favor the status quo and harmony. The student protests of recent years – which remain ongoing despite a decreasing intensity – can be understood as the expression of new attitudes among younger generations. Although the country has considerably improved its quality of democracy since the end of the military regime, Chilean democracy still shows certain limitations, for the following main reasons:

- Certain forms of political discrimination inherited from the military dictatorship remain in place, such as the provision barring convicts and individuals imprisoned on remand from voting in elections.
- Chile has an oligopolistic media system that shows strong biases in the representation of different political, social and economic opinions, thus constraining pluralistic public opinion and public debate on certain topics.
- The country still faces severe unresolved ethnic conflicts that often prompt state responses, which in turn sometimes violate the civil and political rights of ethnic minorities. These conflicts have intensified in recent years, but have been presented in a biased way or even simply ignored by the national and international media.
- The political elite is still dominated by individuals and groups that unite economic and political power. High-level politicians and civil servants still mainly originate from a small circle of powerful families, meaning that officeholders do not represent Chilean society as a whole. Given the importance of private campaign financing, it is little surprise that one of the country’s richest people was able to win the presidency in 2010.
- Though corruption does not influence politics as much as in other Latin American countries, there is a phenomenon that goes hand in hand with the oligopoly: Officials tend to abuse their public positions by keeping high-level political or administrative jobs within a small elite circle of the population. It
is rare that officials or politicians with poor job performances are replaced by someone from outside this limited circle.

- Although Chile’s economy grew steadily over the course of the last decade, and gross income per capita increased, poverty rates did not decrease during the period under review, and the distribution of wealth has worsened. Next to Brazil, Chile demonstrates one of the most unequal income distributions in Latin America, according to the Gini index. This high degree of income and wealth concentration handicaps Chile’s democracy.

Chile shows a slightly inconsistent image in its executive’s capacity for sustainable and coherent policymaking. Strategic planning and coherent policy implementation are difficult processes in some areas, as Chile has privatized almost all branches of economic activity, including expenditures on social-welfare issues formerly addressed by the state such as pensions, public health and education, and infrastructure.

When it comes to policy implementation, a gap between the national, regional and local levels is evident. Chile is a highly centralized country where economic and political power is mainly concentrated in the capital, Santiago. Hence, regional and local interests are often not taken into consideration in the course of national policymaking. The process of decision-making and policy implementation is highly centralized.

Chile lacks mechanisms of direct democracy that might otherwise foster citizens’ policy control and influence. The media does not fulfill its task as a fourth estate. Neither the press nor public television provide citizens with a pluralistic view of government performance. Nearly 25 years of democracy have not changed this situation. However, congressional control over the government and the audit office do work quite well.

In general terms, the center-right coalition of former President Sebastián Piñera did not take advantage of the good economic cycle to plan and act strategically in different sectors with a more sustainable perspective. With regard to ethnic conflict, there has been no clear conflict-mitigation strategy or political positioning, a fact that has contributed to exaggerating the situation in the past two years. This conflict thus remains critical. Foreign policy has been managed quite well, a situation which is positively reflected in public surveys.
Key Challenges

Although Chile has undergone a considerable and successful modernization process in recent years, it still faces serious challenges in closing the gap with more developed countries. Even its OECD membership did not significantly change this situation. Since then, non-mainstream actors, organizations and issues have lost the support of international cooperation. The new Michelle Bachelet government is expected to secure approval for many of its reforms, including in difficult areas such as taxation and education. However, this will require gaining support from opposition and independent lawmakers in order to ensure successful implementation.

Despite many constitutional reforms during the past 25 years, the constitutional framework still contains problematic areas inherited from the military regime and former governments. These help produce a rigid framework for the policymaking processes. There is still a lack of capacities and instruments able to ensure that political and strategic planning includes a mid- and long-term perspective. This is a particular problem with regard to social, economic and ethnic issues. The lack of political and economic decentralization is one of Chile’s weakest points; indeed, Chile is one of the most centralized countries within the OECD despite its economic, geographic and ethnic diversity. The current government has initiated a decentralization program that seeks in part to address the structural deficit. A stable economic performance in recent years, the continuance of which will depend primarily on world copper prices, has allowed the government to adapt policies and satisfy immediate demand without taking long-term challenges into consideration. The current government has promised to change this approach.

Neither poverty nor socioeconomic disparities have been significantly reduced. As a consequence, Chile remains one of the most unequal countries in the region and the OECD. This has wide-ranging consequences throughout the whole social system, but in particular for education, health care and pension policies. This has been reinforced by the demographic and social changes Chile is experiencing as its population ages. The small pensions received by many Chileans will imply new challenges for the social-protection system. Furthermore, Chile will need a new public-policy approach to migration in the near future, as the country has become a popular destination for immigrants from across the region, especially Peru, Colombia, the Dominican Republic, and even Spain.
The lower middle class is highly indebted and socially under pressure to participate in a consumer society. Many middle-income families struggle to maintain their living standards, particularly if a household wage earner loses his or her job or falls sick. In combination with the enormous gap between the quality of poorly funded public education and its expensive private counterpart, the elimination of structural poverty and socioeconomic disparities appears nearly impossible in the short to medium term. Private and state-subsidized education is mostly enjoyed by the economic and political elite, which controls the opposition as well as the current government. Given this situation, the planned and ongoing changes within the current educational system will be not easy to implement.

Considering the deeply competitive nature of modern economies based increasingly on knowledge and innovation capacity, education policymaking has to overcome its persistent ideological struggles. This is especially true in a growing economy where there is a steadily increasing need for a skilled workforce. The social advancement of certain social sectors into the middle class during the last 24 years has made university degrees more accessible to young people with a lower family educational background, although most affordable private universities do not measure up to international (and in a few cases even national) quality standards. Vocational education and technical or professional training tends to be viewed as inferior to university education.

Changes in the legal framework for electoral registration – primarily to automatic registration and voluntary voting – have produced changes in the political environment as well. This was revealed by the erroneous predictions regarding the primaries and final results in the 2013 presidential election. If Chilean society aims to promote participation by all its citizens in its modernization process, the country has to overcome the lingering political marginalization of certain parts of society, including ethnic minorities.

The most recent presidential elections led to a change in the ruling coalition, from the center-right Alianza por Chile to the center-left Coalition of the Nueva Mayoría (former Concertación de Partidos por la Democracia). This returned Michelle Bachelet to office as head of state and government. The new ruling coalition has initiated several reforms in the field of fiscal policy, decentralization and education, and is discussing labor and electoral reforms intended to address the issue of structural deficits.
Policy Performance

I. Economic Policies

Economy

Chile has an advanced macroeconomic and financial policy regime in place. This is rules-based and combines a floating exchange rate, inflation targeting, an autonomous central bank, an overall government budget rule, and effective regulation and supervision of banks and capital markets. As a result, macroeconomic performance has generally been quite satisfactory. A dominant economic role is assigned to external trade, markets and the private sector, complemented by active government regulation and policies aimed at limiting noncompetitive market conditions, extending social protection, and to a limited degree reducing poverty and income concentration. Economic legislation and regulations provide a level playing field for domestic and foreign competitors. Barriers to international trade and capital flows are negligible, and international competitiveness, adjusted for labor productivity, is relatively high. These policies have enabled a relatively high level of growth, and poverty rates have fallen substantially in the last few decades. During the last two years, economic growth has again increased and unemployment slightly decreased.

On the other hand, major structural weaknesses can be observed. Low labor efficiency represents an increasing problem. This is especially the case in small- and middle-scale businesses which are the largest source of employment and labor in Chile. The highly bureaucratic public administration is another negative aspect that limits productivity. Moreover, economic stability and growth almost completely depend on the export of commodities such as copper and agri- and silvicultural products with relatively low added value. Thus, Chile shows a low level of industrialization; the manufacturing sector is small and the majority of consumer, intermediate and capital goods have to be imported. Chile is also highly dependent on energy imports. Minor education-sector reforms have focused primarily on higher education, but given Chile’s economic structure, there is a strong need to enhance capacities at a technical level. In the long run, deficiencies in the education system along with low investment rates in infrastructure and R&D will probably hinder economic growth and undermine the sustainability of the country’s development path.
Labor Markets

By international comparison, Chile (like most of Latin America) has very wide-ranging and restrictive labor market laws and regulations, at least on paper. Excessive regulation of job content, firing restrictions, and flexible and part-time contracts create disincentives to formal-sector employment. Minimum wages are high relative to average wages in comparison with other OECD countries. The unemployment rate showed no significant change (remaining at or near 6.5%) during the period under review. That said, between 70% and 80% of salary earners work in low-wage sectors or do not even earn minimum wage, despite being statistically registered as employed. Issues that would increase the flexibility of the labor market, such as greater integration of groups like women or low-skilled workers, have largely been ignored. Trade unions are on average relatively weak, with a large variance in strength ranging from very high (in state enterprises and the central government) to very low (in informal enterprises and state-owned enterprises), with factors influencing this divide ranging from inadequate legislation or enforcement to the prevalence of informality. Given the pressure brought to bear on wage topics by the strong labor unions such as Central Unitaria de Trabajadores (CUT) and Comisiones Obreras (CCOO), labor-market policy has shown a limited focus on wage levels, but not on the quality of labor. There is a clear lack of opportunities for continuing education and skill enhancement. Despite diminishing productivity, comparatively high wages have been established, including wage increase beyond the rate of inflation.

As of the time of writing, Michelle Bachelet’s new government was preparing a labor reform with the aim of changing a number of laws originally passed under Pinochet, and more broadly of addressing inequality. Labor Minister Javiera Blanco has engaged stakeholders in unions and the private sector in conversation, seeking consensus. The Labor Agenda legislative package was originally intended to be introduced in Congress in October 2014, but was subsequently pushed back to the end of December 2014. The package seeks to modernize collective bargaining and strengthen union activity, among other goals.

Citation:
See news on labor reform, for instance:
http://www.mch.cl/2014/12/19/reforma-laboral-ejecutivo-se-abre-revisar-normas-sobre-despido/
http://www.miningpress.cl/nota/275874/cuando-enviara-el-gobierno-la-reforma-laboral-al-congreso
Taxes

Chile has a moderately complex tax system. A tax reform passed in September 2014 raised the corporate-income tax rate from 20% to 25% – 27% (since companies may choose between two tax regimes) and eliminated a tax credit (Fondo de Utilidades Tributarias, FUT). This latter measure expanded the base for taxes on capital income. Thus, companies now have to pay taxes not only on distributed profits, but also on profit retained for future investments. This 2014 tax reform is expected to increase overall equity within the system.

With regard to personal-income taxes, the highest marginal rate is 40%. This implies that high-income wage earners have a high tax burden compared to low-income earners in general, and to high-income non-wage earners in particular. Few exemptions are applied to corporate and income taxes, reflecting a relatively high level of horizontal equity within each income-tax category. High-income non-wage earners can legally avoid high-income taxes through incorporation. The value-added tax (VAT) is high and flat, with few exemptions, which argues in favor of allocative efficiency and horizontal equity. There is certainly tax avoidance in Chile – probably at higher levels than the OECD average, due to informality. Yet efforts to ensure tax compliance have been generally successful. Moreover, Chile has probably one of the most efficient computer-based tax payment systems in the world.

The government’s tax and non-tax revenue is sufficient to pay for government expenditure, according to current spending. Additional revenue stemming from newly introduced fiscal changes will finance reform within the education system. By and large, Chile has been successful in generating sufficient public revenue. There are flaws in the efficiency of tax spending, but in general the national budget corresponds to the claims of different sectoral ministries. However, most of the tax income generated by corporate and personal taxpayers is based on VAT and therefore has a very regressive effect. Thus, the tax system does not promote vertical equity through redistribution. Expenditures for education and social security are far too low compared to other countries in the region and to the demands of the lower middle class and the poorer population. Tax policy fails to produce equity with regard to tax burden, as bigger companies and economic elites pay relatively low tax rates. This supports Chile’s relatively good international competitiveness, especially for services and products of comparatively low sophistication. Thus, in general terms, Chile’s tax system contributes to the country’s competitiveness with respect to world-trade and investment flows. On the other hand, taxation policy does not foster innovation and increase productivity.

The only reasonable way to assess whether Chile’s tax system and actual revenue collection is sufficient to finance a welfare state equivalent to 50% of GDP is to ask whether Chile’s ratio of government expenditure to GDP – at its current level of per capita income – is within the empirical cross-country range suggested by Wagner’s law,
which predicts that the development of an industrial economy will be accompanied by an increased share of public expenditure in GDP. This is the case.

Citation:
http://www.tradingeconomics.com/chile/highest-marginal-tax-rate-individual-rate-percent-wb-data.html

For my additional information:
- Economist Intelligent Unit, Country Report CHILE, Generated on November 24th 2014.

Budgets

Chilean budgetary policy has been very successful in terms of national debt reduction and reserve fund accumulation. The country’s budgetary policy is based on a fiscal rule that explicitly – and relatively transparently – links overall government spending to an estimate of government revenue trends. This puts Chile at the international best-practice frontier regarding budget policies and fiscal regimes. Although temporarily suspended during the difficult 2009 – 2010 period, this rule’s application since 2001 (and the adherence to fiscal orthodoxy even without comparative legislation since the mid-1980s) has allowed the government to reduce overall debt, accumulate sovereign wealth and reduce its overall financial liabilities to negative levels. This policy proved absolutely adequate in dealing with the global financial crisis. In order to improve fiscal transparency and the validation of the public balance, the Fiscal Consulting Council (Consejo Fiscal Asesor) was created in 2013.

Citation:
Cf. DIPRES, Política de Balance Estructural: http://www.dipres.gob.cl/594/w3-propertyvalue-16156.html

Research and Innovation

R&D expenditure as a share of GDP is very low in Chile compared to other OECD countries, and most of this expenditure is undertaken by the government rather than the private sector. But Chile has shown that it is aware of shortcomings regarding the necessities of technological innovations, especially for its future economic and thus social development. Significant reforms have been put in place to raise R&D funding, including earmarked taxation (a royalty tax on mining), higher government expenditure, and the improvement of tax incentives for private R&D. Although results have to date been disappointing – in large part because of bureaucratic hurdles to the approval of private and public projects – Chilean institutions show good results in basic research at least. But this good basic research almost never completes the steps required to pursue applied research. Universities are often not prepared to support research that operates at
the interface between basic research and industrial development. This is reflected in the comparatively low number of patents registered per year on a per capita basis, whereas the number of scientific publications is relatively high. In general, access to the limited public funds available for research tends to be quite difficult due to high bureaucratic barriers.

Citation:

Global Financial System

Given its small size, Chile has quite limited power within international arrangements and, although it participates in regional institutions and regimes, the country has distanced itself from the recent tendencies of its Latin American neighbors to strengthen their respective independence from international-level political hegemony and financial sources. The government applied an austerity policy and responsible budgeting, so the financial crisis has not had any severe impacts yet (policy of the 1% structural surplus proceeds). Nevertheless, in the national as well as international context, the official political discourse privileges the virtue of a totally deregulated and free market, combating any forms of state regulation.

II. Social Policies

Education

Chile’s school and education attainment levels are very mixed, and are generally much lower than the OECD average. Pre-primary education coverage is still low, but rising. Primary and secondary education coverage is high, reaching nearly 100% of current age cohorts. Tertiary education coverage is moderate but increasing. The government has not achieved its aim of closing the gap that exists between the private and public systems, which led to strong public protests, especially during 2011 and 2012. Apart from the general ideological gap between government and opposition regarding the role of education and the free market, reforms have largely been lacking in this area due to conflicts between teachers’ boards and the corporations or enterprises offering private-education services. The current government’s electoral manifesto promised reforms abolishing profit-seeking in the educational sector. Accordingly, a series of legislative proposals have already been introduced in Congress, and as of December 2014, some were already under discussion, while others had already been enacted. As a body, these aim at eliminating profit, selection and copayments within the private-education sphere. The educational reform is based on four fundamental principles: 1) ensuring that
institutions provide ample education and protect families’ security; 2) creating a high-quality public-education system; 3) providing for a modern, well-paid, decent teaching profession; and 4) creating a free (no-fee) higher-education system of high quality. In line with these goals, the budget proposal submitted by President Michelle Bachelet to Congress on 1 October 2014 includes a 27.5% increase in public investment. Public education will received a funding increase of 10.2%, which will largely be dedicated to nurseries, kindergartens, public-school infrastructure and training programs for teachers. The 2015 budget also contains an increase in scholarships for (about 70% of) university students in Chile. Traditionally, high-quality education in Chile has been accessible only to those able to afford it. There is a huge financial divergence between private and public education, with public spending per pupil per month of CLP 40,000 and private schooling fees of about CLP 300,000 (e.g., Deutsche Schule). Chile traditionally had a broad public-education system, but as a result of the poor quality of the actual public schools, the number of students attending public institutions has declined to approximately 40%. There is a great gap in the quality of education for less gifted students, as the system is strongly focused on preparing students for careers requiring higher education. There are comparatively few options for applied, vocationally oriented training courses for students who cannot afford the university, do not obtain the necessary grades to enter university, or are simply skilled in fields that require solid technical training instead of an academic degree. Furthermore, there is a wide variance in standards between universities and even technical training centers, as quality-control standards are insufficient.

In general terms, Chile’s education system – with the exception of a few top universities – fails in terms of educating and training people to acquire the knowledge and skills required for a quantum leap in development and growth. This hampers labor-productivity growth and efforts to diminish poverty rates. This weak performance results from failures in past and current education policies, and a strong teachers’ lobby that has effectively opposed necessary reforms to school curriculum, school management and attempts to link teacher pay to teaching productivity.

Citation:

Sources to my information:
- Dirección de Presupuesto, Ministerio de Educación:
  http://www.dipres.gob.cl/595/w3-multipropertyvalues-14437-22369.html
- Reforma Educacional, Proyecto de Ley
  http://reformaeducacional.gob.cl/documentos/
Social Inclusion

In terms of possibilities for upward mobility, Chile still fails to overcome a long lasting and broadening social gap. There still is, for example, much exclusion along ethnic lines and a considerable gap between poor parts of the population and the middle class. There is also little upward mobility within higher income groups. The middle class in general and especially the lower middle class can be considered to be highly vulnerable given the lack of support for those suffering unemployment or health problems. Middle-class wealth tends to be based on a high level of long-term indebtedness and its share in the national income is low even by Latin American standards. Furthermore, poverty among elderly people constitutes a disturbing phenomenon. The public-education system provides a comparatively low-quality education to those who lack adequate financial resources, while an approach to social policy promoted and supported by the Chilean elite maintains this very unequal social structure. Although some social programs seeking to improve the situation of society’s poorest people have been established, the economic system (characterized by oligopolistic and concentrated structures in almost all domains) does not allow the integration of considerable portions of society into the country’s middle class. Reforms planned by the new government (in the realms of taxation, education and labor), some already introduced and others on the way or still under discussion, are expected to have substantial pro-inclusionary effects.

Health

For more than three decades, Chile has maintained a dual health system, with one pillar represented by private insurance and private health care services chosen by self-financing participants (typically upper middle-income and high-income groups), and another pillar of public, highly subsidized insurance and public health care services for participants who pay only part of their health costs. This system provides broad coverage to most of the population, but with large differences in the quality of health care provision (including waiting times for non-emergency services). A significant reform has been implemented gradually since 2003, expanding the range of guaranteed coverage and entailing a corresponding extension of government subsidies to low- and middle-income population groups. In contrast to other policies, this reform has been pursued in a very consistent and solid way, although some failures can be detected regarding the budget provided for public health and administrative processes. Above all, primary health care within the public system has shown great advances in coverage and in quality. In the domain of the more complex systems of secondary and tertiary health care, a more problematic situation is evident. These levels show funding gaps and an insufficiency of well-trained professionals. There is still a huge gender gap with regard to health care contribution rates, since maternity costs are borne only by women. For these reasons, the quality and efficiency of public health care provision (government clinics and hospitals) varies widely.
Families

In recent years, there have been efforts to establish wide-ranging preschool-education coverage. These policies offer Chilean parents more opportunities to place their children in free or low-priced nurseries and kindergartens. Michelle Bachelet’s October 2014 budget proposal included an increase in public funding in both categories. Thus far, however, the system has not fulfilled actual labor-market requirements, given that nursery opening times often do not coincide with parents’ long working hours. Families’ abilities to find day care for their children depends to a great degree on their economic backgrounds, as wealthier families normally pay private housekeepers and nannies. Aside from the issue of women’s labor-market-participation opportunities, Chilean family policy does not fully respect the concerns of fathers, as tuition for children is paid solely to mothers, for example. Chilean family policies still lack a holistic vision of modern families, including, for example, aspects such as single parents, adoption and same-sex unions.

Pensions

Chile’s pension system combines a redistributive means-tested pillar financed by general taxation with a self-financed pillar based on individual contributions and individual pension accounts, which are managed by private pension fund managers and invested both domestically and abroad. The redistributive pillar was extended and broadened very substantially by a 2008 pension reform that implemented means-tested pension subsidies, guaranteeing a pension floor to all older citizens that is very high relative to the country’s minimum and average wages. The reform also provided pension benefit entitlements to women based on the number of children they have had, with no ceiling on the number of children. It is a matter of some debate whether the Chilean pension system guarantees intergenerational equity or prevents poverty caused by old age. It can be argued that both public and private pension systems are fiscally sustainable (like those of Norway, the best-funded system among all OECD countries), and thus provide both intergenerational and intragenerational equity across income groups. Nevertheless, the system largely fails to guarantee poverty prevention among large parts of the socioeconomically weaker and older population who depend on the support of their families or have no pensions at all if they worked in unstable and/or informal employment. Thus, the pension system has (because of the capitalization logic) virtually zero redistributational effect.

Integration

Due to the financial crisis, the number of professionals who immigrate to Chile has increased significantly – especially from southern Europe. In general, there are low restrictions for well-skilled immigrants and professionals who tend to obtain working
permits. The integration of immigrants from other Latin American countries, which represent the main group of foreigners in Chile, does not present significant difficulties as they share the same language and, up to a certain degree, a similar cultural background. About 1.5% of the population are immigrants, which represents, in comparison with its neighbor Argentina, quite a small percentage. It is worth mentioning that the relationship between emigration and immigration in Chile is changing. While in the past Chile registered higher rates of emigration than immigration, this tendency is reversing due to today’s patterns of economic development and political stability. Migration policy will thus be more important in the future, but no specific immigration policies have yet been implemented.

Safe Living

Internal security policy is quite effective. While organized crime is not apparent to the average citizen, there are some disturbing trends: selective acts of terrorism (or acts classified as terrorism) based on ethnic or political grounds, and a slightly rising incidence of drug trafficking (and related crimes). Homicide rates in Chile are among Latin America’s lowest. Common crime rates have not shown any significant changes since 2012. Still, public perceptions of crime tend to overestimate the statistical reality. Private security services are widespread in the wealthier urban areas, especially in Santiago. Chile has an extremely high number of prisoners among the younger population in particular. Prevention measures are not well developed. The last two governments each launched anti-crime programs focusing more on detection and repression than on prevention. These had very mixed results. Crime-control programs such as the Plan Cuadrante and the marked increase in the numbers of police officers have significantly reduced crime rates. However, penal-code reforms and their implementation over the last eight years have significantly raised the efficiency of crime detection and criminal prosecution.

Citation:
http://www.ine.cl/canales/chile_estadistico/encuestas_seguridadciudadana/victimizacion2013/presentacion_x_encuesta_nacional_seguridad_ciudadana.pdf
UNODC report 2013:

Global Inequalities

Chile formally follows and promotes the United Nations’ Millennium Development Goals and its post-2015 agenda in its foreign policies. However, in practice those criteria are not necessarily considered when it comes to decision-making regarding international cooperation with developing countries in the region (Chile cooperates nearly exclusively with Latin American developing and emerging countries). Regarding the promotion of fair trading access to global markets, Chile applies nearly no subsidies to domestic producers nor does it establish protectionist trade barriers for imports.
III. Environmental Policies

Environment

Chile is a country with an efficient but scarcely restrictive environmental regulatory system, and from 2010 onwards, it has boasted a modern environmental institutional system. For example, the former National Commission for Environmental Issues (Comisión Nacional del Medio Ambiente) has been upgraded into the Ministry of Environment (Ministerio del Medio Ambiente). The creation and implementation of complementary institutions, such as environmental tribunals (Tribunales Ambientales) and a chairperson for the environment (Superintendencia Ambiental), showed some progress by the end of 2012. However, Chilean environmental policy is basically designed for compliance with standards required by international markets and thus does not necessarily focus on aspects like ecological sustainability. In addition, Chilean environmental policy is also exposed to major domestic political pressures from the industrial sector, especially in the field of water and forestry policies and regulation. This is often clashes with the protection, preservation and sustainability of natural resources and the quality of the environment. It is quite common for the judiciary to stop investments and projects due to the lack of adequate ecological sustainability.

Citation:
http://www.sma.gob.cl/

Global Environmental Protection

The government demonstrates commitment to existing regimes and international efforts. There has been at least one specific initiative regarding the protection of Antarctica, but in general terms, the government neither initiates appropriate reforms nor fosters significantly their advancement.
Quality of Democracy

Electoral Processes

In general terms, candidates and parties are not discriminated against in the registration process. Electoral procedures are very reliable and there is no ideological bias. Nevertheless, there are quite high barriers to fulfill all conditions required to register new parties. Once registered, small parties have a slim chance of acquiring mandates if they compete on their own. The binominal electoral system has a majoritarian representation effect that favors parties belonging to the two main coalitions. Thus, “useful votes” are concentrated on them. Beginning with the 2013 presidential election, a primary election system (primarias) for the designation of presidential candidates was established. The 2013 presidential and congressional elections showed a slight improvement due to the fact that one of the two main coalitions, the former Concertación – now renamed Nueva Mayoría – broadened its ideological spectrum in order to integrate several small leftist parties (Partido Comunista; Izquierda Ciudadana; Movimiento Amplio Social). Under the Michelle Bachelet government, these political forces were also assigned ministerial responsibility. This can be seen as an improvement within Chilean democracy in general, although there has as yet been no structural reform. Political parties at a regional level can only be created if they represent at least three contiguous regions (it is not possible to create political parties representing only a single region). With regard to registration procedures and financial oversight, two independent candidates were found guilty in 2014 of forging signatures in order to meet the threshold to register as candidates.

Citation:

Access of candidates and parties to public TV channels is regulated by law (Law No. 18,700, Ley Orgánica Constitucional sobre Votaciones Populares y Escrutinios, and Law No. 18,603, Ley Orgánica Constitucional de los Partidos Políticos). But given the high level of media concentration within a small group of companies with a specific political background, candidates and parties de facto lack equal opportunity of access to the media and other means of communication, as the media landscape is strongly biased. La Nación, a
former daily paper owned and run by the state, stopped publishing a print edition under the administration of former President Piñera (although it is still accessible online). Chile’s largest free TV channel (TVN) is state-owned, and is required by law to provide balanced and equal access to all political views and parties – a regulation which is overseen by the National Television Directorate (Consejo Nacional de Televisión, CNTV). The private media is mainly owned and/or influenced by the elite associated with the Alianza por Chile coalition, which currently represents the opposition to the government. Although La Nación and TVN are state-owned, they must operate according to market rules, relying on advertising revenues and strong audience ratings.

Law No. 20,568, enacted in January 2009, changed the voter registration system, eliminating the voluntary registration and compulsory voting system and replacing it with automatic registration and a voluntary right to vote for citizens older than 18. This reform promoted the participation of younger and especially first-time voters in the 2013 presidential elections (which took place outside this report’s observation period). The new law also introduced assisted voting for citizens with disabilities. However, the electoral exclusion of Chileans living abroad still persists (although Chile does not have a big diaspora population). Furthermore, individuals who have been charged with a felony and sentenced to prison for more than three years and one day and people classified as terrorists lose their suffrage. Prisoners who have not been charged but remain on remand also lose their right to vote. Nevertheless, Law No. 20,568 eliminated penalties previously dealt to registered voters who did not vote and failed to have an explicit and officially approved excuse for not doing so. The fact that the act of voting is now completely voluntary is questioned by some politicians and intellectuals who argue that voting not only represents a civil right but also a civil duty. Fears were raised by academics that the transition to voluntary voting would be accompanied by a bias toward middle- and upper-class voters, since lower-class and marginalized voters would disproportionately stay home. These fears ultimately turned out to be unjustified, as the balloting demonstrated no significant bias with regard to socioeconomic status in comparison to previous elections. However, the voter-turnout rate was astonishingly low. In April 2014, Chile’s Congress approved a right to vote for citizens resident abroad. These individuals are now allowed to participate in presidential elections, presidential primaries, and national plebiscites (which are not explicitly provided for by the Constitution), but not in parliamentary or municipal elections.

Citation:
http://www.bcn.cl/leyfacil/recurso/voto-de-chilenos-en-el-extranjero

http://www.biobiochile.cl/2014/04/30/presidenta-bachelet-promulga-ley-de-voto-chileno-en-el-extranjero.shtml
In general, party and campaign financing processes are not very transparent. Upper limits to campaign financing are set by law, but enforcement and oversight is not very effective. Electoral campaign expenditures are financed by public funds and private financing, but ineffective monitoring often enables the latter to be rather opaque. De facto, there are no real measures to apply penalties in the event of irregularities. In October 2012, Law No. 20,640 was approved, making it possible to elect candidates of a political coalition on a participative basis. This process is voluntary and binding and the respective costs are limited by the current law of public transparency (Ley de Transparencia, Límite y Control del Gasto Electoral). This limit is set at 10% of the amount allocated for normal elections.

The Chilean constitution is one of the most restrictive on the topic of direct democracy – understood as citizens’ initiatives – in present day Latin America. The last nationwide plebiscite was initiated by the government in 1989, albeit during a military dictatorship and in the midst of the agreement process on the transition to democracy. At the moment, Chile does not contemplate nationwide citizen initiatives, although they have been called for by various civil-society groups and movements. At municipal level, the Organic Constitutional Law of Municipalities (2002) provides for popular consultations – plebiscites – either at the initiative of a mayor (with the agreement of the council), a municipal council itself (with a two-thirds majority), or a minimum of 10% of a municipality’s citizens. Thus, the opportunity to initiate referenda at the municipal level officially exists, but these referenda are not necessarily legally binding and may be ignored by the authorities.

Access to Information

In general, the rules and practice of media supervision guarantee sufficient independence for public media. Privately owned media organizations are subject to licensing and regulatory regimes that ensure independence from the government. The latest Freedom House Index (2014) on the issue of freedom of the press classified Chile as “partly free.” The index takes into account “the legal environment in which media operate, political influences on reporting and access to information, and economic pressures on content and the
dissemination of news.” Chile has been stuck at this level since 2012, following increased numbers of arrests and heightened pressure on journalists – particularly photographers – covering the education protests across the country during the years 2012/2013. By contrast, another index released in January 2013 by Reporters Without Borders placed Chile at 58th, a rise of two spots from the previous year. Given Chile’s media landscape and its ideological and economic concentration, the degree of government influence over the media depends largely on which coalition is leading the government.

Citation:

The Chilean print media sector is characterized by high concentration. The El Mercurio group and Copesa together account for much of the country’s print sector, have the greatest share of readers and control of a considerable amount of the country’s advertising portfolio. The papers owned by these two dominant groups offer essentially uniform political-ideological projects, editorial positions, styles and news coverage. However, these newspapers are more influential among Chile’s political elites than among the broader public. The official government daily, La Nación, presents views and opinions that run counter to those in the dominant papers; however, its print edition was eliminated during the administration of former President Piñera (although it is still accessible online). A similar pattern can be found in the public-television sector, but on the whole the electronic sector offers a more diversified scope of opinion (especially on local radio stations and in a few online publications). In general, there is a very narrow informational mainstream, with the government-owned TVN being the most dominant free station. Whether it presents politically balanced views and provides access to all viewpoints is a point of debate.

The statute on access to public information (Ley No. 20,285 sobre Transparencia de la Función Pública y Acceso a la Información de los Órganos de la Administración del Estado) was approved by Congress in August 2008 and implemented in 2009. It stipulates two dimensions of transparency. The first is “passive transparency,” and obliges all public institutions and authorities of the government to respond to any request for information constituted as public information within a 20-day period (with extensions of up to 10 more days possible). The other dimension is that of “active transparency,” and requires governmental ministries and agencies to publish broad information on various topics on their websites. The statute also creates the Transparency Council (Consejo para la Transparencia), an independent agency responsible for monitoring transparency, regulating transparency practices and compelling public services to provide information should they
refuse to do so. The Transparency Council’s board of directors is nominated by the executive and approved by the senate. Information classified as a state secret is exempted from these transparency stipulations. This remains an important clause, as there are about 20 Chilean laws that are officially still classified as secret. These laws derive in some cases from the beginning of the 20th century, and in others from the military regime. Most are actually common knowledge, but remain formally treated as secret. Although the Transparency Law (Ley de Transparencia) leaves very little room for administrative interpretation, there have been cases of negligence regarding access to and publication of relevant information.

Citation:
http://www.freedominfo.org/regions/latin-america/chile/

For my additional information:
http://www.leychile.cl/Navegar?idNorma=276363&idParte=0

Civil Rights and Political Liberties

The state and the courts efficiently protect civil rights, but certain specific conflicts (e.g. those related to indigenous groups) have led to human rights violations. In conflicts involving ethnic minorities, anti-terror legislation – which violates international conventions signed by Chile and goes back to 1984 – is applied. Furthermore, some occasional conflicts between civilians and the military or the police are overseen by military courts, whose impartiality is questionable. In general, the enormous income gap between population groups tends to marginalize the poorest people, who receive less state protection.

In general, political rights are protected by the constitution and legislation, and are enforced by government policy and practice. Nevertheless, police interventions have sometimes crossed the line from guaranteeing law and order into repression – especially during the more intense period of the student movement and protests by Chile’s indigenous people. Furthermore, the biased media landscape limits equal access to information and the opportunity to communicate different political opinions and versions of conflict situations.

In general terms, political rights are protected by legislature and government bodies. Major failings can be seen in the case of the Mapuche indigenous conflict in the southern regions of Chile, which has intensified significantly during the last four years, as the Mapuche are not constitutionally recognized as a distinctive identity or ethnic minority with collective rights. Despite official denials, some Mapuche captives claim to be political prisoners. There have been important endeavors to lessen discrimination, but there are still
inequalities in different domains like labor rights, access to health care and family law (including the official acceptance of same sex unions and, to a certain degree, civil unions).

With regard to gender, only 15.8% of Chile’s current deputie s and 18.4% of current senators are women. These averages are much lower than those elsewhere in Latin America or in the OECD as a whole. Other gender-discrimination issues are prevalent as well. For example, health care insurance is twice as expensive for women as for men due to maternity costs. Many other social, political, economic and legal policies and practices lead (directly or indirectly) to gender and ethnic discrimination.

Citation:
Interparlamentary Union, Situation as of 1. November 2014
http://www.ipu.org/wmn-e/classif.htm

Rule of Law

Acts and decisions made by the government and official administrative bodies take place strictly in accordance with legislation. There are moderately effective autonomous institutions that play an oversight role relative to government activity, including the Office of the General Comptroller (Contraloría General de la República) and the monitoring functions of the Chamber of Deputies. Government actions are moderately predictable, and conform largely to limitations and restrictions imposed by law.

Chile’s judiciary is independent and performs its oversight functions appropriately. Mechanisms for judicial review of legislative and executive acts are in place. The 2005 reforms enhanced the Constitutional Tribunal’s autonomy and jurisdiction concerning the constitutionality of laws and administrative acts. Arguably, the Tribunal is one of the most powerful such tribunals in the world, able to block and strike down government decrees and protect citizens’ rights against powerful private entities. But while the courts’ independence has been consolidated since the return of democracy in 1990, military courts are still involved in certain domains of the law and in court cases involving military personnel and terrorists.

Members of the Supreme and Constitutional Courts are appointed collaboratively by the executive and the Senate. In a broader sense, the National Congress does not have the absolute independence to appoint candidates, as Chile’s binomial election system restricts congressional representation to the two main coalitions. During recent years, there have been some cases of confrontation between the executive power and the judiciary regarding, for example, environmental issues, where the Supreme Court
affirmed its autonomy and independence from political influences.

In general terms, the integrity of the public sector is a given, especially on the national level. The most notable problem consists in the strong ties between higher officials and the private sector. Political and economic elites converge, thus reinforcing privilege. This phenomenon was particularly problematic under the previous government, as many members of the Alianza – including Sebastián Piñera himself – were powerful businesspeople. This entanglement produces conflicts of interest in the policymaking process, for example in regulatory affairs. Furthermore, there are no regulations to monitor conflicts of personal economic interest for high-ranked politicians (for example the president and ministers).
Governance

I. Executive Capacity

Strategic Capacity

The president has the power to ask for and ensure strategic planning, whether through formal or informal channels. Line ministries, most notably the Ministry of Finance, and the president’s advisory ministry (the Secretaría General de la Presidencia, Segpres), have considerable influence in strategic planning processes. Meetings between strategic planning staff and the head of government are held frequently. However, no long-term view of policy challenges and viable solutions is necessarily presented – these are either limited in scope or depth of impact depending on the topic. Strategic planning, policy planning and regulatory reforms, budget planning, and ex ante evaluation of government policies and public-investment programs are carried out by specialist units and departments inside the various ministries. While there is no explicit multi-year budget planning process in place in Chile, this takes place implicitly due to the fiscal rule that links (by law) overall government expenditure to forward-looking estimates of long-term government revenue, based on growth trends and copper price projections. These forecasts are provided in a transparent way by specialist budgetary commissions comprised of academic and private-sector experts (mostly professional economists).

Technocratic institutions and practices play an important role in government decision-making. Experts from academia, NGOs, partisan think tanks and the private sector are very influential in the preparation of government (presidential) programs and the development of policy reform proposals by presidential or ministerial technical commissions. These technical commissions, which are charged with proposing policy reforms in specific reform areas (education, pension, social and wage policies, minimum wage policy, fiscal rule, etc.) tend to have a great degree of influence in shaping government legislation as submitted to and voted on by Congress. Commissions are largely comprised of experts, and to a minor extent of representatives of interested parties, and cover a wide political spectrum. This kind of technical input into the policymaking process belongs to the technocratic tradition in Chilean politics. As a political practice, this can described as institutionalized, as
both the former and the current coalition followed this tradition. Under the current government, the main policies of the government program were elaborated and accompanied by expert commissions. Some reform initiatives in the education and environmental sectors have been accelerated or even blocked due to ideological differences within the commissions dealing with the issue. Experts (economists in particular) are very influential in drafting reform proposals submitted to the president or to ministers. As a profession, economists in particular are highly influential in the preparation of government programs and policy reform proposals, and in the execution of government policies.

**Interministerial Coordination**

The president’s advisory ministry (Ministerio Secretaría General de la Presidencia, Segpres) and the Government or Cabinet Office (Ministerio Secretaría General de Gobierno, Segegobhas) have at their disposal the necessary instruments and capacities to monitor and evaluate the policy content of line ministry proposals. Nevertheless, channels of evaluation and advice are not fully institutionalized, and may change with a new head of state.

The Government or Cabinet Office (Ministerio Secretaría General de Gobierno, Segegobhas) has the ability to return items. The president can overrule the advisory ministry if he or she holds a strong particular interest in a special item. But in the day-to-day course of operations, this rarely happens. Under the previous government, however, some proposals were blocked directly by then-President Sebastián Piñera.

The Government or Cabinet Office (Ministerio Secretaría General de Gobierno, Segegobhas) and line ministries have a strong tendency to coordinate activity, and in practice the president or government office and the Ministry of Finance are nearly always involved in the preparation of policy proposals. No serving minister would ignore the president’s opinion in the preparation and elaboration of a policy proposal.

Ministerial or cabinet committees are not necessarily central when it comes to decision-making on policy matters. Depending on the topic, ministerial committees are more or less involved in preparing cabinet proposals, especially those of relatively significant strategic or financial importance. These proposals are normally coordinated effectively.

Ministry staff and civil servants do not always play a dominant role in the drafting of policy proposals with other ministries before those proposals reach ministerial committees. Depending on the ministry and the importance of the proposal, officials and civil servants are more or less effectively involved in the preparation and coordination process.

Informal coordination plays an important role in settling issues so that the Cabinet can focus on strategic policy debates. Existing informal mechanisms might be characterized as “formal informality,” as informal coordination mechanisms are de facto as institutionalized as formal ones in daily political practice. The functionality
Evidence-based Instruments

All newly proposed laws must be accompanied by a report summarizing their predicted fiscal impact and the financial implications for the government budget. This report is always prepared by the fiscal department of the corresponding ministry. Chile also has a constitutional restriction on policy proposals that imply budget changes. Legally, there is no obligation to present a report concerning potential socioeconomic impacts that do not implicate the state budgets, but political practice shows that those implications are normally considered. Furthermore, there are supervisory bodies (Superintendencias) that monitor enterprises within a specific sector and produce evaluations and reports. In a strictly legal sense, these supervisory bodies do not have the specific objective of evaluating the impact of new regulations or proposed modifications to the legal framework. Nevertheless, the evaluation of possible impacts tends to be one result of their work. The following supervisory bodies exist in Chile:

• Supervisory Board for Health (Superintendencia de Salud)
• Supervisory Board for Banks and Financial Institutions (Superintendencia de Bancos e Instituciones Financieras)
• Supervisory Board for Securities and Insurance (Superintendencia de Valores y Seguros)
• Supervisory Board for Education (Superintendencia de Educación)
• Supervisory Board for Health Services (Superintendencia de Servicios Sanitarios)
• Supervisory Board for Electricity and Fuels (Superintendencia de Electricidad y Combustibles)
• Supervisory Board for Social Security (Superintendencia de Seguridad Social)
• Supervisory Board for Casinos (Superintendencia de Casinos de Juegos)
• Supervisory Board for Bankruptcy (Superintendencia de Quiebras)
• Supervisory Board for the Environment (Superintendencia del Medio Ambiente)

In some areas, the line ministries serve as the oversight body for this type of review.

Given the more informal and non-institutionalized character of instruments used for regulatory impact assessments, reports tend not to specify the purpose of and the need for a regulation. Furthermore, they do not tend to analyze alternative options. Depending on the topic, stakeholders may play a certain role in the RIA process but their accessibility and communication do not necessarily foster their relevance to the political process in the mid- or long-term. Normally, there are no evaluations of RIA assessments by independent bodies.
RIAs do not necessarily analyze a regulation’s impact on sustainability regarding the three criteria. Especially the short-, mid-, and long-term analysis tends to focus exclusively on economic but not on ecological nor social aspects.

**Societal Consultation**

Frequent consultations with civil-society groups and stakeholder organizations take place, but especially in the case of stakeholder organizations, consultations tend to be inclined towards economic interest groups. By contrast, unions and environmental organizations tend to be underrepresented. Online surveys have been implemented with the aim of assessing opinions within the non-institutionalized public. The president’s advisory ministry (Secretaría General de la Presidencia, Segpres) is primarily responsible for initiating and monitoring consultations. Depending on the issue, sectoral institutions can also be involved. The ad hoc commissions represent another means of societal consultation, as they include representatives of interest groups and other stakeholders.

**Policy Communication**

Each new government designs its own communication policy. As a result, strategic communication often tends to be rather haphazard at the beginning of a presidential term, but improves as the administration gains experience. The Sebastián Piñera government showed a fairly high number of communication lapses, particularly in its early days, while the current Michelle Bachelet government has at least thus far demonstrated more coherent communication.

**Implementation**

Implementation performance varies widely, ranging from excellent in areas where benchmarks and oversight mechanisms are strictly enforced (i.e., the general government budget) to weak in less rigidly monitored areas (i.e., implementation of some sectoral reforms such as Transantiago, the Santiago transport system). The Piñera government, for example, did not follow through on policies in the field of crime reduction and public safety, while the current Michelle Bachelet government has had to downsize its proposal for its fiscal reform. In general terms, far-reaching reforms that would require constitutional change and thus support by at least three-fifths of the national deputies and senators have not been considered as a part of government programs; this high hurdle has thus not proved to be a practical obstacle in the achievement of governments’ policy objectives.

The president annually evaluates his or her ministers’ policy performance. In a commission consisting of the president’s advisory ministry (Secretaría General de la Presidencia, Segpres) and budgetary units of the government, ministers have to present their sectoral priorities, and if necessary, arrangements and modifications are
made to ensure alignment with the government program.

The president’s advisory ministry (Secretaría General de la Presidencia, Segpres) and the respective budgetary units of the government monitor the line ministries (especially within the annual performance evaluation). If necessary, arrangements and modifications are made in order to ensure effective alignment with the government program. Monitoring of effectiveness seems to have improved slightly since 2011.

To a certain extent, high positions in government agencies are filled not via political appointments but through the government’s civil-service department (Alta Dirección Pública, ADP), based on candidates’ technical capacity and experience. Clear goals are identified by the directors of executive agencies and the corresponding ministries. Exhaustive evaluations of the system and of personnel choices are performed annually by the minister, the civil service and the president’s advisory ministry (Secretaría General de la Presidencia, Segpres). In addition, the Ministry of Finance’s budget office monitors decentralized agencies and public enterprises from a budgetary perspective very tightly and effectively. Nevertheless, the changes in government in 2011 and 2014 showed that the selection of candidates through the ADP is in fact quite weakly established, as there is still an understanding that a successful candidate is a “government officer” rather than a “state officer.” The monitoring of bureaucratic activities and executive agencies, especially at the subnational level, tends to be distorted by this effect.

Chile’s central government exercises strong control over municipal and regional budgets, and accounts for a significant proportion of local revenue. Currently, 18% of the federal government’s budget is redistributed to the regional and local level (OECD average is about 45%). However, the assignment of new duties at municipal level does not necessarily imply the corresponding allocation of adequate funds. Municipal programs are monitored relatively closely by the central government, although spending overruns can be observed, resulting in local government debt. Less wealthy municipalities are sometimes unable to deliver a service that ensures adequate attention (for example, regarding the public health and educational system). Given this situation, some municipalities are still less able to guarantee the required contribution income by themselves. This problematic situation is characteristic of Chile’s non-decentralized political system and must be regarded as a structural problem. The current government has convoked a commission to study the issue of decentralization, with the ultimate goal of addressing this issue. The commission’s proposal, which was presented publicly and supported by President Bachelet at the beginning of October 2104, included the following aspects, among others:

- Regional representatives (Intendentes) should be elected directly and be accountable to citizens of their region regarding promises made in their political programs.
- The amount of federal funds provided to regional governments should be increased.
The decentralization proposal contains an implementation timeline stretching through 2016.

Citation:
http://descentralizacion.cl/

Chile is a centrally organized state. This represents a structural problem given the wide-range of differences between the respective regions regarding geography, productivity and density of population. Nevertheless, local governments legally enjoy a considerable degree of autonomy concerning mandates and tasks that do not touch on constitutional issues and can be executed within the allocated budget. Furthermore, the government has tended to devolve responsibilities to local governments (i.e., in the domain of urban regulation). In comparison to the local or municipal levels, regional governments enjoy a high degree of budget autonomy. At regional level, the governors’ autonomy is limited by their simultaneous function as representatives of the national government and heads of the regional advisory councils.

Due to the different financing structures at regional and municipal levels, the national government can only guarantee services at an adequate standard at regional level. The central government has clearly failed to establish national standards at municipal level. In addition, relatively poor municipalities and those in rural regions often lack the capacity to meet national standards for public services, especially in the fields of health care and education. This segregation is also evident in Santiago itself, where public schools in richer districts clearly tend to show higher standards and better results than public schools from poorer districts.

**Adaptability**

The modernization of Chile’s state is still under way, but national institutions have already become quite solid. In general terms, the reform of domestic governing structures tends to be driven by national fiscal-policy concerns, which implies that any innovations that might imply financial changes (such as a budget augmentation for a certain ministry or for a department within a ministry) are very difficult or even impossible to realize. Changes concerning topics that might be of future interest and do not directly affect current political challenges – as, for example, the expansion of a department’s staff or the creation of a new unit dedicated to topics of possible future interest – are driven more by fiscal or political reasons and political cycles rather than international or supranational developments. Law No. 20,600 of 2012 created environmental tribunals (Tribunales Ambientales) to be established in three different regions of the country (north, center, south), as well as a Supervisory Board for the Environment (Superintendencia Ambiental). As of the time of writing, two of these environmental tribunals had been created. This can be seen as a domestic adaptation responding to international and supranational developments. Chile’s role
as one of the most recent members of the OECD might create incentives for more substantial adaptation in the near future.

Citation:
Enviromental Tribunals:
http://www.tribunalambiental.cl/2ta/informacion-institucional/sobre-el-tribunal-ambiental/historia/

The government is endowed with the institutional capacity to contribute actively to international efforts to foster the provision of global public goods. The government actively participates in the international coordination of joint reform initiatives. This is underlined by the fact that Chile represents one of the most active countries in Latin America with regard to international policymaking initiatives. However, the impacts of national policies on these global challenges are not always systematically assessed and then incorporated into the formulation, coordination and monitoring of policies across government.

**Organizational Reform**

Ministries have to establish sectoral goals, which are then evaluated annually. Reports are presented quarterly but do not focus directly on the adequacy of institutional arrangements. For example, the accomplishment of ministerial goals is evaluated, but not the adequacy of the ministry in general. The Ministry of Finance assesses the adequacy of institutional arrangements in the case of new law proposals, but there is no specific institution assigned to monitor preexisting institutional arrangements. Furthermore, to a certain degree, changes in institutional arrangements tend to be influenced by personnel criteria rather than being efforts to engage in strategic structural change.

Some improvements in strategic capacity have been made by changing institutional arrangements. For example, in 2012 the erstwhile Planning Ministry (Ministerio de Planificación, MIDEPLAN) was transformed into the Ministry of Social Development (Ministerio de Desarrollo Social, MDS), with some slight institutional changes that increased its strategic capacity. Furthermore, the creation and implementation of complementary institutions such as the environmental tribunals (Tribunales Ambientales) and Supervisory Board for the Environment (Superintendencia Ambiental) in 2013 have improved capacity in these areas. But in general terms, attempts to alter institutional arrangements tend to encounter very substantial bureaucratic obstacles.
II. Executive Accountability

Citizens’ Participatory Competence

Print-media discussion of policy-reform proposals and government programs is relatively widespread, including discussion of reform proposals and options presented by the ad hoc policy-reform commissions, as was seen with the issues of education, pension, fiscal and labor reform. New forms of public communication regarding government policymaking, in many cases through web sites and social networks, are on the rise. Yet a large share of population is excluded from such discussion due to its low level of education, limited understanding of in-depth analysis, and/or lack of exposure to media other than television. In addition, the oligopolistic media structures in Chile distort the political options offered to citizens (e.g., policymaking regarding ethnic minorities and the associated conflicts). Disinformation and manipulations hinder public policy discussions. In addition to these defects in news coverage, citizens in general show low interest in policymaking. Policy interest within the socioeconomic elite is also generally fairly limited, at least as long as public policies do not substantially affect their lifestyle in a nearly completely privatized environment (discussions of fiscal redistribution, as during the 2014 fiscal reform, represent a notable exception). Those parts of the middle class that are interested in these debates tend to get only the low-quality information mentioned above and the socioeconomically lower-class population often only knows about the specific public subsidies system which they use but they do not know about public policies and public policymaking in general terms.

Legislative Actors’ Resources

The National Congress is endowed with a multidisciplinary staff of consultants in order to support deputies and senators in their representative, legislative and control functions as well as in the field of congressional diplomacy. Nevertheless, this support tends to be asymmetric in comparison with the ministerial capacities to analyze and investigate. The control function of the National Congress is based on the Chamber of Deputies (Cámara de Diputados). This function tends to operate as a reaction to journalistic complaints in combination with political conflicts rather than a real control of the government’s accomplishment.

Congressional committees or individual deputies can request documents, which must be delivered by the government within legally defined time limits. Those deadlines are generally met by the government’s office, but there are de facto limitations in the exercise of control, as the party or coalition with a majority in a certain topic can
block the minority’s request. Until recently, obtaining information from state-owned companies or the Ministry of Finance was difficult.

In August 2005, a constitutional reform (Law No. 20,050) established the process of ministerial interpellation. Committees in the Chamber of Deputies and the Senate have the right to summon ministers for questioning about matters concerning their area. The ministers are obliged to attend. The effectiveness of this new instrument of congressional control depends on the quality and quantity of information otherwise accessible to the National Congress. During the period under review, the Minister of Education was accused of having ignored his constitutionally defined responsibility to answer to the legislature and was therefore removed.

Congressional committees may summon any civil servant to interview as a subject-area expert. Private experts can also be invited, but in fact the National Congress lacks the financial funds to pay for the assistance of prominent private experts. However, there is a group of 50 to 60 specialists from a variety of subject areas affiliated with the Library of the National Congress whose task it is to offer professional support to the members of congress in their law-making, representative, diplomatic and oversight tasks.

The oversight role of the Chilean legislature lies mainly with the Chamber of Deputies and its (currently) 28 permanent committees. These coincide in part with the 22 line ministries, but there are various exceptions in which a single committee is responsible for the domain of various ministries, or one ministry’s area of responsibility is distributed across multiple committees. It should be noted that Chile is not a parliamentary system, and thus ministers are not directly accountable to the Chilean National Congress. Therefore, the degree of control exercised by the congressional committees is naturally rather weak.

Citation:
Quantity and name of the permanent parliamentary committees: http://www.camara.cl/trabajamos/comisiones_tipo.aspx?prmT=P

Chile’s General Comptroller (Contraloría General de la República) has far-reaching competences, and is invested with strong political and legal independence. The officeholder is nominated by the president, and must be approved by a three-fifths majority vote in the Senate. The comptroller has oversight power over all government acts and activities, and investigates specific issues at the request of legislators serving in the Chamber of Deputies. The office presents an annual report simultaneously to the National Congress and the president. The National Congress has the right to challenge the constitutionality of the comptroller’s work.

Parliament does not have a formal ombuds office. Efforts to establish such an office failed twice under former governments. However, the National Congress and its members listen informally (but not systematically) to concerns expressed by citizens and public advocacy groups, inviting them to congressional hearings. In general terms, direct democratic elements in Chile are quite weak.
Media

Although locally produced news programs are generally of high quality and draw large audiences – particularly through radio – Chile’s newspapers and the main public TV stations report tabloid news, and employ the bold headlines and techniques with strong popular and infotainment appeal. Furthermore, statistics released by the National TV Commission (Consejo Nacional de Televisión) show that on average, less than five hours a week per channel or radio station is spent discussing in-depth political information. More than 50% of the news presented through publicly accessible channels is dedicated to sports and crime events. Surveys indicate that the Chilean audience would prefer less sports news and more focus on national and international politics. Due to the biased media landscape, there is a strong ideological framing regarding political information and policy discussion.

Chile’s largest free TV channel (TVN) is state-owned, and by law is required to provide balanced and equal access to all political views and parties – a regulation which is overseen by the National Television Directorate (Consejo Nacional de Televisión, CNTV). Although La Nación and TVN are state-owned, they must operate according to market rules; they have to self-finance by relying on advertising and high audience ratings. Since the print edition of the La Nación newspaper was eliminated under former President Sebastián Piñera’s administration, the quality of its reporting and in-depth information on government decision-making has dropped dramatically.

Citation:

Parties and Interest Associations

Chile has a presidential government system and thus the president determines the policy guidelines, so the presidential elections are much more relevant than the congressional ones. Therefore, in campaigns for the presidency, government programs are presented by the presidential candidates and not by their coalitions or by their parties. These global program proposals tend to be limited to descriptions of their effect on the public rather than technical details or any detailed discussion of content. In particular, the primary elections (primarias) for the 2013 presidential elections demonstrated that candidate selection and issue agendas are largely controlled by the parties’ leaders

Policy proposals by economic interest groups do address relevant topics and are not always short-sighted or untenable, but tend to be partial and largely guided by the groups’ narrow interests. Unions as a socioeconomic interest group are relatively weak, and their influence in formulating policies relevant to their interests is quite
limited. Exceptions to this rule of thumb do occur.

A substantial number of autonomous, self-organized groups, associations and organizations exist in Chile. Civil society’s organizational landscape has become increasingly differentiated since redemocratization. Religious, environmental and social organizations, as well as NGOs, academic groups and professional associations often present substantive policy-reform proposals that contribute positively to policy discussions and government reforms, and consider long-term perspectives. Various political foundations and think tanks play a decisive role as formulators of relevant policies. On the other hand, there are great disparities in the durability and the organizational strength of associations, mostly as a result of social inequalities.
This country report is part of the Sustainable Governance Indicators 2015 project.

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