

**Session honoring Jere Behrman on the occasion of the
Carlos Díaz-Alejandro Prize**

Introductory Remarks by Mauricio Cardenas

Welcome to the Carlos Diaz-Alejandro Prize lecture.

We are here this evening to honor Jere Behrman for his the contributions of to the economic analysis of issues relevant to Latin America. I could not think of a more fitting recipient of this honor than Jere.

He has spent a lifetime involved with Latin America starting in Chile in 1968 when he spent a year in the Office of National Economic Planning working with Carlos Diaz-Alejandro among others. Since then, he has worked across Latin America, including: Bolivia, Brazil, Chile, Colombia, Guatemala, Mexico, Nicaragua, Panama, and Venezuela, and many cross-regional projects.

While it is impossible to summarize Jere's vast research output – something like 250 articles – some themes and trends do emerge. Let me try to weave them together. Jere is an economist par excellence. He has complete command of the whole of the discipline.

He has published papers in macroeconomics, microeconomics, and econometrics and has done innovative work in development economics looking at the most basic inputs to opportunity: the sufficiency of your nutrition, the effort of your parents, the quality of your schools, and the kind of labor market you confront. By skillfully combining a deep grasp of the technical side of the profession with the capacity to ask deep questions about society he is every economist's dream.

Those questions are primarily variations on the daunting issue of generation of opportunity. In fact, his research is rooted in a profound moral concern about the opportunities facing individuals and societies. His work has always been marked by the clear intent of improving opportunities of the poorest societies and of the poorest individuals within those societies.

This is perhaps the most fundamental question in our highly unequal region. The demands for equity and for programs that will generate equal opportunity for everyone are ubiquitous in Latin America. The responses received from democratic

governments have not always been the most effective. Jere shows a road, a guide for one of the crucial agendas in Latin America: How to respond effectively to the increasing demand for equity. He has a clear notion of relevance. His evaluations are not just purely technical exercises. They are aimed at influencing policy and pushing innovative ideas into the policy mainstream.

He has touched upon every subject. I do not know whether he did this deliberately but his effort seems to have been strategically exhaustive. Jere has written about education, health, labor markets, etc. A couple of years ago he even edited a book about discrimination and spatial segregation.

His empirical work is detailed and careful, reflecting a keen awareness of the fragility of the empirical knowledge. Ever interested in collecting new and better surveys, Jere writes the questionnaires and designs the interventions and experiments.

On some areas of his work

Let me highlight a couple of areas of his work. Jere was a pioneer in the area of empirical studies related to social mobility in the U.S. Up to the early 1990s it was accepted as a matter of fact that intergenerational social mobility was higher in the United States than in any developing countries. The literature accepted the expression made popular by Gary Becker: “from shirtsleeves to shirtsleeves in three generations”.

In 1990, joined by Paul Taubman, Jere published “The Intergenerational Correlation between Children's Adult Earnings and Their Parents' Income: Result from the Michigan Panel Survey of Income Dynamics” in the *Review of Income and Wealth*. To the surprise of many, this article showed that the correlation between parents and children’s income in the U.S. was higher than first thought. These results were duplicated amply and they were useful in setting in motion the production of an interesting body of literature based on comparisons between levels of intergenerational mobility across countries.

Jere himself contributed to these comparisons. In a recent article co written with Alejandro Gaviria and Miguel Szekely and published in *Economía*, Jere showed that the levels of educational mobility in Brazil and Colombia are considerably lower than in other developing countries including Mexico and Peru.

Jere has also been a pioneer in one of the most fascinating (and complex) areas of evaluation of the impact of social programs: the measurement of long term effects. His recent work on Guatemala (under exceptionally difficult circumstances) attempts to study the effects of health and the cognitive effects of interventions that took place several decades ago, which were so fascinating and (without a doubt) are bound to be highly influential

But perhaps the area in which Jere has most recently left his mark is nutrition. Not only has his work in this field has intellectually pioneered; it also has changed the priorities of public policy. The Copenhagen Consensus, of which Jere was a member, showed that early intervention in terms of nutrition (particularly in the provision of micronutrients) exceeds any other comparable program. Jere's other works demonstrate that health and early age nutrition decidedly affect cognitive capacity, assistance to school and educational achievements and even salaries. He has also found that women benefit relatively more from these interventions, suggesting that there are potentially effective ways of closing the gender gap and other types on inequalities.

His work is creating awareness on the incredible cost-effectiveness of early childhood interventions. Some estimates indicate that the returns on these interventions, which can be as high as 1 to 10, are much higher than educational policies and labor training programs applied at a later stage in life. Other literature that has shown that salaries and labor market performance in adult age is driven by factors present at age 14.

But we need a better understanding of the relevant inputs in early childhood. We know that early age investments are more than worthwhile, but we do not exactly which programs. And also, we know that inadequate educational quality can reverse the effects of early childhood interventions.

This evidence is changing the priorities of public policy in at least two ways. First, it is showing that, to be effective, exposure to social programs has to be sustained over relatively long periods of time. This suggests that these interventions should not be considered as countercyclical fiscal policies. It is demonstrating that the arduous work being done in order to achieve equal opportunity at the schools level needs to be complemented with other interventions. Today we know, partly thanks to Jere, that early childhood programs are perhaps the most effective way of achieving equal opportunity and to increase mobility.

Final remarks

Given this long introduction you would think that Jere is just a paper-producing machine. While he is certainly one of the most prolific members of the profession, it is also true that he has nurtured generations of grad students at Penn and tens of economists that he has collaborated with in Latin America. As editor of top journals, including the Journal of Development Economics, he gives detailed feedback which is time consuming but highly valuable for the young economist. That was my case in 1993, long before I met him personally. And as befits a man of his stature, he is also quite the basketball fan.

So, as you can see, LACEA could not have chosen a better recipient of the Carlos Diaz Alejandro Award. Please join me in welcoming Professor Jere Behrman.

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