

Facilitating Trade Through Effective Border Control: Costa Rica's Challenging Reform Agenda

Study Questions

Synopsis

The border control post separating Costa Rica and Nicaragua is notoriously inefficient and congested, slowing commerce and increasing transaction costs for exporters and importers. Fernando Ocampo, Costa Rica's deputy minister of commerce, has been given the responsibility to implement a series of reforms to resolve the serious border crossing problems. A close examination of the situation, however, reveals that the cause of the problems at the border can be traced to both the inefficiency of government processes and private-sector business practices. As Ocampo thinks about an effective reform agenda, he must keep in mind the motives and interests of a broad range of government and private sector who will be affected by whatever he proposes. Ocampo must consider not only his government's study of the border problems, but also the results of analysis and advice received from two development financial institutions: the Inter-American Development Bank and the World Bank.

Study Questions:

1. What factors would you emphasize to make a convincing case that the economic benefits derived from strengthening border management far outweigh the costs, regardless of the country?
2. If there was a "broad consensus" in Costa Rica that addressing the inefficiencies at the Peñas Blancas border-post should be a high government priority, why had the problems persisted for so long without resolution? In your view, are the issues primarily financial/technical or political?
3. Why had it been so difficult to reach agreement on cost-saving reforms at the border post that clearly would be financially beneficial to both private and government stakeholders (see Box 2)?
4. Which government and/or private sector stakeholders stand to lose from enhancing the efficiency of the border crossing process? What can Ocampo propose to mitigate at least some of their opposition?

5. Do you believe that the work of the outside experts added value, and facilitated Ocampo's decision making on an effective package of reforms?
6. If you were in Ocampo's shoes, which 3 World Bank proposed changes would you endorse, and why? Which 3 would you oppose? (see p. 9)
7. Prioritize and provide a justification for the 4 or 5 key recommendations Ocampo should make to President *Chinchilla*.
8. *What specific lessons from the Costa Rica case are relevant to Myanmar's border issues?*