



Chile Report

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Sustainable Governance Indicators 2017

Executive Summary

Although Chile returned to a democratic political regime over 25 years ago, a strong ideological polarization remains. This prevailing legacy of Augusto Pinochet's military government must be taken into account in any evaluation of the country's democracy and governance. Turbulence under the Salvador Allende government and subsequent military dictatorship led to a political culture that favors consensus and avoids conflict. Key actors and citizens generally tend to favor the status quo and harmony. Nevertheless, social tensions are rising in the OECD's most neoliberal country. Official and unofficial strikes as well as protests frequently lead to violence and police repression. The student protests of recent years persist, but are less extreme. These protests represent widespread discontent amongst the younger generation of older Chileans for accepting (or, at minimum, tolerating) the current social, economic and political order.

Individuals and groups that hold economic power continue to dominate among the political elite. High-level politicians and civil servants primarily originate from the same narrow circle of families; consequently officeholders are not representative of Chilean society. Also, public officials tend to abuse their position by sharing high-level political and administrative posts only within this very limited oligarchic circle. In addition, though political corruption is not as widespread as in some other Latin American countries, several acute cases of illegal party funding have come to light in recent years. These have amplified public dissatisfaction with the political elite. In reaction to recent corruption scandals, more restrictive regulations on party- and campaign-financing were enacted.

Chile is an especially heterogeneous country, yet economic and political power remains highly centralized in the capital, Santiago. Consequently, regional and local interests are often not considered in national policymaking. Also, unresolved ethnic conflicts often trigger state action. These, at times, fail to respect the civil and political rights of ethnic minorities (e.g., the Mapuche). In addition, certain forms of political discrimination inherited from the military dictatorship remain. For example, convicts with a prison sentence exceeding three years are barred from voting. Furthermore, convicts with less severe sentences and individuals in custody are de facto excluded from suffrage as institutional structures do not provide the necessary internal

procedures to guarantee their constitutional right to participate in elections.

The downside of Chile's relatively stable political system has been low citizen participation in politics. The country lacks mechanisms of direct democracy and citizen participation that could promote citizens' interests as well as public (vertical) accountability. Even the media is unable to fulfill its role as the Fourth Estate. Chile's oligopolistic media system shows strong biases in the expression and depiction of various political, social and economic positions. This constrains pluralistic public debate, especially on highly ideological topics such as economic inequality and the country's military past. Nevertheless, both the audit office and congressional control over the government work quite well (horizontal accountability).

Although Chile's economy and gross income per capita have consistently grown over the last decade, the country remains extremely dependent on copper exports. Consequently, Chile is highly vulnerable to instability in this commodity's international price. Also, poverty rates did not decrease during the period under review and wealth inequality has risen. According to the Gini index, Chile's degree of income inequality is among the most extreme in Latin America.

Political disaffection is growing. Participation in the October 2016 communal elections dropped to a historical low of 35%, a clear indication of widespread discontent among the Chilean population, irrespective of their political background. In a direct challenge to the political elite, independent and center-right candidates were especially successful in this past election.

In general terms, the government under President Michelle Bachelet has retained its reform ambitions. However, many reform needs have not been tackled and those that have required significant scaling back to gain congressional approval. Thus, for Bachelet's remaining tenure, the pressure to pass large-scale reforms will only increase.

Key Challenges

Although Chile, an OECD member, has undergone a considerable and successful modernization process in recent years, it continues to face serious challenges in closing the gap to more developed countries.

The Bachelet government has only partially succeeded in implementing its ambitious reform agenda, progressing only extremely slowly. A lack of

consensus and financial resources (due to the end of the commodity boom) is holding back reform aspirations on tax, labor and education policies as well as constitutional reforms. Of the few proposals that actually passed the Congress, practically none were approved without significant changes or dilutions.

Despite numerous constitutional reforms over the past 25 years (more than 15 changes have been introduced), the constitutional framework still contains challenges inherited from the military regime as well as former democratic governments. While these have resulted in an overly rigid framework for policymaking, they have also ensured a level of stability. The Bachelet government has officially initiated debate over a new constitution. Since the current constitution does not contain criteria for its own reform or replacement, the parliament must decide by the end of 2016 on the necessity of the proposed reforms as well as on the specific reform mechanism. Procedural options include a bicameral parliamentary commission (Comisión Bicameral), a mixed constituent convention consisting of citizens and members of the parliament (Convención Constituyente mixta), and an elected constituent assembly (Asamblea Constituyente). A plebiscite to be held in 2018, under the next government, may democratically validate the final version of a new constitution.

Political and strategic planning is undermined by a lack of state capacities and instruments sufficient to ensure that policymaking takes a medium- and long-term perspective, especially in the case of social, economic and ethnic issues. A lack of political and economic decentralization also hampers efficiency. Chile is one of the most centralized OECD countries despite its economic, geographic and ethnic diversity. However, the current government has initiated a decentralization program that aims to decrease the country's structural deficit.

Neither poverty rates nor socioeconomic disparities have been significantly reduced. Chile remains one of the most unequal countries in the region and OECD. This has consequences for the whole social system, but the effects are particularly palpable in the education, health care and pension policy areas. This is reinforced by the demographic change Chile is experiencing as its population ages. The current low interest rates in euro and dollar countries, continued high rate of labor-market informality, and fact that formal-sector jobs predominately pay low wages have increased pressure on the social security system.

The lower-middle class is highly indebted and faces strong social pressure to consume. Many middle-income families struggle to maintain their living standards; if one wage earner loses a job or becomes sick, families almost

immediately have to significantly lower their living standard. The enormous gap between the quality of the poorly funded public education system (where per student expenditure tends to be less than half of the OECD average) and its expensive private counterpart, renders the elimination of structural poverty and socioeconomic disparities much more difficult. Additionally, both the private and state-subsidized education systems are largely controlled by economic and political elites (both in government and the opposition). As a result, the reforms envisioned by the Bachelet government will be difficult to introduce and successfully implement.

Considering the high level of competitiveness needed in modern economies increasingly based on knowledge and innovation capacity, education-sector policymaking in Chile must emerge from its prolonged ideological doldrums. This is especially true given the country's growing economy, where there is a great need for a skilled workforce. In comparison to higher education, vocational training and technical education tends to be disregarded.

The country's political culture and ideological polarization have prompted each new government to transform much of the bureaucracy with new staff from within their own ideological camp. This political practice can be observed at the local as well as national level. As a consequence, the experience and knowledge held by the upper echelons of the civil service have repeatedly been lost, weakening the state's institutional capacity. Chilean democracy has also historically suffered as a result of a glaring overlap between political and economic elites, a circle composed of a small number of families. This has produced oligopolistic power structures and influential networks that prevent the introduction of profound structural reforms.

Citation:

<http://www.gob.cl/2015/10/13/discurso-de-la-presidenta-de-la-republica-al-anunciar-el-proceso-constituyente/>

<http://www.comision-pensiones.cl/>

<http://www.gob.cl/2015/10/13/infografia-conoce-las-etapas-del-proceso-constituyente/>

<https://www.unaconstitucionparachile.cl/>

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 7

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 period under review, economic growth has decreased about 0.5% and estimations for the near future have been adjusted downwards. The unemployment rate increased to 6.9%, one of the highest rates in the last five years.

On the other hand, major structural weaknesses can be observed. Low labor efficiency represents a persistent 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 primarily depend on the export of commodities such as copper and agricultural 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 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

Labor Market
Policy
Score: 6

By international comparison, Chile (like most Latin American countries) 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 increased during the period under review, reaching about 6.9%, one of the highest rates in the past five years. Also, between 70% and 80% of salary earners work in low-wage sectors or do not earn minimum wage, despite being statistically registered as employed. Policies that would increase labor market flexibility (e.g., greater integration of groups such as women and low-skilled workers), have largely been ignored. The strength of trade unions varies greatly, from very powerful (within state-owned companies and the central government) to very weak (within informal enterprises), with factors influencing this divide ranging from inadequate legislation and enforcement to the prevalence of informality.

Since powerful labor unions, including the Central Unitaria de Trabajadores (CUT) and Comisiones Obreras (CCOO), stress wage-related issues, the limited labor-market policies that have been implemented focus on wage levels rather than the quality of the labor force. Continuing education and skill enhancement training programs receive little support. Despite diminishing productivity, comparatively high wage levels have been established, mostly in the mining sector, with wage increases exceeding the rate of inflation.

Originally intended to be introduced in Congress in October 2014, the labor reform package was pushed back due to disagreements between the government and opposition. After several disputes in the Senate and an intervention by the Constitutional Court, labor reforms were finally enacted by President Bachelet in August 2016. The original reform proposal aimed to alter a number of laws originally passed under Augusto Pinochet and address the country's high degree of inequality. However, the enacted version had been modified significantly in order to pass Congress. The reform seeks to modernize labor relations, mainly

relating to collective bargaining, broadening negotiable topics and implementing a female quota of at least 30% among the respective labor union representatives. Although the long-term effect of these reforms on unemployment and labor market performance in general remain unclear, the reform can be considered a step forward. Its effects will be visible in the years to come, as regulatory laws are enacted.

Citation:

See news on labor reform, for instance:

<http://www.emol.com/noticias/Economia/2016/08/29/819506/Cuales-son-las-principales-modificaciones-de-la-Reforma-Laboral.html>

<http://www.cnnchile.com/noticia/2016/08/29/presidenta-bachelet-promulgo-la-reforma-laboral>

<http://www.lanacion.cl/noticias/economia/laboral/reforma-laboral-senado-aprobo-veto-presidencial-y-establecido-para/2016-06-22/203636.html>

<http://reformalaboral.carey.cl/>

Taxes

Tax Policy
Score: 7

Chile has a moderately complex tax system. The tax reforms passed in September 2014 and February 2016 raised the corporate-income tax rate from 20% to between 25% and 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. These changes are expected to increase overall equity within the system, according to a World Bank study commissioned by the Chilean Ministry of Finance. However, the short- and long-term effects have yet to be fully evident, as a portion of the reform package will not take effect until 2017 (e.g., elimination of the FUT tax credit).

The more ambitious aspects of Bachelet's tax-reform initiative, seeking to increase revenues, reduce tax evasion and avoidance, promote company investments and private savings, and make the fiscal system more equitable, were partially introduced in the latest two reforms packages, but their impacts have not yet been shown.

The highest marginal rate for personal-income taxes 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) of 19% is the third highest in Latin America (after Uruguay and Argentina) and remains flat. It favors allocative efficiency but has a regressive impact. There is certainly tax avoidance in Chile, probably at higher levels than the OECD average due to the prevalence of informality. Yet efforts to ensure tax compliance have generally been successful. Moreover, Chile probably has 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, at least at current spending levels. Additional revenue stemming from newly introduced fiscal changes is slated to 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. The fiscal reform is expected to make improvements in this regard. Nevertheless, the tax system promotes vertical equity through redistribution at only a relatively low level in comparison to other OECD member states.

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 strong 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 or increase productivity, and thus endangers competitiveness in the long run.

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.kpmg.com/global/en/services/tax/tax-tools-and-resources/pages/corporate-tax-rates-table.aspx>

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

<http://www.latercera.com/noticia/negocios/2015/10/655-649927-9-banco-mundial-73-de-la-recaudacion-de-la-reforma-tributaria-provendra-del-01-de.shtml>

<http://radio.uchile.cl/2014/09/09/lo-bueno-lo-malo-y-lo-escandaloso-de-la-reforma-tributaria>
<http://www.reformatributaria.gob.cl/principales-modificaciones.html>
<http://www.sii.cl/pagina/valores/global/igc2015.htm>
 Economist Intelligent Unit, Country Report CHILE, Generated on November 24th 2014.
 Luis Eduardo Escobar, "Michelle Bachelet en busca de la transformación de Chile," in: Nueva Sociedad, Nr. 252. Julio-agosto 2014, 4-14.
<http://www.reformatributaria.gob.cl>
http://www.sii.cl/portales/reforma_tributaria/index.html#&panel1-1
 On VAT in Chile in comparison: <http://www.emol.com/noticias/Economia/2015/07/28/740297/Chile-tiene-el-tercer-IVA-mas-alto-de-America-Latina-y-se-ubica-por-encima-del-promedio-mundial.html>

Budgets

Budgetary Policy
Score: 9

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.

Recent trends have been somewhat more worrisome. The country's budgetary policy has come under pressure due to declines in the price of copper, slowing economic growth, state spending that has risen faster than GDP, the continued presence of a structural deficit, and an increase in debt. This trend forced the Chilean government to significantly lower expenditures of some ministries and public services in the latter half of 2016.

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

Research and Innovation

R&I Policy
Score: 5

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 at least in the area of basic research. But the steps necessary to transform this good basic research into applied research are almost never taken. 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. Despite these facts, a slight improvement regarding innovation policy and scientific cooperation can be observed. According to the latest version of the Global Innovation Index (2016), Chile was ranked 44th out of 128 countries. When compared with the previous year, when it was ranked 42nd out of 141 countries, the country's innovation performance appears to be stable.

Citation:

http://www.expansiva.cl/media/en_foco/documentos/17032010150429.pdf

<http://www.scidev.net/america-latina/innovacion/noticias/tres-paises-lideran-innovacion-en-latinoamerica.html>

<https://www.globalinnovationindex.org/>

Global Financial System

Stabilizing Global
Financial Markets
Score: 6

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. During the world economic and financial crisis, the government applied an austerity policy and engaged in a responsible budgeting policy mandating a 1% structural surplus, largely shielding itself from crisis effects. 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

Education Policy
Score: 5

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, although the quality of universities and private-sector technical institutions varies significantly. The government has not achieved its aim of closing the gap that exists between the private and public systems; this failure has led to strong public protests that have endured since 2010, though these peaked in 2011 and 2012.

The general ideological gap between the government and opposition regarding the role of education and the free market has made it more difficult to pass reforms. However, conflicts between teachers' boards and the corporations or enterprises offering private education services have also played a role. The current government's campaign platform included reforms that would abolish profit-seeking in the education sector. A series of legislative proposals on the issue have been submitted to Congress, but not all have been passed. The latest changes were introduced in March 2016 by the enactment of Law Nr. 20.845 (Ley de Inclusión Escolar), which increases subsidies for the most vulnerable students in primary and secondary education. Prior to this latest reform, Law Nr. 20.882 (Ley de Presupuestos del Sector Público), enacted in December 2015, subsidizes the tuition fees of the most vulnerable 20% of higher education students.

In summary, the government's educational reform aims at eliminating profit, selection and copayments within the private-education sphere, and is based on four fundamental principles:

- 1) Ensuring that institutions provide a strong education and protect families' financial security;
- 2) Creating a high-quality public-education system;
- 3) Providing for a modern, well-paid, highly skilled 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 included a 27.5% increase in public investment. Public education received a funding increase of 10.2%, largely

dedicated to nurseries, kindergartens, public-school infrastructure and training programs for teachers. The 2015 budget also contained an increase in scholarships for about 70% of Chile's university students. The 2016 budget foresees an increase in education spending of 7.5%.

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 per month spending per pupil in the public system averaging CLP 40,000 (approximately \$60), and private-schooling fees averaging about CLP 300,000 (approximately \$450). Chile used to have a broad public-education system, but as a result of the poor quality of the public schools, the share 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 consequently 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 wide variance in standards between universities and even technical training centers, with insufficient quality-control standards. In general terms, Chile's education system – with the exception of a few top universities – fails in the task of educating and training people to acquire the knowledge and skills required if the country is to make a quantum leap in development and growth. This hampers labor-productivity growth and undermines efforts to diminish poverty rates. This weak performance results from failures in past and current education policies, as well as the efforts of a strong teachers' lobby that has effectively opposed necessary reforms to school curriculums and school management structures, and has blocked attempts to link teacher pay to teaching productivity.

Citation:

<http://michellebachelet.cl/wp-content/uploads/2013/10/Reforma-Educacional-14-21.pdf>

<http://www.dipres.gob.cl/595/w3-multipropertyvalues-14437-22369.html>

<http://www.hacienda.cl/especiales/presupuesto/presupuesto-2016/informativo-presupuesto-2016.html>

<http://leyinclusion.mineduc.cl/>

<http://reformaeducacional.gob.cl/documentos/>

Social Inclusion

Social Inclusion
Policy
Score: 5

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 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. The income distribution is highly unequal; although GDP (2015) is about \$240 billion and GDP per capita (2015) about \$14,100, 70% of the population earns a monthly income less than \$640 (CLP 426,000). About 53.5% of the population earns less than \$440 (CLP 300,000) per month. Furthermore, poverty rates among the elderly people are disturbingly high.

The public-education system provides a comparatively low-quality education to those who lack adequate financial resources, while the 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 and extended, 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. Moreover, the lower-middle class in particular can be regarded more as a statistical category than a realistic characterization of people's quality of life, given that the majority of the Chilean middle class runs a perpetual risk of falling (material) living standards, as their consumer spending is mainly financed by credit and individual debt. If a household's primary income earner loses his or her job, or a family member has serious health troubles, families tend to face rapid impoverishment.

Reforms planned by Bachelet's government (in the realms of taxation, education and labor) are expected to have substantial pro-inclusionary effects. Some of these have already been introduced, while others are on the way or still under discussion.

Citation:

<http://www.fundacionsol.cl/wp-content/uploads/2015/06/Verdaderos-Salarios-2015.pdf>

<http://www.elmostrador.cl/mercados/2015/10/14/desigualdad-historica-este-2015-el-1-mas-rico-de-la-poblacion-alcanzo-el-mismo-patrimonio-que-el-99-restante-del-mundo/>

<http://data.iadb.org>

<http://datos.bancomundial.org/pais/chile>

Health

Health Policy
Score: 7

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 (especially in the 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. These standards have remained stable in recent years.

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.

A survey released in August 2016 by Centro de Estudios Públicos (CEP), a Chilean polling agency, showed that 30% of the respondents cited health care as their third highest concern (after criminality, 44%, and economic development, 32%).

Citation:

Healthcare as one of the chief concerns:

http://www.latinnews.com/component/k2/item/70237.html?period=2016&archive=26&Itemid=6&cat_id=804376:chile-seeking-to-address-the-chief-public-concern&Itemid=6

Families

Family Policy
Score: 5

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. As enacted, Michelle Bachelet's 2015 budget included an increase in public funding in both categories. The national social program "Chile crece contigo" (Chile grows with you), which supports expecting mothers and families during a child's early years, also includes support for adolescent mothers.

However, this system does not yet fulfill actual labor-market requirements, given that nursery opening times often do not coincide with parents' long working hours. The average annual working hours in Chile (1,988 hours per

year and worker) far exceed the OECD average (about 1,766 hours per year and worker). Families' abilities to find day care for their children depends to a great degree on their economic backgrounds, as wealthier families normally pay for private housekeepers and nannies. Aside from the issue of women's labor-market-participation opportunities, Chilean family policy does not fully respect fathers' concerns, as tuition for children is paid solely to mothers, for example. Chilean family policies still lack a holistic vision of modern families; for example, they are weak on issues such as single parents, adoption and same-sex unions.

Citation:

http://www.dipres.gob.cl/594/articles-121592_Ley_de_Presupuestos_2015.pdf

<https://stats.oecd.org/Index.aspx?DataSetCode=ANHRS>

Pensions

Pension Policy
Score: 5

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 Chilean 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 redistributive effect.

An advisory presidential commission (Comisión Asesora Presidencial sobre el Sistema de Pensiones) was set up in April 2014 with the task of analyzing possible pension-system changes. The current system, which was established under Augusto Pinochet's military regime, is strongly criticized as being designed to guarantee and provide sufficient funds for the economic and political elite and their financial interests, as these groups have strong links to

the pension-fund management companies. The commission presented its final report in September 2015. It contained no radical reform proposals, but did suggest some slight changes such as an increase in contributions and an expansion in the coverage provided by basic solidarity pensions (pensión básica solidaria). The current scenario indicates that poverty amongst the elderly will rise in the medium and long term if reforms are not introduced soon.

During the period under review, dissatisfaction with the pension system has increased significantly and led to peaceful, but massive demonstrations in more than 50 cities. Without a doubt, the pension system will be a central issue in the presidential and legislative elections in 2017. As yet, the government has not presented a concrete reform proposal.

Citation:

<http://www.comision-pensiones.cl/>

<http://ciperchile.cl/2015/11/18/conclusiones-de-la-comision-bravo-todo-esta-al-reves-con-las-pensiones/>

The Commission's Executive Summary: <http://www.comision-pensiones.cl/Documentos/GetResumen>

Demonstrations against the current pension system: <http://www.comision-pensiones.cl/Documentos/GetResumen>

Integration

Integration Policy
Score: 5

The number of immigrants in Chile has increased significantly during the last five years. In general, there are few restrictions for highly skilled immigrants and professionals, most of whom tend to obtain working permits. The integration of immigrants from other Latin American countries, who represent nearly 75% of all immigrants (by far the largest group of foreigners in Chile), does not face significant difficulties since these immigrants share a common language and, to a certain degree, a similar cultural background. About 2.3% of Chile's population are immigrants; this is an increase compared to the previous review period, but still a very small share in comparison to its neighbor Argentina or other OECD member states.

Also noteworthy, the relationship between emigration and immigration in Chile has changed. While in the past Chile registered higher rates of emigration than immigration, this tendency is reversing due to the country's economic development and political stability. As the vast majority of immigrants settle in Chile's capital, Santiago, migration policy has become more present in public discussions. It is fair to assume that its importance will further increase, considering its impact on the country's economic and social development.

In 2016, laws were enacted that foster protection of refugees and their integration into Chilean society. Refugee children now receive privileged access to Chilean citizenship regardless of age and residence time when one of their

parents adopts Chilean citizenship. Before this reform, only adult children could receive citizenship through a parent.

On the basis of Chile's experience with the humanitarian resettlement of Palestinians, Bachelet's government promised to host between 50 and 100 Syrian families, regardless of religion. However, the government has been working more than a year on the technical preparation of this refugee policy without visible results.

Citation:

http://www.keepeek.com/Digital-Asset-Management/occd/social-issues-migration-health/international-migration-outlook-2015_migr_outlook-2015-en#page196

<http://www.latercera.com/noticia/nacional/2014/09/680-596709-9-inmigrantes-en-chile-mas-de-dos-tercios-trabajan-y-el-42-cotiza-en-fonasa.shtml>

<http://www.extranjeria.gob.cl/media/2016/02/Anuario-Estad%C3%ADstico-Nacional-Migraci%C3%B3n-en-Chile-2005-2014.pdf>

Refugee policy: <http://www.acnur.org/noticias/noticia/presidenta-de-chile-se-compromete-con-la-crisis-actual-de-los-refugiados/>

Chilean plan for Syrian refugees: <http://www.elmostrador.cl/noticias/opinion/2016/08/14/refugio-sirio-en-chile-un-imperativo-etico/>

<http://transparenciaactiva.presidencia.cl/Otros%20Antecedentes/Inst.%20Pres.%20N%C2%BA5.pdf>

Safe Living

Safe Living
Conditions
Score: 7

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 criminality tend to overestimate the statistical reality. According to a poll released in August 2016 by the Chilean polling agency Centro de Estudios Públicos, insecurity remains the overriding public concern (44%), ahead of economic development (32%) and health care (30%), despite the fact that the Nueva Mayoría Government presented a positive balance for the first half of 2016 with a 5.1% fall in serious crime compared with the same period a year before.

Private security services are widespread in the wealthier urban areas, especially in Santiago. Chile has an extremely high share 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. Penal-code reforms and their implementation over the last eight years have also

significantly raised the efficiency of crime detection and criminal prosecution. In the government's 2017 state budget, security is one of the top three budgetary priorities (along with education and health).

Citation:

http://www.ine.cl/canales/chile_estadistico/encuestas_seguridadciudadana/victimizacion2013/presentacion_x_encuesta_nacional_seguridad_ciudadana.pdf

UNODC report 2013:

http://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf

On insecurity as the chief public concern:

http://www.latinnews.com/component/k2/item/70237.html?period=2016&archive=26&Itemid=6&cat_id=804376:chile-seeking-to-address-the-chief-public-concern&Itemid=6

Global Inequalities

Global Social
Policy
Score: 6

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). In respect of promoting fair access to global markets, Chile offers virtually no subsidies to domestic producers, and does not maintain protectionist trade barriers to imports.

III. Environmental Policies

Environment

Environmental
Policy
Score: 6

Chile has an efficient but scarcely restrictive environmental regulatory system. 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 often produces clashes over 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 on ecological-sustainability grounds. In September 2016, Chile signed the Paris Agreement on climate change, but has not yet ratified the agreement. The agreement entered into force in November 2016. This entry into force might foster institutional efforts to protect and preserve natural resources and environmental quality in the near future.

Citation:

<http://www.sma.gob.cl/>

http://unfccc.int/paris_agreement/items/9444.php

http://unfccc.int/paris_agreement/items/9444.php

Global Environmental Protection

Global
Environmental
Policy
Score: 4

The government demonstrates commitment to existing regimes and international efforts but it is not a genuine promoter of global environmental protection. There has been at least one specific initiative regarding the protection of Antarctica, but in general terms, the government neither initiates significant reforms nor plays a leading role in their advancement. Chile signed the Paris Agreement on climate change in September 2016, but has not yet ratified the agreement.

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 9

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.

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 current government, these political forces were also assigned ministerial responsibility. This can be regarded as an improvement within Chilean democracy in general.

Also, the Electoral Service (Servicio Electoral de Chile, SERVEL) has been assigned a wider range of oversight mechanisms regarding registration procedures. It has also been given more autonomy from other state organs, with the aim of ensuring more efficient monitoring of the registration process and of political-party and campaign financing. To a certain degree, this shift can be seen as a response to the electoral fraud that occurred in 2013, when two independent candidates forged signatures in order to meet the candidate-registration threshold. Both were found guilty in 2014.

In April 2015, a new electoral law (Law Nr. 20,840) was enacted that replaced the 25-year-old binominal electoral system for parliamentary elections with a system of “proportional and inclusive representation.” The allocation of seats continues to be based on the D’Hondt method, but now in multimember districts of smaller magnitude (3 to 8 deputies and 2 to 5 senators). Further changes include the following:

- An increase in the overall number of deputies (from 120 to 155) and senators (from 38 to 50);
- A reduction in the number of districts and constituencies for the election of the Chamber of Deputies (from 60 to 28);

- A reduction in the number of districts and constituencies for the election of the Senate (from 19 to 15);
- The introduction of a gender quota applied to party lists: neither males nor females may exceed 60% of the total number of candidates presented by a party (up to 2029);
- An increase in the amount of state reimbursement for each vote received by female candidates and the introduction of a gender bonus of about \$20,000 for each woman elected as deputy or senator (up to 2029);
- A lowering of the requirements for creating parties. The number of signatures parties must collect decreased from 0.5% of the voters in the last election for the Chamber of Deputies in 8 of the 15 regions or in 3 geographically contiguous regions to only 0.25%, but limited to the region in which they are registered;
- The introduction of the M+1 rule: unlike the binominal system, each party list must now include as many candidates as seats are to be distributed, plus one. As before, the lists are open.
- Electoral pacts between parties are only allowed at the national level.

This new electoral system will be first applied in the 2017 legislative elections. It was, however, approved without the support of the opposition parties UDI and RN. It seeks to resolve problems related to the selection of candidates within electoral pacts (in particular of the incumbent Nueva Mayoría), low competitiveness and gender bias.

Citation:

<http://www.gob.cl/2015/04/27/fin-al-binominal-conoce-el-nuevo-sistema-electoral/>

<http://www.bcn.cl/leyfacil/recurso/nuevo-sistema-electoral-para-elecciones-parlamentarias-%28fin-del-sistema-binominal%29>

<http://www.bcn.cl/leyfacil/recurso/nuevo-sistema-electoral-para-elecciones-parlamentarias-%28fin-del-sistema-binominal%29>

Ricardo Gamboa/Mauricio Morales 2016: Country Note. Chile's 2015 Electoral Reform: Changing the Rules of the Game, *Latin American Politics and Society*, 11 October 2016, 126-144. DOI: 10.1111/laps.12005, <http://onlinelibrary.wiley.com/doi/10.1111/laps.12005/abstract>

Media Access

Score: 4

Access by 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). Given the high concentration of media ownership with a specific political viewpoint, candidates and parties de facto lack equal opportunity of access to a plurality of media and other means of communication. *La Nación*, a former daily paper owned and run by the state, stopped publishing a print edition under former President Sebastián Piñera's administration (although the publication 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

Voting and
Registrations
Rights
Score: 8

media is mainly owned and/or influenced by elite associated with the Chile Vamos (until 2015, Alianza por Chile) coalition, which currently represents the opposition. Although La Nación and TVN are state-owned, they must operate according to market rules, relying on advertising revenues and strong audience ratings. In general, regional candidates tend to have fewer media-access opportunities due to the strong centralization of Chile's political and media systems.

Law No. 20,568, enacted in January 2012, and Law No. 20,669, enacted in April 2013, 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. This law also introduced assisted voting for citizens with disabilities. Since April 2014, Chileans living abroad have been automatically registered to vote if they are registered correctly with the register office. These individuals are now in theory 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. However, only the electoral-roll inscription is carried out automatically today. As of the time of writing, the Chilean Congress had not yet approved procedures enabling expatriates to actually participate in national elections from abroad. However, implementation of this law is expected by the time of the 2017 presidential elections.

Individuals who have been charged with a felony and sentenced to prison for more than three years and one day, as well as people classified as terrorists, lose their suffrage rights. 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 balloting has demonstrated no significant bias with regard to socioeconomic status in comparison to previous elections. However, voter-turnout rates have been low.

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>

Party Financing
Score: 6

In general, party and campaign financing processes are not very transparent. Upper limits to campaign financing are set by law, but enforcement and oversight are 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 mechanisms for applying penalties in the event of irregularities. Law No. 20,640, approved in October 2012, made it possible for a political coalition to support candidates on a joint basis. This process is voluntary and binding, and joint campaign expenditures are limited by the current public-transparency law (Ley de Transparencia, Límite y Control del Gasto Electoral). This limit is set at 10% of the amount allocated for normal elections.

At the end of 2014, wide-ranging evidence of corruption in political-party funding came to light. As the investigation progressed, more and more politicians and political parties have turned out to be involved, across the political spectrum. Known as “Pentagate,” the scandal reached such a dimension that the former head of the Chilean General Accounting Office (Contraloría de la República) said in his end-of-term speech in April 2014: “We can’t shut our eyes, corruption has arrived.” The scandals have been particularly striking given that Chile has always tended to be considered an exception to the endemic corruption found elsewhere in Latin America.

As a response to this crisis, President Bachelet convoked an anti-corruption council that proposed several anti-corruption measures, including new restrictions on private campaign funding, which were largely enacted in April 2016. With the new Law No. 20,900, which modifies former Law No. 19,884, a higher base amount is provided by the state for electoral campaigns, but enterprises are barred from providing funding to political parties or campaigns. In addition, anonymous donations have become illegal and all donations must be transparently registered. During the period under review, court hearings on irregularities in political party funding and relating to some of the already mentioned corruption scandals were still ongoing. Of the sentences that have been imposed, they have tended to be rather light. It remains to be seen how the new law will impact electoral campaigns and political financing and if the responsible authorities will be able to monitor the law’s adherence.

Citation:

<http://www.servel.cl/financiamiento-de-campanas/>

<http://www.latercera.com/noticia/politica/2016/04/674-676080-9-estas-son-las-normas-que-fija-la-nueva-ley-para-regular-el-financiamiento-de.shtml>

Popular Decision-
Making
Score: 3

The Chilean constitution is one of the most restrictive on the topic of direct democracy (e.g., referenda, plebiscites and 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, the national government does not contemplate mechanisms for direct democracy, though they have been called for by various civil-society groups and movements. At the municipal level, the Organic Constitutional Law of Municipalities (2002) provides for popular consultations (i.e., plebiscites). These may be either top-down (at the initiative of a mayor, with the agreement of the council, or by the municipal council itself, with a two-thirds majority) or bottom-up (by 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

Media Freedom
Score: 8

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 2016 Freedom House index reports the issue of freedom of the press improved; Chile's classification improved from "partly free" to "free." The report's authors argued that the level of violence and harassment faced by journalist covering protests had significantly decreased in recent years. 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." The latest Press Freedom Index 2016, published by the international NGO Reporters Without Borders, ranked Chile 31st, a 12-place improvement over the previous year. Nonetheless, covering demonstrations remains difficult and several radio stations have closed in recent years. 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 and clearly limits democratic debate.

Citation:

Freedom House Index (freedom of the press):

<https://freedomhouse.org/report/freedom-press/freedom-press-2016>

Reporters without borders press freedom index:

<https://rsf.org/en/chile>

Media Pluralism
Score: 5

In general terms, the high concentration of media ownership in Chile notoriously limits democratic debate. This is especially the case among print media, which is practically a duopoly. 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.

Access to
Government.
Information
Score: 7

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/>

<http://www.chiletransparente.cl/>

<http://www.leychile.cl/Navegar?idNorma=276363&idParte=0>

http://anticorrupt.eu/wp-content/uploads/2014/03/Chile-Background-Report_Final.pdf (S. 14)

Civil Rights and Political Liberties

Civil Rights
Score: 7

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 dates back to 1984 and violates international conventions signed by Chile – have been applied in recent years. 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 against infringements of their rights and for whom access to justice is difficult.

Political Liberties
Score: 7

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.

Non-discrimination
Score: 5

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 part of Chile. The Mapuche are not constitutionally recognized as an ethnic minority with collective rights. Despite official denials, some Mapuche captives claim to be political prisoners. There have been some important attempts to diminish discrimination, such as the Civil Union Agreement (Acuerdo de Unión Civil) that allows for the official acceptance of same-sex unions. The law on this issue was enacted in October 2015. However, there are still inequalities in various domains such as labor rights, access to health care and family law.

With regard to gender, Chile is ranked 70th out of 144 countries in the Global Gender Gap Index (2016); its parity-imparity score (ranging from 0 to 1) is 0.699. Only about 16% of Chile’s serving deputies and senators are women. These averages are much lower than comparable shares elsewhere in Latin America or in the OECD as a whole. In order to improve the ratio of women representatives, a new electoral law obligates political parties’ electoral slates to be composed of at least 40% women beginning in the 2017 elections and provides financial incentives for the candidacy and election of women. Furthermore, a new labor reform package enacted in August 2016 implemented a 30% female quota for the representatives of labor unions.

Gender-discrimination issues are relevant in other spheres 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:

Interparliamentary Union, Situation as of 1. September 2016

<http://www.ipu.org/wmn-e/arc/classif010916.htm>

Global Gender Gap Index (2016)

<http://reports.weforum.org/global-gender-gap-report-2016/economies/#economy=CHL>

Rule of Law

Legal Certainty
Score: 7

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 with regard 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.

Judicial Review
Score: 8

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. During the current evaluation period, Chilean courts demonstrated their independence through their handling of the corruption scandals revealed over the past few years, which have included political parties and a large number of the country's politicians. Nevertheless, the sentences imposed thus far have tended to be rather light.

Appointment of
Justices
Score: 9

Members of the Supreme and Constitutional Courts are appointed collaboratively by the executive and the Senate. During recent years, there have been several cases of confrontation between the executive power and the judiciary, for example in the area of environmental issues, where the Supreme Court has affirmed its autonomy and independence from political influences.

Corruption
Prevention
Score: 6

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 high-level officials and the private sector. Political and economic elites

overlap significantly, thus reinforcing privilege. This phenomenon was particularly problematic under the previous government, as many members of the Alianza – including President Sebastián Piñera himself – were powerful businesspeople. The phenomenon can still be observed in the current government, though at a less extreme level. Such entanglements produce conflicts of interest in the policymaking process (e.g., in regulatory affairs). There are no regulations enabling monitoring of conflicts of interest for high-ranking politicians (e.g., the president and ministers). However, there are some independent projects on the rise to arouse public awareness on this issue.

The scandals revealed during the last two years have shown that corruption and abuses of power within Chile's political and economic elite is in fact more common than (international) indicators regarding corruption and transparency suggest. It is unclear how state institutions will confront these challenges. During the period under review, a minister and an undersecretary of state of the former government were convicted of corruption. As a response to this crisis, President Bachelet convoked a council (Consejo Asesor Presidencial contra los Conflictos de Interés, el Tráfico de Influencias y la Corrupción) that in its final report (April 2015) proposed several anticorruption measures intended to prevent abuse of office. Due to their conclusions, restrictions on private campaign funding (Ley sobre Fortalecimiento y Transparencia de la Democracia) and the creation of a public register for all lobbyists were implemented in 2016.

Citation:

<http://consejoanticorruccion.cl/>

<http://consejoanticorruccion.cl/lanzamiento-final/>

<https://www.leylobby.gob.cl/>

<http://www.latercera.com/noticia/estas-son-las-normas-que-fija-la-nueva-ley-para-regular-el-financiamiento-de-campanas-politicas/>

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 7

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 (by law) links 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).

Scholarly Advice
Score: 8

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 areas (education, pension, social and wage policies, minimum wage policy, fiscal rule, etc.) or for singular policy challenges (corruption), tend to have a great degree of influence in shaping government legislation. 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 be 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 the reform proposals submitted to the president or to ministers.

Interministerial Coordination

GO Expertise
Score: 9

The president's advisory ministry (Ministerio Secretaría General de la Presidencia, Segpres) and the Government or Cabinet Office (Ministerio Secretaría General de Gobierno, or Segegob) 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.

GO Gatekeeping
Score: 10

The Government or Cabinet Office (Ministerio Secretaría General de Gobierno, or Segegob) 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.

Line Ministries
Score: 9

The Government or Cabinet Office (Ministerio Secretaría General de Gobierno, or Segegob) 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.

Cabinet
Committees
Score: 7

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.

Ministerial
Bureaucracy
Score: 7

Ministry staff and civil servants do not always play a dominant role in the drafting of policy proposals 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
Score: 8

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 of this coordination mechanism did not change significantly during the review period.

Evidence-based Instruments

RIA Application
Score: 8

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 specific sectors 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.

Quality of RIA
Process
Score: 7

Given the 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 this does not entail a high degree of relevance within the political process over the middle or long term. RIA assessments are not routinely evaluated by independent bodies.

Sustainability
Check
Score: 5

RIAs do not necessarily analyze a regulation's impact on sustainability in the broad sense. Short-, medium- and long-term analysis tends to focus exclusively on economic rather than ecological or social issues.

Societal Consultation

Negotiating Public
Support
Score: 7

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

Policy Communication

Coherent
Communication
Score: 7

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. Both the former and current governments have shown a fairly high number of communication lapses.

Implementation

Government
Efficiency
Score: 6

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 Bachelet government has had to downsize its tax- and education-reform proposals. 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. Thus, this high hurdle has not yet proved to be a practical obstacle in the achievement of governments' policy objectives. Nevertheless, Bachelet has launched a debate on a constitutional reform.

Ministerial
Compliance
Score: 9

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.

Monitoring
Ministries
Score: 9

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.

Monitoring
Agencies,
Bureaucracies
Score: 7

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.

Task Funding
Score: 6

Chile's central government exercises strong control over municipal and regional budgets, and accounts for a significant proportion of local revenue. Currently, about 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 to the municipal level does not necessarily imply a corresponding allocation of adequate funds.

Municipal programs are monitored relatively closely by the central government, although spending overruns do sometimes occur, resulting in local-government debt. The quality of services (e.g., the public health and education systems) provided by less wealthy municipalities are sometimes below average as some municipalities are unable to raise the income required

to effectively provide the services themselves. This challenge is characteristic of Chile's centralized political system and must be regarded as a structural problem. The current government convened a commission to study decentralization, with the ultimate goal of addressing these ongoing issues. The commission's proposal, which was presented publicly in October 2014 and supported by President Bachelet, included several proposals designed to strengthen regional governments. Two such measures are slated for implementation by the end of 2017:

- Regional governors (Gobernadores Regionales) will replace the current regional mayors (Intendentes Regionales) and be directly elected, enabling citizens to hold them accountable for promises made in their political campaigns.
- Regional governors (Gobernadores Regionales) will be given responsibility for regional and urban planning, administration of the National Fund for Regional Development, and implementation of social and economic policies at the regional level. The regions will create three new divisions for this purpose: Industrial Advancement (Fomento e Industria), Human Development, and Infrastructure and Transport.

In addition, the amount of federal funds provided to regional governments will be increased. The decentralization proposal contains an implementation timeline stretching through 2016, but the final draft regarding the exact competences and budgeting for regional governors must still be approved by Congress.

Citation:

<http://descentralizacion.cl/>

<http://www.emol.com/noticias/nacional/2015/01/16/699525/presidenta-bachelet-firma-indicaciones-a-proyecto-de-ley-de-descentralizacion-del-pais.html>

http://www.senado.cl/eleccion-directa-de-intendentes-permitira-regiones-mas-empoderadas/prontus_senado/2015-01-02/105200.html

<http://www.senado.cl/appsenado/templates/tramitacion/index.php>

<http://chiledescentralizado.cl/eleccion-de-gobernadores-regionales/>

Constitutional
Discretion
Score: 5

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 the regional level,

however, governors' autonomy is limited by their simultaneous function as representatives of the national government. A draft law has been elaborated that would enhance regional governors' (Gobernador Regional) financial autonomy. This draft law had not passed the parliament by the end of the period under review. An agreement on the technical details is expected by March 2017.

Citation:

<http://www.senado.cl/appsenedo/templates/tramitacion/index.php>

<http://www.elmostrador.cl/noticias/pais/2016/08/18/gobierno-confirma-mecanismos-de-eleccion-directa-para-los-intendentes-en-el-ano-2017/>

<http://chiledescentralizado.cl/eleccion-de-gobernadores-regionales/>

National Standards
Score: 3

Due to the different financing structures at regional and municipal levels, the national government can only guarantee services at an adequate standard at the 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

Domestic
Adaptability
Score: 5

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 – 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 established environmental tribunals (Tribunales Ambientales) in three regions of the country (north, central and south), two of these had already been established, as well as a Supervisory Board for the Environment (Superintendencia del Medio Ambiente, SMA). This can be seen as a domestic adaptation responding to international and supranational developments. Chile's membership in the OECD might create incentives for more substantial adaptation in the near future.

Citation:

Environmental Tribunals:

<http://www.tribunalambiental.cl/2ta/informacion-institucional/sobre-el-tribunal-ambiental/historia/>

<http://www.mma.gob.cl/1304/w3-article-53480.html>

International
Coordination
Score: 7

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

Self-monitoring
Score: 6

Ministries are required 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.

Institutional
Reform
Score: 6

In recent years, some improvements in strategic capacity have been made by modifying 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 minor institutional changes that increased its strategic capacity. Furthermore, the creation and implementation of complementary institutions such as the environmental tribunals (Tribunales Ambientales) and the Supervisory Board for the Environment (Superintendencia de Medio Ambiente, SMA) 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

Policy Knowledge
Score: 5

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. This has been recently displayed following the proposal of education, pension, fiscal and labor reforms. New forms of public communication regarding government policymaking, in many cases through websites and social networks, are on the rise. Yet a large share of the population is excluded from such discussion due to low levels of education, limited understanding of in-depth analysis and/or its lack of exposure to media other than television. For instance, a study conducted by the National Cultural Council in 2011 (Consejo de la Cultura) indicated that 84% of Chileans of all ages did not have an adequate understanding of content they had read. This observation was confirmed by a 2015 PISA study on the reading comprehension of adolescents. Furthermore, Chile's oligopolistic media structures 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 deficits 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 took place during the 2014 fiscal reform, represent a notable exception). Those elements of the middle class that are interested in these debates tend to have access only to the low-quality information sources mentioned above, while members of the socioeconomically lower-class population often know only about the specific public-subsidy systems they use, and lack broader familiarity with public policies and public policymaking.

Citation:

www.uchile.cl/2Fdocumentos%2Festudio-sobre-el-comportamiento-lector-a-nivel-nacional_110593_2_2405.pdf&usg=AFQjCNHhAyEyR819xPkhH1ch5LL10dIGJQ&sig2=yRzmtJFaAIB-Bf3ltxYgsw
<http://radio.uchile.cl/2011/12/14/solo-el-84-de-los-chilenos-entiende-lo-que-lee>

Legislative Actors' Resources

Parliamentary
Resources
Score: 5

The National Congress is furnished 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 ministerial analytical and investigatory capacities. The National Congress' oversight function is based in the Chamber of Deputies. However, this function tends to operate as a reaction to journalistic complaints in combination with political conflicts rather than as a proactive mechanism for monitoring the government's ongoing activity.

Obtaining
Documents
Score: 8

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, but there are de facto limitations in the exercise of oversight, as the majority party or coalition can block the minority's request. Until recently, obtaining information from state-owned companies or the Ministry of Finance was difficult.

Summoning
Ministers
Score: 9

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. This political instrument has been used on various occasions. The effectiveness of this new instrument of congressional oversight depends on the quality and quantity of information accessible to the National Congress through other channels.

Summoning
Experts
Score: 9

Congressional committees may summon any civil servant to interview as a subject-area expert. Private experts can also be invited, but 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.

Citation:
<https://www.bcn.cl/>

Task Area
Congruence
Score: 7

The Chilean legislature's oversight function lies mainly with the Chamber of Deputies and its (currently) 29 permanent committees (Comisiones Permanentes) and several ad hoc investigative committees (Comisiones Investigadoras). These permanent committees correlate in part with the 23 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 but a presidential system and thus ministers are not directly accountable to the Chilean National Congress. Therefore, the degree of control exercised by the congressional committees is institutionally rather weak.

Citation:

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

https://www.camara.cl/trabajamos/comisiones_tipo.aspx?prmT=P

Quantity and name of ministers: <http://www.gob.cl/ministros/>

Audit Office
Score: 8

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.

Ombuds Office
Score: 2

Parliament does not have a formal ombuds office. Efforts to establish such an office failed twice under previous 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

Media Reporting
Score: 4

Legal norms are published in the Official Journal (Diario Oficial de la República de Chile), a state institution dependent on the Ministry of the Interior and Public Security. Its print version was terminated on 17 August 2016. Since then, the Official Journal is available only as an online edition.

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 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. 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 of 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 fund themselves by relying on advertising and high audience ratings. Since the print edition of the La Nación newspaper was eliminated under former President Piñera, the quality of its reporting and in-depth information on government decision-making has dropped significantly.

Citation:

http://www.cntv.cl/prontus_cntv/site/artic/20130723/asocfile/20130723171104/pluralismo_en_la_televisi__n_p__blica.pdf

<http://www.diarioficial.cl/quienes-somos/>

Parties and Interest Associations

Intra-party
Democracy
Score: 4

Chile has a presidential governmental system. As the president determines the government's policy agenda, presidential elections are much more relevant in terms of policy direction than are congressional ballots. Therefore, in campaigns for the presidency, government programs are presented by the presidential candidates and not by their coalitions or parties. These global program proposals tend to be limited to descriptions of policies' intended public effects rather than technical details or any detailed discussion of content. The primary elections (primarias) for the 2013 presidential elections demonstrated that candidate selection and issue agendas are largely controlled by the parties' leaders.

Association
Competence
(Business)
Score: 4

Policy proposals by economic-interest groups do address relevant topics and are not always short-sighted or untenable; however, they tend to be narrow and largely guided by the groups' 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.

Association
Competence
(Others)
Score: 7

A substantial number of autonomous, self-organized groups, associations and organizations exist in Chile. Civil society's organizational landscape has become increasingly differentiated since the return to democracy. 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 take long-term perspectives into account. 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 organizational strength of associations, mostly as a result of social inequalities. In addition, numerous think tanks are directly connected to economic interest groups.

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