

## Latin America's Economic Future: Prospects and Challenges

Thursday, October 7, 2010, 2:30 pm — 5:00 pm

Inter-American Development Bank, 1330 New York Ave, NW, Washington, DC

In the wake of the most severe global financial crisis in recent times, Latin America and the Caribbean have shown remarkable resilience. However, the region faces major challenges that could derail its growth and development. On October 7, the Inter-American Development Bank (IDB) and the Latin America Initiative at Brookings co-hosted a conference examining the outlook for Latin America and the Caribbean in the context of current economic recovery and the global financial safety nets needed to make the recovery sustainable. Leading international experts evaluated the region's recovery agenda and presented independent policy analysis on the macro-economic challenges ahead, and discussed ideas for reforming international financial architecture in light of recent experience.

Two new reports analyzing the region's performance and its prospects for the future spurred a valuable discussion. The event featured a presentation of the Brookings report, "**Latin America Economic Perspectives**," by Latin America Initiative Director and Senior Fellow Mauricio Cárdenas. Discussion focused on the major differences between countries within Latin America in terms of economic and development outlooks – differences which will become even more apparent in the next few years, with some countries advancing while others lag behind. Key findings from the report and topics of the discussion included: a decreasing necessity for fiscal stimulus or accommodative monetary policy, growing pressures to strengthen competitiveness, the outlook for the region's currencies and dependence on external demand for commodities.

The event also featured a presentation of the Inter-American Development Bank working paper, "**Global Financial Safety Nets**," by Eduardo Fernández-Arias, senior advisor at the research department of the Inter-American Development Bank, and Eduardo Levy-Yeyati, professor at the Universidad Torcuato di Tella and director at the Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC).

Expert panelists that provided commentary at the event included: Ilan Goldfajn, chief economist at Brazil's Itaú Unibanco; Andrés Velasco, former Chilean minister of finance; Alejandro Werner, former Mexican deputy secretary of finance; Guillermo Calvo, professor of economics, international and public affairs at Columbia University; Nicolás Eyzaguirre, director for Western Hemisphere department at the IMF; Steven Kamin of the Federal Reserve Board; Nancy Birdsall, president of the Center for Global Development; and Eduardo Borensztein, regional economic advisor at the IDB. After each session, the panelists answered audience questions.