

Government at a Glance: Latin America and the Caribbean 2024



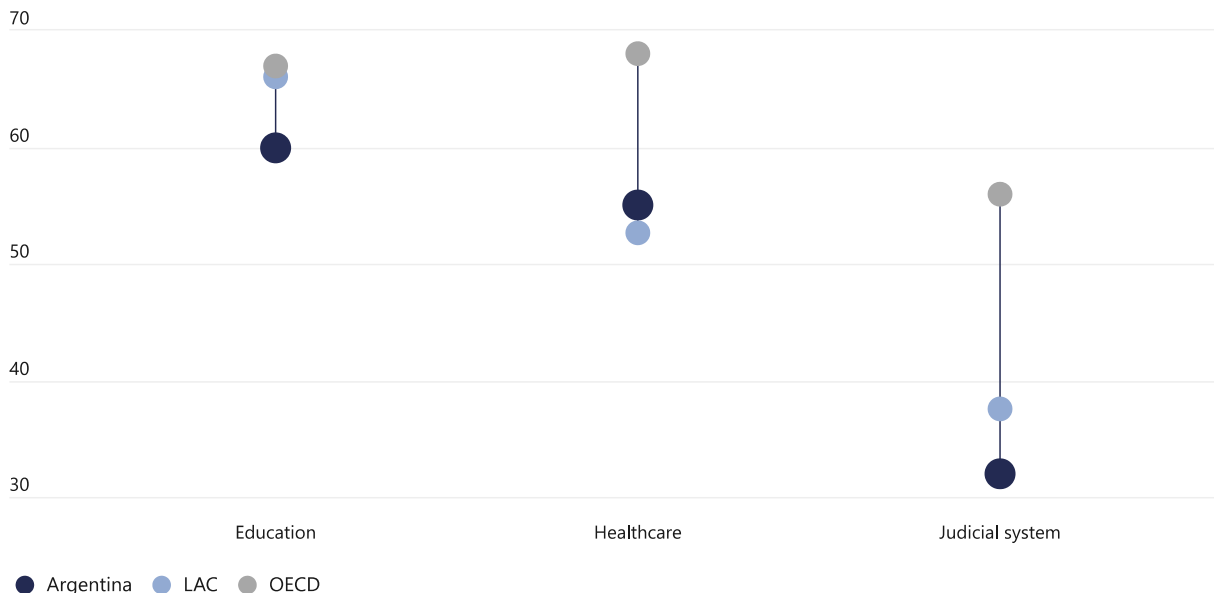
Argentina

Trust and satisfaction with public services

Trust in public institutions and satisfaction with public services are important outcomes of the quality of public governance. They reflect people's perceptions of government competence in designing and delivering policies and services, as well as expectations about the behaviour of public institutions and public officials. Satisfaction with public services and trust in public institutions – while not necessary outcomes of democratic governance – can enhance effective governance by fostering participation in public life, compliance with policies, and social cohesion.

A majority of Argentinians are satisfied with education and more than half with the health system, while satisfaction with the judiciary system is below LAC and OECD averages. In Argentina, 60% of the population is satisfied with the education system, a lower share than the LAC (66%) and OECD averages (67%). The healthcare sector has a satisfaction rate of 55%, which aligns with the LAC average (53%) but is 13 percentage points (p.p.) below the OECD average (68%). Only 32% of Argentinians are satisfied with the judicial system, a share that is below the LAC average (38%) and significantly below the OECD average (56%).

Figure 1. Satisfaction with public services, 2022



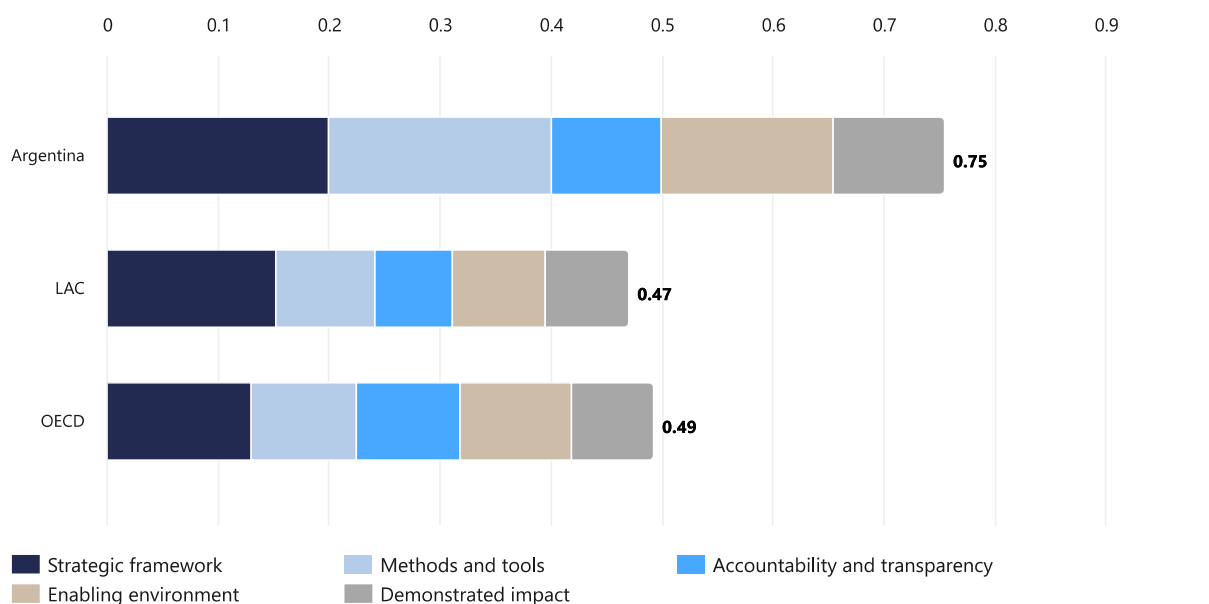
Good governance for inclusiveness and sustainability

In an age of multiple crises, countries in Latin America and the Caribbean need to pursue good governance practices that foster inclusiveness and sustainability, crucial for promoting prosperity and democratic resilience. Key actions include building on democratic strengths, such as enhancing stakeholder engagement in decision making and promoting representation and inclusion in public workforce. Additionally, efforts should focus on reinforcing key competences to deliver inclusive and sustainable growth, including budgeting and public procurement approaches that support the green transition. Safeguarding against threats to democratic values demands that effective public integrity rules and robust regulation against undue influence be maintained.

Budget management processes, such as gender budgeting, can also help promote measures to close gender gaps. The OECD Gender Budgeting Index measures how countries perform on five dimensions of gender budgeting mechanisms: institutional and strategic framework to assess the gender impact of budgetary and fiscal policies; methods and tools used to implement gender budgeting; mechanisms to enhance transparency and accountability; the enabling environment for the effective and consistent implementation of the gender budgeting framework; and the impact of gender budgeting on policy development and allocation decisions. Of the 13 surveyed LAC countries, 10 practice gender budgeting (77%), compared to 61% of OECD countries.

Argentina has the highest score on the gender budgeting index amongst the surveyed LAC countries. It scores 0.75, on a 0-1 scale, higher than LAC (0.47) and OECD (0.49) averages. Argentina achieves the highest possible score (0.2) for institutional and strategic framework as well as in methods and tools. There is room for improvement on accountability and transparency (0.1) and on impact (0.1).

Figure 2. OECD Gender Budgeting Index, 2022

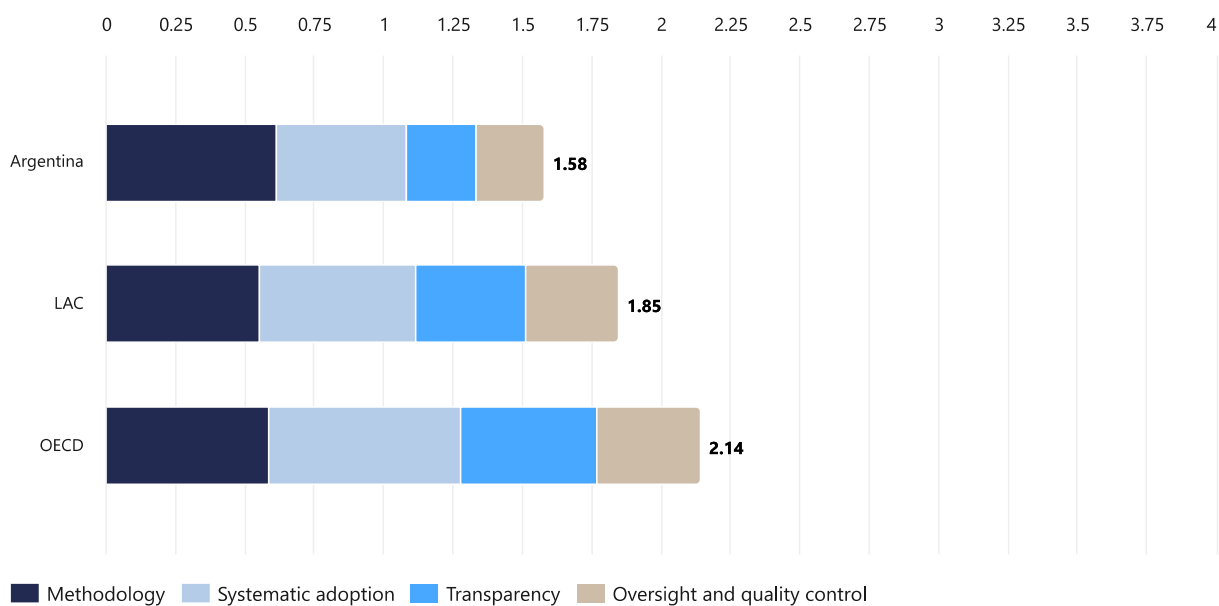


Meaningful engagement with stakeholders in decision making helps to improve the design and public acceptance of public policies and services. The OECD's Regulatory Policy and Governance Index (iREG) assesses stakeholder engagement in the development of subordinate regulations (those approved by the

head of government, ministries or the cabinet). This index measures countries' performance in systematically involving stakeholders in public decision making, the use of tools, the transparency of their consultations, and their oversight and quality control. Between 2019 and 2022, 8 out of 11 surveyed LAC countries (73%) improved their iREG score on stakeholder engagement.

Argentina is below the LAC average on the iREG index for stakeholder engagement for developing subordinate regulations. It scores 1.58, on a 0-4 scale, compared to the average values of 1.85 and 2.14 across LAC and OECD countries, respectively. Argentina's highest score is in the methodology dimension (0.61 out of a maximum score of 1), and it performs relatively well in systematic adoption, with a score of 0.47. There is still room for improvement in all dimensions, particularly on stakeholder engagement transparency, oversight and quality control.

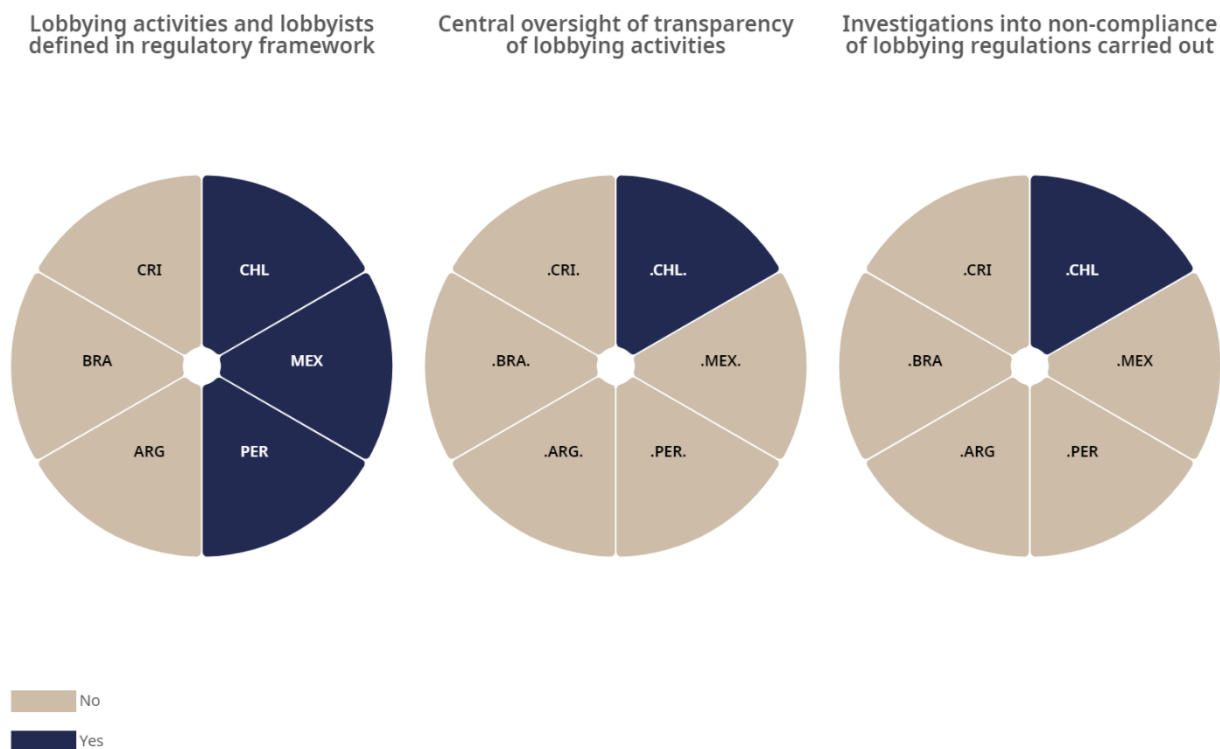
Figure 3. iREG on stakeholder engagement in developing subordinate regulations, 2022



Lobbying has long been a part of democracy, as it facilitates the representation of a range of interests and helps identify the impact that policies will have on diverse groups. However, public policies suffer if lobbying practices are not transparent or regulated allowing interest groups to monopolise influence, manipulate public opinion, sway government decisions and ultimately hinder the effective implementation of policies. For lobby regulations to be effective, governments need to oversee compliance with them, and impose sanctions when there are breaches. As of 2022, three of the six surveyed LAC countries (50%) regulate lobbying by defining lobbying activities and actors. Most LAC countries, however, lack institutions and frameworks to oversee lobbying practices, and fail to investigate breaches.

Argentina does not define lobbying activities in its regulatory framework, which makes it more difficult to prevent groups from exercising undue influence. In addition, it has no body in charge of overseeing the transparency of lobbying activities and has not carried out any investigations into lobbying during the last calendar year.

Figure 4. Lobbying regulations, oversight and sanctions, 2022



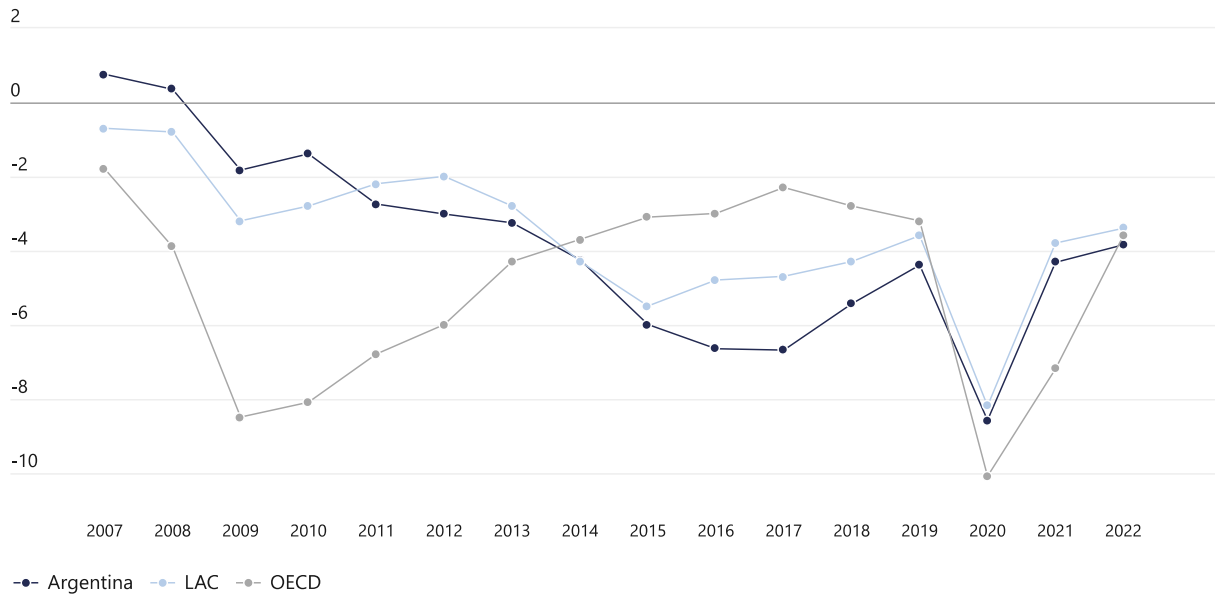
Use and management of public resources

To make meaningful progress toward inclusive and sustainable growth, governments need to manage their existing resources strategically. From a fiscal perspective, this entails balancing how much the government spends and collects. From a human resource perspective, it means strengthening the capacity and skills of public employees and creating a public workforce and elected public officials who represent all the people they serve.

Public finances in the LAC region show modest positive signs, after a stark deterioration in 2020. This downturn was due to emergency measures taken to fight the COVID-19 pandemic, along with measures to support businesses and people to manage its impacts. Fiscal balances - the difference between a government's revenues and its expenditures in a year - had broadly recovered to pre-COVID levels by 2022 across Latin America and the Caribbean. However, economic recovery remains fragile.

In 2022, Argentina had a fiscal deficit of 3.9% of GDP, larger than the average across LAC countries (3.4%), but reduced from 4.4% in 2019. Government revenue represented 33.4% of Argentina's GDP in 2022, compared to 31.5% on average in LAC countries and 39.7% in OECD countries. This ratio of revenue relative to GDP has remained largely unchanged since 2019.

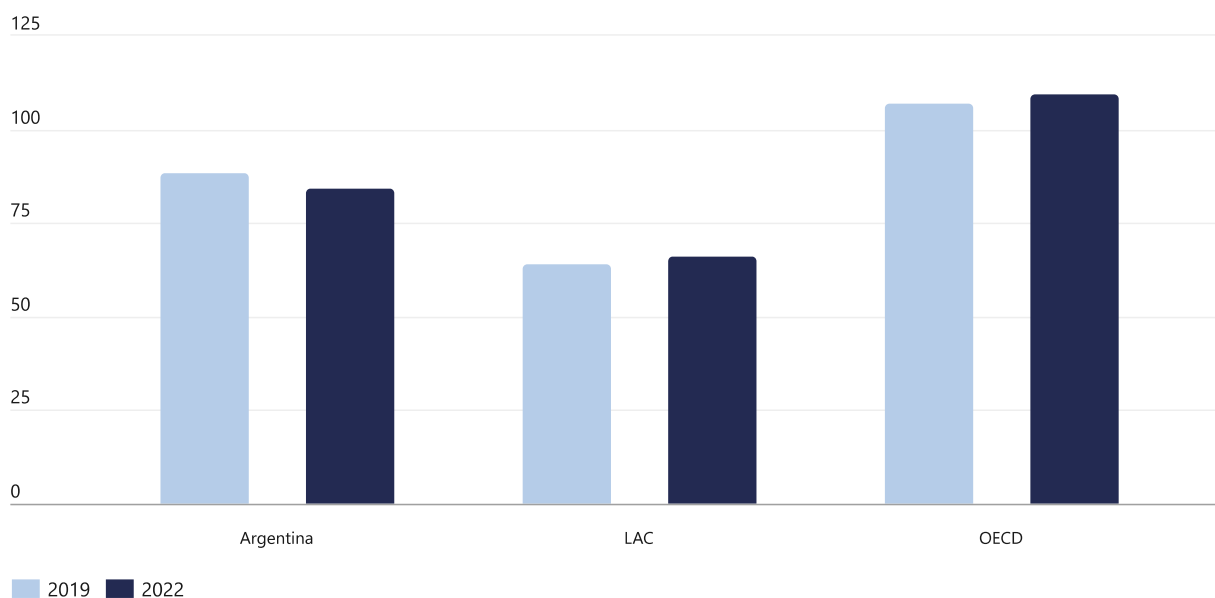
Figure 5. General government fiscal balance as a percentage of GDP, 2007 - 2022



Government debt can be used to finance both current expenditure and investments but comes at a cost in the form of interest payments. Debt as a share of GDP increased during the COVID-19 pandemic in the LAC region due to increased expenditure and loss of tax revenues, and in 2022 still remained 2 p.p. above its 2019 level.

In 2022, Argentina's government debt amounted to 84.7% of its GDP, above the LAC average of 66.3%. Its debt level has fallen from 88.8% in 2019.

Figure 6. General government gross debt as a percentage of GDP, 2019 and 2022



Public employees are at the forefront of policy design and formulation and the delivery of public services. The share of public employment varies significantly across the LAC region, ranging from under 5% of total employment to over 20%.

In 2022 public employment in Argentina amounted to 19% of total employment, above the LAC average of 12%, and slightly lower than the OECD average of 21%. Public employment in Argentina has increased since 2018 from 17%.

Figure 7. Public employment as a percentage of total employment, 2011, 2018 and 2022

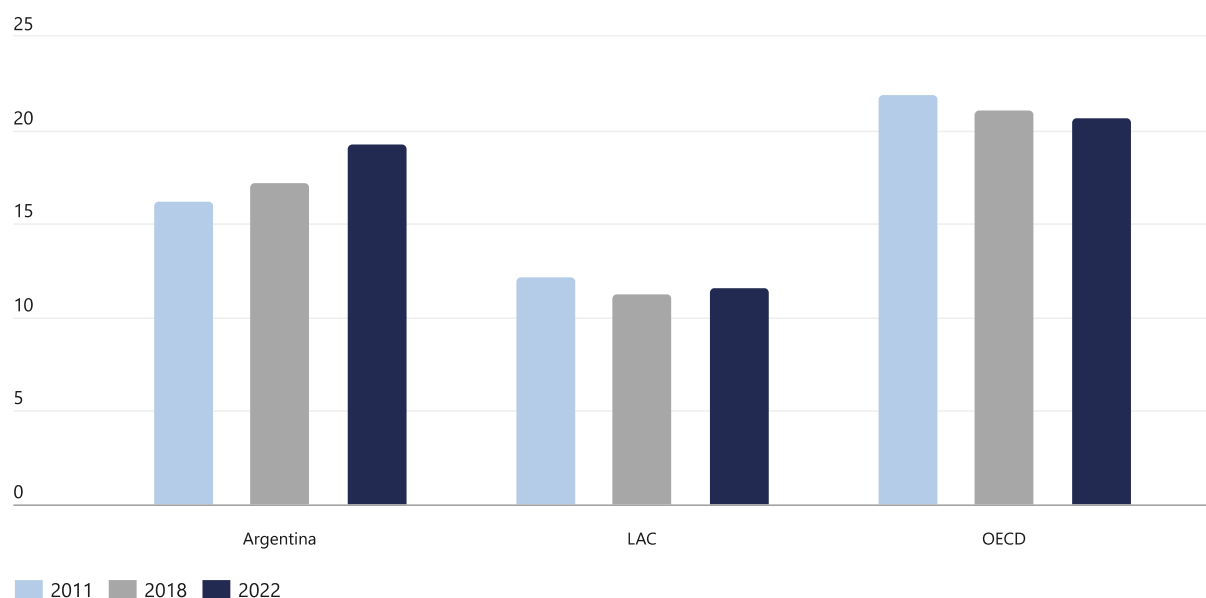


Figure notes

Data on public finance and economics are from the IMF World Economic Outlook (WEO) database (October 2023), which is based on the Government Finance Statistics Manual (GFSM) and were extracted on 3 November 2023. For the OECD averages data were based on the System of National Accounts (SNA) and were extracted from the Government at a Glance online database representing the last available update: 5 January 2024.

Fiscal balance, also referred to as net lending (+) or net borrowing (-) of general government, is calculated as total government revenues minus total government expenditures.

Data on public employment are derived from the International Labour Organization (ILO) ILOSTAT database and were extracted on 17 February 2023. Data are based on the Labour Force Survey. Public sector employment covers employment in the government sector plus employment in publicly owned resident enterprises and companies.

LAC and OECD averages refer to the unweighted average with the exception of public finance indicators.

For more information see www.oecd.org/publication/government-at-a-glance-lac/2024/