

Results



The Consulta de San José aimed to rank solutions to the biggest challenges facing Latin America and the Caribbean. These challenges were: Democracy, Education, Employment and Social Security, Environment, Fiscal Problems, Health, Infrastructure, Poverty and Inequality, Public Administration and Institutions, and Violence and Crime.

An expert panel of nine distinguished economists considered research about each major challenge and its potential solutions. The panel comprised:

Orazio Attanasio, Professor of University College London;
Jere Behrman, Professor of the University of Pennsylvania;
Nancy Birdsall, President of the Center for Global Development;
John H. Coatsworth, Professor of Columbia University;
Ricardo Hausmann, Professor of Harvard University;
Finn E. Kydland, Nobel Laureate and Professor of the University of California;
Nora Lustig, Visiting Professor of George Washington University and Former Director of the UNDP Poverty Group;
José Antonio Ocampo, Professor of Columbia University and Former United Nations Under Secretary General;
Andrés Velasco, Professor of Harvard University and Minister of Finance for Chile.

Over three days, this panel was presented with more than forty solutions to regional challenges. For each challenge, the members heard the arguments of expert authors and an alternate view.

The panel then ranked the proposals, in descending order of desirability, as follows:

Results



The ranked list of solutions from Consulta de San José, 2007

Solutions	Problem Paper*
1 Early Childhood Development	Poverty/Inequality
2 Fiscal Rules	Fiscal Problems
3 Increase investment in infrastructure, including maintenance	Infrastructure
4 Policy and program evaluation agency	Fiscal Problems
5 Conditional Cash Transfers	Poverty/Inequality & Education
6 Universal health insurance: basic package	Health
7 Nutrition Programs for Pre-School Age Children	Poverty/Inequality & Education
8 Crime Prevention Through Environment Design + hotspot	Violence & Crime
9 Replace taxes on formal employment with other taxes	Employment
10 Adopt policies and services to reduce transaction costs for trade Cash awards to journalists for publication in major international	Infrastructure Public Adm.
11 media of governance failures	
12 Implement protocols and publish outcomes	Health
13 Training for disadvantaged workers	Employment
14 Automated computer-based system for revenue collection	Public Adm.
15 Tobacco tax and other measures (to reduce smoking)	Health
16 Program targeting at-risk mothers and young children under age 5	Violence & Crime
17 Comprehensive program to deal with youth and gang violence	Violence & Crime
18 Merit recruitment and promotion in the civil service	Public Adm.
19 Civil society monitoring and information provisions	Public Adm.
20 Contingent debt instruments	Fiscal Problems
21 Reduction of the Minimum Wage + transfers to the working poor	Employment
22 Government monitoring – audit agencies and Ombudsmen	Public Adm.
23 Improve judicial and prosecutorial independence and performance	Public Adm.
24 Universal health insurance: full package	Health
25 Women's representation: quotas	Democracy
26 Make tax system more progressive	
27 Voucher Programs	Education
28 Alcohol Tax/restrict alcohol sale/no alcohol advert	Health
29 Comprehensive Prison Treatment and Reintegration Program	Violence & Crime

*) Many of these interventions will also address concerns raised in other problems areas.

The top five solutions

Top priority was given to **Early Childhood Development** programs. These are interventions that improve the physical, intellectual and social development of children early in their life. The interventions range from growth monitoring, day-care services, preschool activities, improved hygiene and health services to parenting skills. Besides improving children's welfare directly, the panel concluded these programs create further benefits for family members, releasing women and older siblings to work outside the home or to further their own education. Evidence shows that the benefits are substantially higher than the costs.

Results



Promoting early childhood development is a regional solution that provides both immediate and long-term benefits.

Improving **Fiscal Rules** was generally seen as a great opportunity to improve the budget process within many countries in Latin America. Consolidating the budget process through procedural rules that would set structural deficit targets and limit deficits, spending and debt levels, and increase budget transparency would help avoid insolvency and excess spending in good times. At a low cost, this could potentially increase nations' growth rate substantially.

Next on the panel's list was **Increased Investment in Infrastructure, Including Maintenance**. The panel found that the region under-invests in infrastructure. Improving roads, seaport, water, sanitation, electricity and telecommunication would considerably stimulate growth. Boosting infrastructure and improving maintenance was found to yield a very high return on investment, while also providing and increasing access to markets and thus generating more prosperity.

The panel found that idea of establishing independent **Policy and Program Evaluation Agencies** very promising. An independent (public or private) and possibly international agency should provide evaluation and cost-benefit analysis to monitor social conditions and government programs over time. Between nations, the agencies should share information on effective policies. This would ensure more effective programs are prioritized by both policy makers and the public.

The panel also recommended **Conditional Cash Transfer** programs to provide monthly cash payments to poor households conditioned on parents sending their children to school, health clinics etc. The panel found that this is a well proven way to permanently reduce poverty. Furthermore, the panel found that conditional cash transfers could address several different problem areas such as poverty, inequality, and inadequate health and education, especially if adapted to local conditions.

Results



Promising solutions that require further research

During the panel's deliberation, a number of very promising proposals were identified as needing further research as there is still a lack on knowledge of impact and effectiveness – thus these were identified as needing further research. The panel found that they address very important problems. The proposals are:

<u>Area for future research</u>	<u>Challenge addressed</u>
Prevention of domestic violence	Violence and Crime
Improving the quality of education	Education
Rural infrastructure	Poverty and Inequality
Financial services for the poor	Poverty and Inequality
Improve efficiency of delivery	Health

Finally, during the process, the panel paid special attention to environmental challenges facing the region. Solutions considered in this area were Preventing Deforestation for Biodiversity and Carbon Storage. The panel concluded that the challenges that these solutions address should properly be seen as global issues, not especially Latin American ones. Moreover, it was emphasized that while preserving biodiversity and ensuring carbon storage were both important, several other promising region-specific proposals such as improving water and air quality should receive further study.