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Concept Note

Latin America is at a crossroads. Governments throughout the region are addressing the unfinished processes of change that began in the 1980s and 1990s, with a variety of responses ranging from continuity to reform to radical transformation. The context for these political developments is one of sustained economic growth during the last six years, propelled by a boom in commodity exports.

From the Río Bravo to the Tierra del Fuego, nearly all countries of the region are democracies. However, political rifts threaten Latin America's stability. In many countries, recent electoral victories have strengthened the hand of social-democratic and conservative politicians who pursue incremental political and economic reform. At the same time, the populist camp has also grown. The new **Transformation Index** of the **Bertelsmann Foundation** demonstrates the many problems confronting democratic consolidation in the region: apart from Chile, Uruguay, Costa Rica and Brazil, democracies in the region are marked by worrying deficits, including an insufficient rule of law and a lack of representativeness of the political system. The BTI 2008 allows for a detailed comparison of the quality of democracy, market economy and governance both in the Latin American region and in international comparison.

Political developments in the region are closely related to economic trends. The **OECD Development Centre** highlights some of the region's major economic challenges in its **Latin American Economic Outlook**: the link between democratic governance and public finance; the impact of private pension funds on financial development; the influence of multinational corporate activity in the telecommunications sector; and opportunities and challenges posed by the dramatic economic emergence of China and India. **LEO 2008** analyses these trends and provides specific recommendations on how such challenges can be turned into opportunities to foster development. Building on its first report, **LEO 2009** will focus exclusively on the issue of fiscal policy, analysing the quality of public spending, tax structures, the political economy of fiscal policy and the consequences of a large informal sector.

We invite you to a joint presentation by the **Bertelsmann Foundation** and the **OECD Development Centre** of the main results of their **BTI 2008** and **LEO 2008** reports, together with some preliminary results of **LEO 2009**. With this joint presentation, the **Bertelsmann Foundation** and the **OECD Development Centre** combine their expertise to offer a comprehensive overview of political and economic trends in Latin America today.

Participation is by invitation only and limited to an exclusive circle of political decision-makers, academic experts and economic specialists. We hope in that way to foster a focused and learned discussion, which will combine knowledge exchange with political briefing.