

2010

Update of Latin American Policies and Events: May 2010 through July 2010

Allen C. Unzelman

Follow this and additional works at: <https://scholar.smu.edu/lbra>

Recommended Citation

Allen C. Unzelman, *Update of Latin American Policies and Events: May 2010 through July 2010*, 16 *LAW & BUS. REV. AM.* 885 (2010)
<https://scholar.smu.edu/lbra/vol16/iss4/13>

This Update is brought to you for free and open access by the Law Journals at SMU Scholar. It has been accepted for inclusion in *Law and Business Review of the Americas* by an authorized administrator of SMU Scholar. For more information, please visit <http://digitalrepository.smu.edu>.

UPDATE OF LATIN AMERICAN POLICIES AND EVENTS: MAY 2010 THROUGH JULY 2010

*Allen C. Unzelman**

I. ELEVENTH SESSION OF THE REGIONAL CONFERENCE ON WOMEN IN LATIN AMERICA AND THE CARIBBEAN URGES ADVANCEMENT IN WOMEN'S RIGHTS AND HIGHLIGHTS THE PROBLEMS OF GENDER INEQUALITY IN LATIN AMERICA

REPRESENTATIVES from thirty-three Latin American and Caribbean states gathered in mid-July to encourage regional governments to adapt policies enhancing women's rights.¹ The recommendation urges governments within the region to implement social and economic policies that recognize the important societal role that women play and acknowledge the uncompensated contributions they make within the household.² The action came about as part of the "Brasilia Consensus," which was implemented on July 16 at the Regional Conference on Women in Latin America and the Caribbean.³ The meeting lasted from July 13 through July 16 and was attended by over 700 representatives.⁴

The Brasilia Consensus sets forth a number of specific policy measures in order to achieve greater economic standing and enhance women's rights as a whole.⁵ Chief among these include measures designed to assure increased economic autonomy for women in the employment market, to improve the access and availability of legal services for women, to ensure reproductive rights, and to improve the availability of credit.⁶ The Consensus also urged Latin American governments to implement policies

* Allen C. Unzelman, J.D. candidate 2011, Southern Methodist University Dedman School of Law, B.A. 2008, Pacific Lutheran University.

1. "Brasilia Consensus" Calls for Women's Rights, INT'L NEWS MAG., July 17, 2010, <http://english.cri.cn/6966/2010/07/17/1361s583465.htm>.

2. Press Release, Econ. Comm'n for Latin America and the Caribbean, Latin America and the Caribbean Countries Approve Action to Achieve Autonomy and Equality for Women (July 17, 2010), available at <http://www.eclac.org/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/7/40237/P40237.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl-i/top-bottom.xsl> [hereinafter ECLAC].

3. *Id.*

4. "Brasilia Consensus" Calls for Women's Rights, *supra* note 1.

5. ECLAC, *supra* note 2.

6. *Id.*

aimed at curbing violence against women and increasing female involvement in the political process.⁷ The Consensus “demands that preventive, punitive, protective and caring measures be taken against all forms of violence upon women.”⁸ Moreover, the Consensus also contains a promise to provide public policy training to encourage the implementation of these goals.⁹

Members of the gathering also took the opportunity to reflect and evaluate the degree of progress achieved by governments in the region with regard to women’s rights and gender equality.¹⁰ This involved a review of the recent publication by the Economic Commission for Latin America and the Caribbean (ECLAC) entitled *What Kind of State? What Kind of Equality?*, which evaluates the extent to which Latin American governments have successfully fostered gender equality and was a follow-up to ECLAC’s previous publication entitled *Time for Equality: Closing Gaps, Opening Trails*.¹¹ The recent document touts the important role that economic and physical independence play in providing gender equality and directly pinpoints the fact that although females endure a sizeable workload in Latin American countries, they are paid substantially less than men for their work.¹²

The document presents three platforms to remedy these inequities.¹³ These include: 1) the involvement of “[t]he State as a guarantor of effective entitlement to rights,” 2) “[e]quality in both public and private spheres,” and 3) “[r]edistribution of total work.”¹⁴ The document also points out successful reforms that have already taken place in a number of Latin American countries in promoting gender equality by acknowledging the importance of uncompensated labor and care provided by women in Latin America.¹⁵ Such reforms have emerged largely through targeted legislative efforts in countries such as Spain, Chile, Argentina, Costa Rica, Brazil, and Mexico, but have also come about through constitutional reforms in countries such as Ecuador, Venezuela, Bolivia, and the Dominican Republic.¹⁶

7. “*Brasilia Consensus*” *Calls for Women’s Rights*, *supra* note 1.

8. *Id.*

9. *Id.*

10. ECLAC, *supra* note 2.

11. *Id.*; see also ECON. COMM’N FOR LATIN AMERICA AND THE CARIBBEAN, *WHAT KIND OF STATE? WHAT KIND OF EQUALITY?* (June 2010), available at http://www.eclac.cl/publicaciones/xml/3/40123/What_kind_State_What_kind_equality.pdf [hereinafter *WHAT KIND OF STATE?*].

12. Press Release, Econ. Comm’n for Latin America and the Caribbean, *New Social Covenant Needed to Achieve Equality Between Women and Men in the Workplace* (July 13, 2010), available at <http://www.cepal.org/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/5/40155/P40155.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl-i/top-bottom.xslt> [hereinafter *New Social Covenant*]; see also *WHAT KIND OF STATE?*, *supra* note 11.

13. *New Social Covenant*, *supra* note 12.

14. *Id.*

15. *Id.*

16. *Id.*

Representatives at the conference also “applaud[ed]” the actions of the United Nations Secretary-General for the creation of a new body dedicated to promoting the positive treatment of women and encouraging gender equality.¹⁷ This new entity of the United Nations is called the United Nations Entity for Gender Equality and the Empowerment of Women (U.N. Women) and was created by resolution 64/289 on July 2, 2010.¹⁸ Even further, the representatives praised the Secretary-General “for his commitment to gender equality and women’s human rights and [] his efforts to achieve parity, through the appointment of women to more than 60% of senior posts in the Organization.”¹⁹ Beyond merely praising the Secretary-General’s accomplishments, the Resolution provided a number of recommendations for future action and commitments for the Secretary-General to follow.²⁰ A specific suggestion of the Resolution was for the Secretary-General to “[c]onsider the possibility of appointing as head of UN Women a person from the Latin American and Caribbean region with the stature and experience required for leadership of this United Nations entity.”²¹ The Resolution also advocates maintaining and supplementing United Nations fiscal resources dedicated to promoting gender equality.²²

The Conference also produced a resolution to support Haiti and Chile in the wake of the recent earthquakes that both countries experienced.²³ The Resolution promised the support of the Conference’s Latin American members by 1) supporting recovery efforts of both countries with specific actions to promote gender equality, 2) “[r]ecogniz[ing] the important role that women play in post-disaster reconstruction processes and the need for this role to be safeguarded and strengthened[,]” and 3) “[u]rg[ing] the international community to meet its commitments regarding the reconstruction process in Haiti as soon as possible.”²⁴

17. Reg’l Conference on Women in Latin America and the Caribbean, Resolution Adopted at the Eleventh Session of the Regional Conference on Women in Latin America and the Caribbean on the New Entity UN Women (July 16, 2010), http://www.eclac.org/mujer/noticias/paginas/6/40236/ResolucionONU_Mujer_ING.pdf.

18. *Id.*

19. *Id.*

20. *Id.* at 1-2.

21. *Id.* at 2.

22. *Id.* at 1-2.

23. Reg’l Conference on Women in Latin America and the Caribbean, Resolution in Support of Chile and Haiti Following the Earthquakes (July 16, 2010), http://www.eclac.org/mujer/noticias/paginas/6/40236/ResolucionHaiti_Chile_ING.pdf.

24. *Id.*

II. OAS CRITIQUES ELECTION PROCESSES BUT ULTIMATELY CERTIFIES RECENT ELECTION RESULTS IN COLOMBIA, SURINAME, AND THE DOMINICAN REPUBLIC, AND PLEDGES ASSISTANCE AND FINANCIAL SUPPORT IN HAITI'S NOVEMBER ELECTIONS

On July 7, 2010, the Organization of American States (OAS), through its Electoral Observation Missions (EOM), certified the fairness of recent election results in Colombia, Suriname, and the Dominican Republic.²⁵ Among the certified elections included: the presidential and legislative elections that took place in Colombia on March 14, May 30, and June 20; the May 16 parliamentary elections in the Dominican Republic; and the May 25 general elections held in Suriname.²⁶

Despite ultimately certifying the fairness of the Dominican Republic's elections, the Mission reported a number of violations including: evidence of vote purchasing, evidence of the purchasing of identity cards, and the presence of both campaigning and propaganda within voting centers.²⁷ In light of these discoveries, the Mission recommended that the government take a number of actions to improve the fairness of the election including: revisiting the layout of the ballot itself in order to help both voters and vote counters, ensuring the existence of adequate enforcement authorities to uphold voting laws and punish violators, and improving education and informational programs to improve voter knowledge.²⁸

Perhaps the most newsworthy election occurred in Colombia, with the election of its new president Juan Manuel Santos.²⁹ Santos, who attended both Harvard and the University of Kansas, won sixty-nine percent of the vote in the early June election.³⁰ Similar to the Dominican Republic, after observing Colombia's recent elections, the Mission reported instances of vote purchasing in a number of locations.³¹ Accordingly, the Mission recommended that actions be taken "to improve conditions in the voting places; to submit copies of the ballots to party witnesses; to improve the safety measures and guarantees in the transmission of preliminary electoral results; and to update the electoral census, preferably through the creation of a biometric registry."³² Although the Mission noted that legal changes were still necessary to improve the voting system currently in place, it also commended the positive improvements that were evidenced

25. Press Release, Organization of American States, OAS Certifies Results and Issues Recommendations on Elections in Colombia, Dominican Republic, and Suriname (July 7, 2010), available at http://www.oas.org/OASpage/press_releases/press_release.asp?sCodigo=E=267/10.

26. *Id.*

27. *Id.*

28. *Id.*

29. Simon Romero, *Ex-Minister Wins Election in Colombia*, N.Y. TIMES, June 21, 2010, at A10, available at <http://www.nytimes.com/2010/06/21/world/americas/21colombia.htm>.

30. *Id.*

31. Press Release, Organization of American States, *supra* note 25.

32. *Id.*

by the recent elections.³³

As reported in the OAS's press release, Suriname election law is unique and distinguishable from most other nations in its allowance of campaigning within voting centers.³⁴ Somewhat surprisingly, despite permitting campaigning within voting locations, the Mission found that this allowance created a constructive atmosphere without disturbing the electoral process.³⁵ The Mission still recommended alterations in the process to better accommodate voters with special needs and to foster an increase in the political participation of women.³⁶

On July 29, 2010, it was reported that members of the OAS would assist Haiti in its upcoming November elections by sending an EOM to the region to observe the elections and by providing financial assistance for the elections as the country continues to rebuild after the devastating earthquake that took place earlier this year.³⁷ The United States and Spain along with the help of other Member States offered to alleviate the financial burden of the election by helping to cover the high cost of the election, which is estimated to be up to \$5.3 million.³⁸ The OAS viewed the opportunity to assist the nation in its elections as a means to encourage solidarity in the wake of the nation's recent disaster and encouraging the continued presence of democracy despite these tragedies.³⁹ The United Nations has also supported the elections in Haiti, with Secretary-General Ban Ki-moon urging the country "to ensure that the upcoming elections are transparent and credible and serve to reinforce Haiti's democratic institutions"⁴⁰

As Haiti continues to rebuild, the upcoming elections have garnered significant international attention. So far, seventy political parties are registered for the November ballot.⁴¹ The election has attracted heightened publicity because it will decide who will follow President Rene Preval and become the nation's next leader.⁴² One of the possible presidential candidates was U.S. celebrity Wyclef Jean, who was born in Haiti and who has been acting as the United Nations Goodwill Ambassador to the country in the months following the quake.⁴³ Jean, who moved to the

33. *Id.*

34. *Id.*

35. *Id.*

36. *Id.*

37. Press Release, Organization of American States, OAS Member States and Permanent Observers Pledge Assistance to Haiti Electoral Observation Mission (July 29, 2010), available at http://www.oas.org/OASpage/press_releases/press_release.asp?sCodigo=E-284/10.

38. *Id.*

39. *Id.*

40. Michelle Nichols, *UN's Ban Calls for Clear, Credible Haiti Elections*, REUTERS, June 30, 2010, <http://www.alertnet.org/thenews/newsdesk/N30237700.htm>.

41. Clarens Renois, *Haiti Moves Towards First Post-Quake Election*, AGENCE FRANCE PRESSE, July 31, 2010, http://www.google.com/hostednews/afp/article/ALeqM5jnZ5Uy7HsQ9hF5hQ6UDUmb7gWf_Q.

42. *Id.*

43. *Id.*

United States from Haiti at the age of nine, has helped the country's relief effort by organizing a number of fundraisers in the United States and by drawing other celebrities in the United States to the rebuilding efforts.⁴⁴ In early August, however, Haiti's Provisional Electoral Council announced that Jean was not an eligible candidate.⁴⁵ Jean was excluded under Article 135 of the Haitian Constitution, "which requires habitual residence in the country for five years prior to the election."⁴⁶ Although disappointed by the ruling, Jean accepted it and encouraged his supporters to do so as well.⁴⁷ Jean also made it clear that despite the end of his candidacy, his efforts to improve the country will continue.⁴⁸

III. UPDATE ON THE INTERNATIONAL EFFORT TO RESOURCE THE MICROFINANCING INDUSTRY IN HAITI IN THE WAKE OF RECENT DISASTER

In recent years, microfinancing institutions have played an important role in Haiti's development efforts.⁴⁹ But the importance of these institutions has drastically increased in the wake of this year's crippling earthquake.⁵⁰ Since the earthquake left the nation's infrastructure and capital reserves in ruins, international organizations such as the Grameen Foundation, World Vision, ACCION, FINCA International, and Esparanza have answered the call and responded by providing much needed lending efforts to Haiti.⁵¹

To supplement these efforts, on July 13, 2010, the Clinton Bush Haiti Fund (CBHF) stated that part of its one million dollar grant to the nation to aid its recovery would be dedicated to microfinancing efforts.⁵² To support the fund's goal of bringing jobs and much needed economic stability to the region, the grant is being directed toward small and midsized businesses and operations.⁵³ The grant is also aimed at creating jobs with

44. *Id.*; Stephen Kurczy, *Wyclef Jean, President of Haiti? He's Officially Running Now*, CHRISTIAN SCI. MONITOR, Aug. 4, 2010, <http://www.csmonitor.com/World/Global-News/2010/0804/Wyclef-Jean-president-of-Haiti-He-s-officially-running-now>.

45. Jacqueline Charles, *Wyclef Jean Can't Run for President*, MIAMI HERALD, Aug. 21, 2010, available at <http://www.miamiherald.com/2010/08/21/1785758/wyclef-jean-cant-run-for-president.html>.

46. Edwidge Danticat, *Barred From Ballot, Wyclef Remains an Inspiration*, MIAMI HERALD, Aug. 21, 2010, available at <http://www.miamiherald.com/2010/08/21/1786110/barred-from-ballot-wyclef-remains.html>.

47. Charles, *supra* note 45.

48. *Id.*

49. Nagesh Narayana, *Microfinance Institutions Step Up Relief for Quake-Hit Haitians*, MICROFINANCE FOCUS, Jan. 30, 2010, <http://www.microfinancefocus.com/news/2010/01/30/microfinance-institutions-step-forward-to-lend-a-helping-hand-to-quake-hit-haiti/>.

50. *Id.*

51. *Id.*

52. *\$1 Million Grant From Clinton Bush Haiti Fund for Microfinance, Key Industries*, MICROFINANCE FOCUS, July 13, 2010, <http://www.microfinancefocus.com/news/2010/07/13/1-million-grant-from-clinton-bush-haiti-fund-for-microfinance-key-industries/>.

53. *Id.*

social benefits by directing funds at jobs in the health and education sectors.⁵⁴ By utilizing this approach, the fund seems optimistic that the grant will provide better access to jobs for women.⁵⁵ The grant will also be used to support the Haitian Emergency Liquidity Program (HELP), which is financially supported by a number of governmental and non-governmental organizations, and will operate by buying up loans that are hindered by the earthquake.⁵⁶ Funds from the grant will hopefully be able to stop the bleeding by allowing local microlenders, who support around fifty thousand clients, to survive and prosper going forward.⁵⁷

HELP is also being financially supported by the Inter-American Development Bank (IDB), which announced last June that it would provide two million dollars to the organization.⁵⁸ Similar to CBHF's efforts, the IDB's Multilateral Investment Fund will assist HELP by purchasing loans affected by the earthquake and supporting the future growth of microfinancing in the area.⁵⁹

Fonkoze, the Grameen Foundation's Haitian partner, launched a rapid rebound from the quake and as of last July had managed to reopen thirty-seven of its forty-two locations within the area.⁶⁰ But the effort to deliver funds to rural areas proved even more difficult and ultimately turned into an international effort before reaching fruition.⁶¹ The international operation, which involved both the U.S. Military and the United Nations, delivered money by air from Miami to Haiti and then used helicopters to drop inconspicuous packages of cash at rural Fonkoze locations.⁶² The operation played key significance by allowing for the delivery of foreign relief funds to the area.⁶³

Groups dedicated to economic development and microfinance in Haiti have emphasized the importance of observing how developing countries, such as Sri Lanka and Indonesia, have experienced recovery of their microfinance industries after national disasters.⁶⁴ Learning from past disasters, a number of seminal reports have been published by microfinance leaders and international organizations in recent years on the process of rebuilding the industry in the wake of disasters.⁶⁵ As MICROFINANCE

54. *Id.*

55. *Id.*

56. *Id.*

57. *Id.*

58. Ivy Mungcal, *IDB Teams With Charities to Boost Microfinance in Haiti*, DEVEX, June 23, 2010, <http://www.devex.com/articles/idb-partners-to-boost-microfinance-in-haiti>.

59. *Id.*

60. Narayana, *supra* note 49.

61. *Id.*

62. *Id.*

63. *Id.*

64. *Haiti's Path to Discovery*, MICROFINANCE GATEWAY, Feb. 4, 2010, <http://www.microfinancegateway.org/p/site/m/template.rc/1.26.12644/>.

65. *Id.*; See generally STEVEN J. WERLIN & ANNE H. HASTINGS, POST-DISASTER AND POST-CONFLICT MICROFINANCE: BEST PRACTICES IN LIGHT OF FONKOZE'S EXPERIENCE IN HAITI (2006) available at http://www.microcreditsummit.org/papers/Workshops/32_WerlinHastings.pdf; EILEEN MIAMIDIAN, ET AL., SURVIVING DI-

GATEWAY's briefing describes, there are a number of basic guidelines for restoring lending in the wake of natural disasters that can be gleaned from these reports.⁶⁶ These include the following guidelines: "carry[ing] out a rapid portfolio review to determine next steps; *approach[ing] cash grants with caution; avoid[ing] across-the-board concessions if possible; establish[ing] logistical challenges before embarking on any action; creat[ing] a short-term plan; focus[ing] on employees; advocat[ing], creat[ing], and strengthen[ing] partnerships; [and] separat[ing] microfinance from relief activities.*"⁶⁷

The numerous experiences of Fonkoze are particularly helpful in understanding what will be necessary to set Haiti on a path toward redeveloping its microfinance sector because of the group's experience with past catastrophes in the Central Plateau and Gonaives areas.⁶⁸ Helping with the redevelopment efforts in Haiti after natural disasters such as tropical storms and flooding, and after instances of violence, unrest, and social turmoil, has given Haiti's largest microfinance organization an inside perspective of what is necessary for recovery of the microfinance sector.⁶⁹ As explained in Fonkoze's 2006 report, chief among the many lessons learned from the group's enmeshment within these rebuilding efforts are four primary conclusions: 1) "Do not rush to identify a disaster as a humanitarian crisis without sound analysis;" 2) "Use a crisis to tighten your method, better train staff, increase staff/client loyalty, and grow your program" 3) Remember the importance of "*loyalty and strength of [your] client base*" and the benefits of a "national branch infrastructure that mean[s] a crisis in one place [will] not destroy the entire portfolio or threaten the future of the institution," and 4) "Make the principle of solidarity permeate all you do."⁷⁰ Hence, although the underdeveloped nature of Haiti presents a host of challenges to re-ignite a stable microfinance sector, it seems that the groups at the

SASTERS AND SUPPORTING RECOVERY: A GUIDEBOOK FOR MICROFINANCE INSTITUTIONS (2005), available at <http://www.yearofmicrocredit.org/docs/Disasterguidefinal.pdf>; BANKING WITH THE POOR NETWORK, GRANTS AND LOANS IN LIVELIHOOD RESTORATION FOLLOWING A NATURAL DISASTER (2006) available at http://www.bwtp.org/arc/m/mfdm/Web%20Resources/Briefs/Brief_3.pdf; THE SEEP NETWORK, MINIMUM STANDARDS FOR ECONOMIC RECOVERY AFTER CRISIS (Feb. 2009) available at <http://www.microfinancegateway.org/gm/document-1.9.40303/31.pdf>; INT'L LABOR ORG., ILO GUIDE ON RESPONSES TO SUPPORT THE RECOVERY AND RECONSTRUCTION EFFORTS IN CRISIS-AFFECTED AREAS IN INDONESIA (2005) available at http://www.microfinancegateway.org/gm/document-1.9.26632/29927_file_iloguide.pdf.

66. *Haiti's Path to Discovery*, *supra* note 64.

67. *Id.*; See also WERLIN & HASTINGS, *supra* note 65; MIAMIDIAN ET AL., *supra* note 65; THE SEEP NETWORK, *supra* note 65; INT'L LABOR ORG., *supra* note 65; JOHN H. MAGILL, THE FIRST 30 DAYS: A PRACTICAL GUIDE TO MANAGING NATURAL DISASTERS FOR MICROFINANCE INSTITUTIONS (Apr. 2003), available at <http://www.microfinancegateway.org/gm/document-1.9.42070/DA1%20first30days%20DisasterMgtGuide.pdf>.

68. See WERLIN & HASTINGS, *supra* note 65.

69. *Id.* at 6-8.

70. *Id.* at 31-33.

center of the effort have at least some experience with rebuilding and what ingredients are necessary for redevelopment.

Despite the lessons that can be learned from previous disasters, as MICROFINANCE GATEWAY points out, Haiti's microfinancial recovery will be unique in a number of ways.⁷¹ Because Haiti enjoyed the presence of a formidable microfinance industry prior to the quake, the current situation is distinguishable from prior disasters in other developing countries because of the damage in infrastructure sustained to existing microlending institutions.⁷² Moreover, Haiti's dependency on foreign aid makes continued support from the international community increasingly vital to the state's recovery.⁷³

Despite these unique challenges, institutions such as Fonkoze implemented programs immediately following January's quake that were directly tailored to reestablishing financial solidarity.⁷⁴ As explained by Fonkoze CEO Anne Hastings, following the quake, Fonkoze provided its clients with a "catastrophic-loss insurance product," which provided each client who had suffered the loss of a residence or business with \$128, took care of pre-quake debts, and provided new loans for business revitalization.⁷⁵ The insurance product also required for the client to pay for two percent of the value of the new loan and to enter into educational programs.⁷⁶ It is hoped that this type of program will provide the capital not only to revitalize and recover after the disaster, but also to provide for sustainable financial development in the future.⁷⁷

Will these efforts be enough to revitalize Haiti's microfinance industry? Perhaps only time will tell, but what seems clear from the first six months following January's disaster is that the international community, as evidenced by the large investments of foreign aid, seems to have confidence in the sector's ability to rebound and play a significant role in financial stability and development in the country. Fortunately, what also seems clear is that the organizations at the center of the effort, such as Fonkoze, seem to have experience with re-establishing the microfinance sector in the wake of disasters and other setbacks. Thus, despite the many challenges that lay ahead for Haiti, microfinancing may provide a helpful crutch in the very near future.

71. *Haiti's Path to Discovery*, *supra* note 64.

72. *Id.*

73. *Id.*

74. Anne Hastings, *Insuring Haitians in the Face of Inevitable Natural Disasters*, *MIAMI HERALD*, June 8, 2010, <http://www.miamiherald.com/2010/06/08/1670012/insuring-haitians-in-the-face.html>.

75. *Id.*

76. *Id.*

77. *Id.*

IV. TWO POTENTIAL TRADE AGREEMENTS IN THE
WORKS: INTER-AMERICAN DEVELOPMENT BANK PRAISES
POTENTIAL TRADE OPPORTUNITIES BETWEEN LATIN
AMERICA AND INDIA AND PRESIDENT OBAMA PUSHES
FOR PASSAGE OF TRADE AGREEMENTS WITH
PANAMA AND COLOMBIA

A recent study released by the Inter-American Development Bank (IADB) encourages trade between Latin America and India and praises the potential opportunities that could result from the enhanced relationship.⁷⁸ The study comes on the heels of OAS Secretary General Jose Miguel Insulza's public advocacy for trade between Latin American states.⁷⁹ As Insulza explained, because of the size of its economy, the United States "plays a key role in the economies of its hemispheric neighbors."⁸⁰ Insulza encouraged proposed trade agreements between both the United States and Colombia and the United States and Panama, arguing that the agreements would benefit the United States as well as Latin America.⁸¹ Perhaps more importantly, Insulza urged that the agreements would improve the Americas and the relationship of its states.⁸² On his end, President Obama also pushed for the passage of the two trade agreements, promising to lean on Congress to finalize them.⁸³ Although the Bush Administration initially made efforts to pass the agreements, its efforts came up short when the agreements ran into partisan opposition in Congress.⁸⁴ President Obama is reportedly advocating the agreements as part of his administration's effort to double exports within five years.⁸⁵

The recent IADB study entitled *INDIA: LATIN AMERICA'S NEXT BIG THING?* encourages both Latin American states and India to increase trade by reducing tariffs on imports from both regions.⁸⁶ The study cautions that steep trade costs between Latin America and India are precluding Latin America, and presumably India, from taking advantage of trade

78. *New IDB Study Calls for More Trade, Cooperation Between India and Latin America*, INTER-AMERICAN DEV. BANK, July 27, 2010, <http://www.iadb.org/features-and-web-stories/2010-07/english/new-idb-study-calls-for-more-trade-cooperation-between-india-and-latin-america-7480.html>.

79. Jose Miguel Insulza, *A More Open Path to Prosperity in the Americas*, DENVER POST, July 10, 2010, available at http://www.denverpost.com/opinion/ci_15479396.

80. *Id.*

81. *Id.*

82. *Id.*

83. Joseph Bonney, *Obama Backs Free Trade Agreement*, J. OF COM. ONLINE, July 7, 2010, <http://www.joc.com/government-regulation/obama-backs-free-trade-agreements>.

84. *Id.*

85. *Id.*

86. *New IDB Study Calls for More Trade, Cooperation Between India and Latin America*, supra note 78; see also Mauricio Mesquita Moreira, *India: Latin America's Next Big Thing?* 137-39 (2010), available at <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35239272>.

benefits that would otherwise be realized.⁸⁷ More specifically, the study urges a reduction in transportation costs along with reduced tariffs in order to encourage additional trade.⁸⁸ The study points to India's sixty-five percent tariff, while China's is only 12.5%, explaining that even a decrease as marginal as ten percent could lead to increased imports of Indian goods in Chile and Argentina by up to thirty-six percent.⁸⁹ With respect to transportation costs, the study argues that establishing more direct means of transportation is necessary between the two areas.⁹⁰ The study takes issue with the lack of a direct shipping route to the Latin American region, causing increased costs and longer shipping times between the regions.⁹¹ Here, the study point out that a ten percent decrease in shipping costs could lead to increased imports of up to forty-six percent in Chile and forty-seven percent in Argentina.⁹²

87. *New IDB Study Calls for More Trade, Cooperation Between India and Latin America*, *supra* note 78.

88. *Id.*

89. *Id.*

90. *Id.*

91. *Id.*

92. *Id.*

