

CONSEJO PERMANENTE



OEA/Ser.G  
CP/ACTA 1473/05  
8 abril 2005

ACTA  
DE LA SESIÓN CONJUNTA  
DEL CONSEJO PERMANENTE Y  
LA COMISIÓN EJECUTIVA PERMANENTE DEL CIDI (CEPCIDI)  
CELEBRADA  
EL 8 DE ABRIL DE 2005  
Aprobada en la sesión del 13 de diciembre de 2006

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## CONSEJO PERMANENTE DE LA ORGANIZACIÓN DE LOS ESTADOS AMERICANOS

### ACTA DE LA SESIÓN CONJUNTA DEL CONSEJO PERMANENTE Y DE LA COMISIÓN EJECUTIVA PERMANENTE DEL CONSEJO INTERAMERICANO PARA EL DESARROLLO INTEGRAL, CELEBRADA EL 8 DE ABRIL DE 2005

En la ciudad de Washington, a las nueve y treinta y cinco de la mañana del viernes 8 de abril de 2005, celebró sesión conjunta el Consejo Permanente de la Organización y la Comisión Ejecutiva Permanente del Consejo Interamericano para el Desarrollo Integral. Presidió la sesión el Embajador Alberto Borea Odría, Representante Permanente del Perú y Presidente del Consejo Permanente. Participaron, como moderadores y panelistas, las siguientes personas:

Módulo I: Alivio de la deuda, crecimiento y reducción de la pobreza

Moderador: Embajador Marcelo Hervas, Representante Permanente del Ecuador

Panelistas: Vikram Nehru, Director, Departamento de Deuda, Banco Mundial  
Helge Semb, Jefe de División de Países 3,  
Departamento Regional de Operaciones 2,  
Banco Interamericano de Desarrollo  
Jian-Ye Wang, Jefe de División Adjunto,  
Departamento de Desarrollo y Revisión de Política,  
Fondo Monetario Internacional  
Otaviano Canuto, Director Ejecutivo, Banco Mundial por  
Brasil, Colombia, Ecuador, Filipinas, Haití, Panamá,  
República Dominicana, Suriname y Trinidad y Tobago  
James Barrineau, Vicepresidente Senior, Alliance Capital  
David Wyss, Economista Jefe, Standard & Poor's  
Jonathan Sanford, Especialista en Economía Política Internacional,  
Servicio de Investigación del Congreso

Módulo II: Comercio y desarrollo económico

Moderador: Embajador Marcelo Hervas, Representante Permanente del Ecuador

Panelistas: William Cline, Senior Fellow, Instituto para la Economía Internacional  
Eduardo Lora, Asesor Principal, Departamento de Investigación,  
Banco Interamericano de Desarrollo  
Hans Schulz, Jefe de Operaciones, Financiamiento de Comercio y  
Mercados de Capitales,  
Departamento del Sector Privado, Banco Interamericano de Desarrollo  
Jeffrey L. Miller, Vicepresidente Senior y Jefe de  
Financiamiento de Exportaciones, Export-Import Bank,  
Enrique Camaño, Gerente de Mercados de Dinero y Capitales, Bancomext

Asistieron los siguientes miembros:

Embajador Denis G. Antoine, Representante Permanente de Grenada  
Embajador Esteban Tomic, Representante Permanente de Chile  
Embajador Juan Enrique Fischer, Representante Permanente del Uruguay  
Embajador Jorge Valero Briceño, Representante Permanente de Venezuela  
Embajador Paul D. Durand, Representante Permanente del Canadá  
Embajador Salvador E. Rodezno Fuentes, Representante Permanente de Honduras  
Embajador Marcelo Hervas, Representante Permanente del Ecuador  
Embajador John F. Maisto, Representante Permanente de los Estados Unidos  
Embajador Aristides Royo, Representante Permanente de Panamá  
Embajador Álvaro Tirado Mejía, Representante Permanente de Colombia  
Ministra Consejera Mayerlyn Cordero, Representante Interina de la República Dominicana  
Primer Secretario Pierre Daniel Laviolette, Representante Alterno de Haití  
Consejero Martín Gómez Bustillo, Representante Alterno de la Argentina  
Consejera Jasmine E. Huggins, Representante Alterna de Saint Kitts y Nevis  
Consejera Jennifer Marchand, Representante Alterna de Trinidad y Tobago  
Consejero Arturo Harding Tefel, Representante Alterno de Nicaragua  
Ministro Consejero Dwight Fitzgerald Bramble, Representante Alterno de  
San Vicente y las Granadinas  
Segunda Secretaria Betty Greenslade, Representante Alterna del Commonwealth de las Bahamas  
Consejero José Manuel Castañeda Resendiz, Representante Alterno de México  
Consejero Rabinder Lala, Representante Alterno de Suriname  
Primera Secretaria Patricia Bozo de Durán, Representante Alterna de Bolivia  
Ministro Consejero Michael E. Bejos, Representante Alterno de Belice  
Consejero Luis Armando Calderón, Representante Alterno de El Salvador

También estuvo presente el Secretario General Interino, Embajador Luigi R. Einaudi, Secretario del Consejo Permanente.

## PALABRAS DEL SECRETARIO GENERAL INTERINO

El PRESIDENTE: Buenos días. Declaro abierta la presente sesión conjunta del Consejo Permanente y la Comisión Ejecutiva Permanente del Consejo Interamericano para el Desarrollo Integral (CEPCIDI) para tratar el tema “Comercio, Financiamiento y el impacto de la carga del servicio de la deuda en la lucha contra la pobreza”.

Tenemos un interesantísimo programa así que voy a darle la palabra al Embajador Luigi Einaudi, Secretario General Interino, para que haga una reflexión sobre el tema y ofrezca la bienvenida como Secretario General. Tiene la palabra, Embajador Einaudi.

El SECRETARIO GENERAL INTERINO: Muchísimas gracias, señor Presidente del Consejo Permanente, Alberto Borea, Representante Permanente del Perú. Reconozco a mi colega, – tu colega, no es mío exactamente– hablando del Embajador Salvador Rodezno que es el Representante Permanente de Honduras y Presidente de la CEPCIDI.

Tengo a mi lado al Embajador Marcelo Hervas, del Ecuador, quien es el Presidente del Grupo de Trabajo sobre Comercio, Deuda y Financiamiento. Voy a ser breve porque van a hablar Brian Stevenson, quien es el Secretario Ejecutivo para el Desarrollo Integral, y José Manuel Salazar-Xirinachs, quien es el Director de la Oficina de Comercio, Crecimiento y Competitividad, y voy a dejar que sean ellos quienes expresen los puntos de vista de la Secretaría.

Yo me voy a limitar a darles la bienvenida a los pocos que aquí están reunidos y justamente quiero expresar una cierta preocupación. Mi abuelo que era economista, primero, y político, después, siempre se quejaba de la facilidad con la cual los políticos olvidaban las lecciones fundamentales de la economía. Nosotros en esta Organización de los Estados Americanos agrupamos a estados enormemente distintos: estados pequeños y estados grandes, estados insulares y estados continentales, estados con distintos niveles de desarrollo, distintas culturas, distintas, incluso, ambiciones locales y mundiales.

Por eso es que efectivamente estamos convencidos que para encontrar soluciones a los problemas económicos –y diría yo que no hay nada más importante que solucionar la cuestión de la pobreza que efectivamente nos condena en muchos casos a despreciarnos a nosotros mismos– no es suficiente confiar en las innovadoras soluciones que pueden proponer los técnicos en política económica, sino que también es imprescindible el proceso de diálogo político que va a legitimar las reformas necesarias en forma informada y consensuada.

Toda política exitosa necesariamente pasa por un proceso de adaptación a las particularidades y a veces uno piensa que podría decir, incluso, peculiaridades institucionales, locales y de los contextos económicos y políticos específicos de cada uno de los países. Es por eso que me gusta la forma en que se organizó el programa del día de hoy, al dar amplio espacio para las intervenciones de las Delegaciones, más allá de las intervenciones de los expertos y representantes de las instituciones invitadas. Solo así podremos efectivamente cumplir el objetivo primordial de la Secretaría Ejecutiva para el Desarrollo Integral (SEDI) de la OEA, que es promover el desarrollo integral a través del diálogo y trabajo coordinado con las instituciones de cada país.

Agradezco mucho la presencia de todos ustedes y el trabajo de los organizadores y de los ponentes expertos que han aceptado nuestra invitación. Señor Presidente, le agradezco la invitación.

EL PRESIDENTE: Muchas gracias, Embajador Einaudi.

PALABRAS DEL PRESIDENTE DE LA COMISIÓN EJECUTIVA PERMANENTE  
DEL CONSEJO INTERAMERICANO PARA EL DESARROLLO INTEGRAL

EL PRESIDENTE: Concedo ahora la palabra para la presentación de este importante seminario al distinguido Embajador Salvador Rodezno Fuentes, Representante Permanente de Honduras y Presidente de la Comisión Ejecutiva Permanente del Consejo Interamericano para el Desarrollo Integral (CEPCIDI).

EL PRESIDENTE DE LA COMISIÓN EJECUTIVA PERMANENTE DEL CONSEJO INTERAMERICANO PARA EL DESARROLLO INTEGRAL: Muchas gracias, señor Presidente del Consejo Permanente, Embajador Borea; Embajador Luigi Einaudi, Embajador Marcelo Hervas, Presidente del Grupo de Trabajo sobre Comercio, Deuda y Financiamiento; señor Brian Stevenson, Secretario Ejecutivo para el Desarrollo Integral; señor José Manuel Salazar-Xirinachs, Director de la Oficina de Comercio, Crecimiento y Competitividad; miembros del Consejo Permanente y de la CEPCIDI; señores panelistas, señoras y señores:

Tal como lo ha hecho el Secretario General Interino, en mi calidad de Presidente de la CEPCIDI, les doy la más cordial bienvenida y les agradezco por su participación en esta reunión en la que vamos a tratar un tema de la mayor trascendencia para nuestros países: la relación entre comercio, deuda y financiamiento.

Este tema ha merecido la atención de nuestros Jefes de Estado y de Gobierno en las Cumbres de las Américas y obviamente también de nuestros Ministros de Comercio, tanto en la Organización Mundial del Comercio (OMC) como en las propias negociaciones del Área de Libre Comercio de las Américas (ALCA), donde se ha reconocido la importancia de promover políticas financieras que conduzcan al crecimiento del comercio y la inversión en el Hemisferio, lo cual puede ayudar a abordar el problema de la deuda externa de algunos de nuestros países.

La discusión que en este día emprendemos es ciertamente pertinente y entre otras cosas podrá servirnos de guía en la consecución de nuestra agenda en la OEA donde conocemos de asuntos sobre desarrollo económico y social.

El tratamiento del problema de la deuda es, sin lugar a duda, vital por su bien documentada e innegable relación con el estancamiento económico en muchos de nuestros países y la descomposición social que de ello se deriva. De ahí su importancia en nuestra proyección hacia una estrategia interamericana en la lucha contra la pobreza.

Lo anterior se ve reforzado por la propia Carta de la OEA, al señalar que los Estados Miembros, inspirados en los principios de solidaridad y cooperación interamericana, se comprometerán a sumar esfuerzos para lograr que impere la justicia social internacional en sus

relaciones y para que sus pueblos alcancen un desarrollo integral, como condiciones indispensables para la paz y la seguridad.

Quiero aprovechar la oportunidad también para reconocer a la Delegación del Ecuador, representada acá por su Embajador Representante Permanente don Marcelo Hervas, por haber impulsado la consideración de este tema, así como también deseo felicitar a la Oficina de Comercio, Crecimiento y Competitividad de la OEA por la conceptualización y organización de este evento.

Por la calidad y experiencia de los expositores auguro un día de trabajo muy exitoso y enriquecedor, el cual seguramente se verá adecuadamente reflejado en la relatoría que sobre el evento se habrá de producir, la cual sugeriría que sirva de insumo para otras dinámicas sobre los temas económicos y sociales que estamos desarrollando, así como que los resultados de esta reunión tengan una amplia difusión.

A todos ustedes, les auguro un buen día. Gracias.

El PRESIDENTE: Muchas gracias, Salvador.

#### PALABRAS DEL REPRESENTANTE PERMANENTE DEL ECUADOR

El PRESIDENTE: Ahora concedo la palabra al Embajador Marcelo Hervas, Representante Permanente del Ecuador y como lo ha dicho nuestro Presidente de la CEPCIDI, el importante impulsor de esta reunión.

El REPRESENTANTE PERMANENTE DEL ECUADOR: Gracias, señor Presidente.

Señor Presidente del Consejo Permanente, señor Presidente de la CEPCIDI, señor Secretario General, señores panelistas, señores Embajadores y señores Representantes, como ustedes saben, la deuda es una pesada carga para los Estados. Es un problema ya tradicional que tiene muchas interrelaciones, vertientes y factores. Su impacto y consecuencias inciden en realidad y en verdad afectan al desarrollo económico y social de nuestros pueblos.

La Asamblea General de Quito abordó el problema y encomendó llevar a cabo esta sesión conjunta del Consejo Permanente y la CEPCIDI, haciendo que de alguna manera nuestra Organización se ocupe también del mismo y tenga alguna voz al respecto.

Señores, no se trata del no pago sino de conocer diferentes visiones sobre el alivio del agobiante peso. Se trata de hablar de la cooperación internacional, de conversar con franqueza sobre comercio justo y equitativo para facilitar precisamente el pago. Se trata de las necesidades del financiamiento para el desarrollo. En definitiva, se trata de combatir la creciente pobreza de nuestro hemisferio.

El Grupo de Trabajo que ha tenido el honor de presidir ha preparado y recogido amplia información sobre el tema. Esa información está disponible y ha sido repartida a las diferentes Misiones. Igualmente, agradezco a la Oficina de Comercio, Crecimiento y Competitividad de la Secretaría General de la OEA por su laborioso afán en este tema.

Vamos a tener la oportunidad de escuchar los planteamientos y puntos de vista de prestantes expertos en la materia. Me detengo en este momento porque creo que ustedes tienen interés en escucharlos.

Gracias, señor Presidente.

El PRESIDENTE: Muchas gracias, distinguido Embajador.

#### PALABRAS DEL SECRETARIO EJECUTIVO DE LA SECRETARÍA EJECUTIVA PARA EL DESARROLLO INTEGRAL

El PRESIDENTE: Concedo ahora la palabra al señor Brian Stevenson, el Secretario Ejecutivo de la Secretaría Ejecutiva para el Desarrollo Integral, SEDI, de la Organización de los Estados Americanos.

El SECRETARIO EJECUTIVO DE LA SECRETARÍA EJECUTIVA PARA EL DESARROLLO INTEGRAL: Gracias, señor Presidente. Embajador Luigi Einaudi, Secretario General Interino; Embajador Alberto Borea, Presidente del Consejo Permanente; Embajador Salvador Rodezno, Presidente de la CEPCIDI; Embajador Marcelo Hervas, Presidente del Grupo de Trabajo sobre Comercio, Deuda y Financiamiento; señor José Manuel Salazar-Xirinachs, Director de la Oficina de Comercio, Crecimiento y Competitividad; miembros del Consejo Permanente y de la CEPCIDI; panelistas; señoras y señores:

Para la Secretaría Ejecutiva para el Desarrollo Integral de la OEA es un gran placer estar aquí con ustedes hoy y, a través de la Oficina de Comercio, Crecimiento y Competitividad, haber apoyado al Consejo Permanente y la CEPCIDI en la organización de esta importante reunión.

La celebración de este evento constituye un motivo de particular interés para la SEDI por cuanto nos permite discutir temas complejos de política económica que involucran a varias de las autoridades económicas de los países, en este caso, principalmente a Ministros de Finanzas o Economía y Ministros de Comercio en pro del desarrollo en una importante instancia política de la OEA.

En la SEDI estamos convencidos de que para encontrar soluciones a los problemas económicos que nos afectan, no es suficiente confiar en las innovadoras soluciones que pueden proponer los técnicos en política económica, sino que es también imprescindible el proceso de diálogo político que legitime la adopción de reformas de manera consensuada y bien informada.

Además, aunque importante, el estudio de las mejores prácticas internacionales no es suficiente. Toda política exitosa de desarrollo necesariamente pasa por un proceso de adaptación a las particularidades internacionales y locales y a los contextos económicos y políticos específicos de los países.

Por eso yo espero que las estimadas Delegaciones hayan aprovechado la instancia que se les hizo de invitar a autoridades financieras de sus países para participar el día de hoy en el amplio



tiempo que se ha reservado en el programa para las intervenciones de las Delegaciones, más allá de las intervenciones de los expertos representantes de las instituciones.

La actividad del día de hoy es una forma concreta en que la SEDI cumple con su objetivo primordial de promover el desarrollo integral en los países miembros de la OEA a través del diálogo y el trabajo coordinado de las instituciones líderes en cada tema.

Es para mí un placer dejar con ustedes al señor José Manuel Salazar-Xirinachs, Director de la Oficina de Comercio, Crecimiento y Competitividad.

El PRESIDENTE: Gracias, Brian.

#### PALABRAS DEL DIRECTOR DE LA OFICINA DE COMERCIO, CRECIMIENTO Y COMPETITIVIDAD

El PRESIDENTE: Ofrezco la palabra al señor José Manuel Salazar-Xirinachs, Director de la Oficina de Comercio, Crecimiento y Competitividad de la Organización de los Estados Americanos.

El DIRECTOR DE LA OFICINA DE COMERCIO, CRECIMIENTO Y COMPETITIVIDAD: Señor Embajador Alberto Borea, Presidente del Consejo Permanente; Embajador Luigi Einaudi, Secretario General Interino; Embajador Marcelo Hervas, Presidente del Grupo de Trabajo sobre Comercio, Deuda y Financiamiento; señor Brian Stevenson, Secretario Ejecutivo para el Desarrollo Integral; estimados Embajadores Representantes Permanentes miembros del Consejo Permanente y de la CEPCIDI; estimados conferencistas y panelistas:

Para nosotros en la Oficina de Comercio, Crecimiento y Competitividad ha sido un privilegio poder apoyarlos a ustedes, al Consejo Permanente y a la CEPCIDI, en los preparativos para la realización de esta sesión conjunta. Quiero en particular agradecer el apoyo del Embajador Marcelo Hervas en nuestro trabajo preparatorio por su liderazgo en este tema.

El tema que nos convoca hoy es de singular relevancia para el desarrollo económico y social de los países de la región. Dos de los determinantes fundamentales del crecimiento económico y, por lo tanto, de las posibilidades de reducir la pobreza en los países de la región son el comercio y el financiamiento para su desarrollo.

En cuanto al tema del financiamiento, existe preocupación por la posibilidad de que la excesiva carga de la deuda, que muchos países de América Latina y el Caribe arrastran desde la crisis económica de los años ochenta, así como su limitado acceso a los mercados internacionales de capitales, dependiendo del momento internacional, pueda estar mermando la capacidad de estos países de aprovechar las oportunidades de crecimiento que abren los tratados de libre comercio y, por ende, las posibilidades de reducción de la pobreza.

Este tema tiene particular relevancia en un momento en que la mayoría de los países de la región participan simultáneamente en negociaciones de liberalización comercial e inversiones en los ámbitos multilateral, regional e incluso bilateral, ya que el pleno aprovechamiento de las oportunidades creadas por esos acuerdos comerciales requerirá de una agenda complementaria de

inversiones en infraestructura, en capital humano, en fortalecimiento institucional, en políticas sociales y en otras áreas, a la vez que los ingresos fiscales provenientes de los impuestos al comercio se reducen precisamente a causa del mismo proceso de liberalización.

Muchos piensan que la economía mundial y el pleno aprovechamiento de los tratados de libre comercio requieren un *big push* en inversiones en estas áreas, clave para el crecimiento y la productividad, lo cual establece una conexión directa entre la liberalización comercial y las posibilidades de financiar ese proceso de modernización productiva, de promoción, de competitividad y de política social para hacer lo que podríamos llamar una “integración socialmente responsable”.

Notarán que hemos dividido el programa del día de hoy en discusiones alrededor de dos grandes temas: primero, alivio de la deuda, crecimiento y reducción de la pobreza; y segundo, comercio y desarrollo económico, incluyendo allí el tema del financiamiento al comercio. Hemos incluido en el programa que se ha distribuido algunas de las principales preguntas bajo cada tema. Además, hemos distribuido por separado un documento que contiene información básica sobre cada uno de los temas y una breve explicación de cada uno de ellos.

Pero lo más importante es que tenemos el privilegio de contar con connotados expertos en cada tema. Algunos de ellos son formuladores de políticas en sus respectivas instituciones en los temas a los que se referirán. Otros son analistas externos de esos mismos temas con visiones objetivas y provocadoras. Muchas gracias por adelantado a todos y cada uno de ustedes, señores conferencistas que nos acompañan. Es la presencia de ustedes lo que realmente garantiza la alta calidad que estoy seguro que va a tener la jornada de hoy.

Muchas gracias.

El PRESIDENTE: Muchas gracias, José Manuel. Quiero agradecer también la presencia del señor Alfonso Quiñónez en esta mesa.

## MÓDULO I: ALIVIO DE LA DEUDA, CRECIMIENTO Y REDUCCION DE LA POBREZA

El PRESIDENTE: Para conducir el panel, otorgar la palabra, presentar a los expositores y conducir esta sesión, voy a pedir la colaboración del promotor de esta idea, al Embajador Marcelo Hervas. Tanto el Presidente de la CEPACI como el Presidente del Consejo Permanente hemos acordado pedirle a Marcelo que nos ayude en esta tarea. Por favor, Embajador Hervas.

### PANEL 1: INICIATIVA DE PAÍSES POBRES ALTAMENTE ENDEUDADOS (HIPC)

El MODERADOR: Sin más preámbulos, queremos iniciar nuestro primer panel “Alivio de la deuda, crecimiento y reducción de la pobreza”. Invitamos a nuestro panelista Vikram Nehru, Director del Departamento de Deuda, del Banco Mundial.

[Pausa.]

EI DIRECTOR DEL DEPARTAMENTO DE DEUDA DEL BANCO MUNDIAL: Thank you very much, excellencies. Ladies and gentlemen, it's an honor to be here today.

I have very little time and this is a big topic, so with the assistance of my colleague, Mr. Semb, I have decided to give you a quick overview of the Heavily Indebted Poor Countries (HIPC) Initiative in the broadest possible terms, and then Mr. Semb will delve deeper into the issues of the four Latin American HIPC's and their particular experience.

Let's begin with the objectives of the HIPC Initiative. The first clear objective of the Initiative was espoused in 1996, and it is to reduce the external debt of the poorest countries. When the Initiative was expanded in 1999, a link between debt relief and increased spending on poverty-reducing expenditure was created. Now, there isn't a dollar-to-dollar effect, but the intention is that countries that save through debt relief, because they pay lower debt service, would then use those savings for poverty reduction. They would not use it to buy presidential jets or build presidential palaces or wage wars; rather, they would use it to help the poor.

When we look at these two objectives—and these really are the only two objectives of the Initiative—several things jump out.

First, nothing here says that debt relief will guarantee growth, poverty reduction, or debt sustainability, because it was recognized that debt relief would contribute towards these objectives but could never guarantee them. Obviously, debt relief is only one part of a broader development architecture required in these poorest countries. Many of the earlier speakers mentioned the importance, for example, of a worldwide trading environment that helps the poorest countries. It is also important that the countries themselves have good policy performance and that the governments have good governance standards. All of these things are necessary; debt relief is only one of those many building blocks for good development.

Obviously, for countries to be eligible for the HIPC Initiative, they have to be poor. The definition that we employ for these low-income countries is that they have to be IDA-only; that is, they have access to the International Development Association (IDA) funds of the World Bank or to the Poverty Reduction Growth Facility (PRGF) of the International Monetary Fund (IMF). These are pretty stringent criteria. Countries do need to be very poor in order to get access to these facilities.

Second, they have to be heavily indebted. The definition that we use is that the debt burden, here defined as the net present value (NPV) of debt or exports, should exceed 150 percent after all the traditional mechanisms for debt relief are provided. Net present value is a concept that economists use to translate all the concessional loans that these countries receive into their commercial loan equivalent. It is a way that we can compare across countries the exact debt burden of a country. When countries have large amounts of trade, particularly open economies, there is a second trigger, the 250 percent NPV debt over government revenues threshold, which can be employed in those special cases.

Third, when the HIPC Initiative was designed, creditors wanted to ensure that countries that were helped were countries that were helping themselves, so it was important that these countries had a good track record of reform. I'll go into exactly what that means.

When the Initiative was launched, 42 eligible countries were identified. Four were in Latin America (Bolivia, Guyana, Honduras, and Nicaragua); three were in East Asia (Lao People's Democratic Republic, Myanmar, and Vietnam); and 35 were in Africa. Of these 42 countries, after having done some analysis, we deemed that Vietnam, Yemen, Kenya, and Angola were not heavily indebted according to this particular definition and, therefore, they have dropped out. We therefore have focused on 38 countries.

Let me give a quick summary of the HIPC Initiative process and what we actually do. When we believe a HIPC is ready to get debt relief, we prepare preliminary documents. Then a country reaches the decision point, at which time creditors commit to provide debt relief. Then, there is a completion point when creditors commit to providing debt relief irrevocably, unconditionally. There are no conditions attached after the completion point and debt relief is provided, so it is a legal agreement between creditors and borrowers.

Let's go through this HIPC process. I hope you can see this on the slide; some of you are very far away. It simply says these are predecision point countries, ones that we believe have the standards of governance and so forth and are ready to receive debt relief. Then, they reach the decision point requirements, which are very simple:

1. Countries have to prepare an interim poverty reduction strategy paper, which simply states the process by which the government intends to prepare a poverty reduction strategy and the current status of the poor—who they are, where they live, basic statistics on poverty.
2. There has to be satisfactory performance under an IMF Poverty Reduction Growth Facility (PRGF) program for at least six months.

If the governments satisfy these two requirements and, of course, if they are eligible for debt relief, then the creditors commit to providing them with debt relief.

The countries then enter the interim period, which is the period between the decision and completion points, and immediately begin to receive interim debt relief. Many multilateral creditors, including the World Bank, the IMF, and the Inter-American Development Bank (IDB); and many bilateral creditors, especially the Paris Club, start providing debt relief immediately when countries reach the decision point, so there is no delay in the delivery of such relief.

There are some floating completion point requirements, which are a little more stringent than the decision point requirements, and the term "floating completion point" means that there is no predetermined date; it can be whenever the completion point requirements are met. The requirements are:

1. Continued economic stability, as evidenced by an IMF-PRGF program;
2. Implementation of the PRGF strategy for at least one year; and
3. Structural reforms that provide evidence that these countries are helping themselves or doing things that will accelerate growth and reduce poverty.

If these three conditions are met, countries are deemed to have reached completion point and debt relief is provided irrevocably by the creditors.

If, between the decision and completion points, the debt ratios of these countries once again go above the 150 or 250 percent thresholds for reasons that are outside their control, such as an exogenous shock, then there is a facility called “topping up” whereby additional debt relief is provided at the completion point to once again reduce the debt burden to 150 or 250 percent, depending upon which threshold is used.

Finally, countries get to the post-completion point period. By that point they are supposed to have debt ratios at 150 percent or below, and they are expected to join once again the family of low-income countries, re-establish their contacts with creditors, and continue with their development programs.

Once countries get HIPC relief, there is no double dipping. They can't come back and get more HIPC relief. They graduate, and that's it; you graduate just once.

Seventeen countries have reached completion point so far. Just last week, Honduras and Zambia reached completion point. We hope that Rwanda will reach completion point on Tuesday next week, and that will bring the number of completion point countries to 18. Ten countries are in the interim period, and if Rwanda reaches completion point on Tuesday, that number will become nine. Eleven countries are at predecision point. They represent a real challenge because these countries, such as Liberia, Somalia, and the Ivory Coast, face enormous problems of civil strife and unrest. Their governance standards are very weak, so they don't have the minimum standards needed to meet even the decision point requirements of the HIPC Initiative. They represent a true challenge to the international community to get them to the decision point so that they can start benefiting from debt relief.

What has been done so far? Fifty-four billion dollars in lower debt service payment has gone to the 27 countries that have gone past the decision point. That means, roughly speaking, that the NPV of their debt has been cut by something like two thirds with other forms of debt relief, including the Paris Club debt relief, that are provided. Their debt service ratios have declined quite substantially, and there is now considerable evidence that these countries are indeed using the resources from debt relief for poverty reduction, so there are some positive developments regarding HIPC.

This graph shows that prior to HIPC, the 27 countries that are benefiting had \$83 billion in debt in NPV terms. That total will be brought down in successive stages to \$27 billion if all the debt relief that has been committed is actually delivered.

The four Latin American HIPCs had the equivalent of \$16 billion in debt in NPV terms prior to HIPC, and this is expected to be brought down to \$6 billion in NPV terms after HIPC, once again, provided that all debt relief is delivered as promised.

Here are some very straightforward debt indicators. Before HIPC, the NPV debt-to-export ratio, for example, was 274 percent on average for the 27 countries. As of 2004 and after HIPC, it has been brought down to about 141 percent. These are preliminary estimates. If you compare them

with non-HIPC low-income countries, which are their appropriate comparator, they are about where everybody else is. Non-HIPC low-income countries have a ratio of 143 percent, and if you go through all the other debt burden ratios, you can see that the countries that are benefiting from relief have ratios that are more or less in line with the ratios of other low-income countries.

That gives you a very broad overview of the HIPC Initiative, but I want to come back to two or three points that I made during the presentation so that you leave with these clear messages.

First, as I mentioned right at the beginning, debt relief is only one building block in a broader development architecture, and unless the other elements of that architecture are in place, countries would find it extremely difficult to progress along their development paths. So not just debt relief, but a lot of other things have to go right.

Second, there has been a lot of progress in debt reduction under the HIPC Initiative, but there are still a lot of challenges. To my mind, the biggest challenge is getting those 11 countries that are predecision point to decision point. We hope that in the near future, countries like Burundi and maybe Sudan can reach decision point, but a lot has to go right in those countries.

Third, I said earlier that these debt ratios will decline if all the debt relief was delivered as promised. Some creditors, primarily non-Paris Club bilateral creditors, as well commercial creditors to these countries, have not been delivering debt relief or have refused to deliver debt relief. Indeed, some commercial creditors have been litigating against these countries in courts in the United States and the United Kingdom to get their entire payment of debt. This represents a major challenge that we need to overcome.

Fourth, even with HIPC debt relief, the debt burdens of many of the countries that have been going through the HIPC process have started rising again. This, in a sense, amplifies my first point: if these countries grow slowly but continue to borrow, then it is almost inevitable that their debt ratios will climb. So it is very important that the international community develop a system of financing for those countries that does not contribute to a future debt crisis, but rather supports the efforts of these countries to meet the Millennium Development Goals (MDGs) while maintaining debt sustainability. To this end, the World Bank and the IMF have prepared a new debt sustainability framework, which we hope will be discussed on Monday and Tuesday next week and will be brought into effect. That, we hope, will be supported by other creditors around the world.

Thank you very much.

El MODERADOR: Agradecemos la ilustrativa intervención del doctor Nehru. A continuación, escucharemos al doctor Helge Semb, Jefe de la División de Países 3 del Departamento Regional de Operaciones 2 del Banco Interamericano de Desarrollo (BID).

El JEFE DE LA DIVISIÓN DE PAÍSES 3 DEL DEPARTAMENTO REGIONAL DE OPERACIONES 2 DEL BID: Excellencies, ladies and gentlemen, good morning!

It is a pleasure and a privilege to be participating as a speaker in this important forum organized by the Organization of American States. I would like to start by presenting the situation of the Heavily Indebted Poor Countries (HIPCs) in our region prior to their participation in the Initiative.

As Mr. Nehru pointed out, there are four HIPC in Latin America and the Caribbean: Bolivia, Guyana, Honduras, and Nicaragua. Bolivia and Guyana joined the Initiative in 1997, while Nicaragua and Honduras joined in 1999. Mr. Nehru also pointed out that to join the Initiative at the so-called decision point, countries should exceed either the threshold ratio, calculated as the net present value (NPV) of external debt to exports or the NPV of the debt-to-revenue ratio. Honduras and Guyana qualified for the HIPC Initiative on the basis of the fiscal criteria; Bolivia and Nicaragua on the export criteria.

Prior to joining the HIPC Initiative, the per capita social expenditure in these four countries was between four and seven times the Latin American average. The economic reforms that the four countries underwent during the 1990s, even earlier in the case of Bolivia and Guyana, had achieved only partial transformation of these economies. Indeed, the reforms proved insufficient to foster rapid economic growth and to reduce poverty. In other words, unsustainable indebtedness, high levels of poverty, and economic growth that did not take off demanded an aggressive social agenda to breach the welfare gaps between the four countries and the rest of Latin America and the Caribbean. In this situation, the HIPC Initiative attracted widespread attention by proposing substantive debt relief geared towards increasing well-targeted poverty reduction projects.

The obvious question then is: What has happened to these four countries since they joined the Initiative? Total debt relief to the four countries amounted to \$8 billion, of which the Inter-American Development Bank (IDB) is expected to contribute about \$1.1 billion or 14 percent of the total. Delays in reaching completion point in Honduras and the relatively small participation of Guyana meant that most of the debt relief provided so far has accrued to Bolivia and Nicaragua.

Per capita debt service in all four countries has declined since their eligibility to the HIPC Initiative. In Bolivia, this occurred only after 2000. This reduction is all the more significant because it has taken place in a period when debt service has increased in Latin America and the Caribbean as a whole. The decrease in debt service in the four countries has contributed to substantively increased per capita social expenditures.

Poverty reduction shows a less optimistic picture. Both poverty and extreme poverty have decreased slightly in Honduras and Nicaragua, while poverty and extreme poverty have increased in Bolivia since its participation in the Initiative. Economic growth in Honduras and Nicaragua accelerated after they joined the Initiative, partly because of important reconstruction financial flows after Hurricane Mitch. In Bolivia and Guyana, economic growth has slowed down.

Establishing direct causalities is a very risky business, but I think it is fair to say that deteriorating terms of trade, increasing fiscal deficits, and sluggish investments play an important role in explaining the limited poverty reduction observed in the four Latin American and Caribbean HIPC countries. Then, if socioeconomic trends have not changed dramatically in the four countries after joining HIPC, can we at least expect that their debts will remain sustainable after they reach completion point? The macroeconomic difficulties faced by the HIPC countries during the interim period; that is, between decision point and completion point, have impacted their indebtedness levels, which were higher than expected in terms of the NPV of external debt to export ratio and the NPV of debt to revenue ratio. Once again, sluggish economic growth, export earning volatility, and delays in arriving at their completion points may explain a good deal of the weaker position of the four countries in our region.

Notwithstanding this situation, sustainability studies conducted by the IMF indicate that the current debt position and projected future relief are consistent with the sustainable debt path, but there are serious threats to debt sustainability. Available analyses single out the following challenges:

1. lower than expected economic growth in Honduras and Nicaragua;
2. rising indebtedness in Guyana; and
3. the future of the energy sector in Bolivia.

However, it is believed that sustainability could be jeopardized only to the extent that such threats are severe and persistent over time. According to the IMF, transitory shocks should not compromise debt sustainability after completion point as long as countries maintain responsible domestic policies.

Let me turn to the most recent developments of the HIPC Initiative. The underperformance of economic growth and the slow reduction of poverty observed in the four HIPC countries in our region have led to some rethinking of the Initiative, specifically of the poverty reduction strategies. Although the original emphasis on human capital investments and social protection is maintained, poor economic growth has moved to the forefront of recent discussions. While human capital investments remain highly relevant, the new emphasis implies that the growth pillar of the poverty reduction strategies is strengthened or given a protagonistic role. This happens to revitalization of important investments in the infrastructure and in highly productive sectors, such as the *maquila* in agriculture, forestry exports, and tourism. The scaling up of production in clusters is also regarded as a strategy to increase competitiveness and to help face the challenges of integration and globalization.

Another development in the HIPC Initiative is the increasing effort to align poverty reduction strategies with the new financing facilities of the international financial institutions (IFIs), such as the IMF, the World Bank, the IDB, and other organizations, with the Millennium Development Goals (MDGs) sponsored by the United Nations; the new growth-promoting initiative of the United States, the Millennium Challenge Account (MCA); and the incipient initiatives or 100 percent debt relief initiative under discussion at the G7. This is also related to the discussion of aid effectiveness and the Paris Declaration on Aid Effectiveness.

While the rhetorical commitment from most quarters for more coordination is strong, in real life, progress is slow. There are, however, pilot exercises that show that effective coordination is possible; for example, sectorized financed programs, such as Education for All and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Under these circumstances, what are the major challenges for the HIPC Initiative and the poverty reduction strategies? In general, we should keep in mind that the Initiative is a relatively new instrument. It is still under construction and is part of a dialogue involving numerous and very diverse parties. This implies that the process ahead will necessarily go through a certain amount of trial and error.

In the first five years of the Initiative, the countries, the donors, and the IFIs have accumulated a wealth of experiences. In my view, the following challenges deserve to be mentioned.



First: maintaining debt sustainability. As I said, there are many unanswered questions regarding the Initiative, but one thing is clear: the countries need macroeconomic stability for growth. Thus, a major challenge is the maintenance of debt at sustainable levels after countries graduate and pass the completion points. Debt sustainability will mainly depend on internal factors, such as authorities' willingness to maintain adequate fiscal policies, but also on the evolution of exogenous factors, such as the performance of the international markets, as well as the occurrence of external shocks, such as high oil prices or natural disasters.

Second: country ownership. Everybody agrees that national ownership of the HIPC Initiative and the poverty reduction strategies remains a major prerequisite for success and sustainability; that is, ownership that goes beyond that of the governments of the countries. Another prerequisite is the participation of civil society in the process. Both prerequisites or concepts are under construction and imply that there are unsolved issues in the design of the Initiative. As an example, there are tensions, we know, between country ownership and conditionalities, between ownership and implementation timetables, between implementation timetables and meaningful participation processes.

I don't recall if Mr. Nehru touched on this, but the IMF, the World Bank, and other parties are evaluating the first five years of the poverty reduction strategies. There is a wealth of information in those evaluations that underpins what I have just said about the various tensions.

Third: country leadership in harmonization and alignment. Regarding the asymmetries of the parties involved and the constant arrival of new initiatives, it is vital that somebody be in the driver's seat to organize the process. This somebody has to be the government of the recipient country. There is common agreement on this point among the different parties, but there is lack of consistency between the rhetoric and action. It is necessary that the recipient country's institutional capacity be strengthened and that the donors and the IFIs adapt their policies and procedures to support true country leadership.

Let me conclude this presentation by emphasizing that the HIPC Initiative emerged in the context of unsustainable indebtedness, underperforming economic growth, increasing fiscal deficits, and slow poverty reduction. Increasing social expenditures to maintain or accelerate welfare gains might have become very difficult in the four countries in the absence of HIPC debt relief. Thanks to the HIPC Initiative, debt service has been reduced substantially in per capita terms. At the same time, per capita social expenditures have increased and have certainly contributed to maintaining welfare trends in the countries, but they have been insufficient to accelerate the reduction of poverty. In other words, the Initiative has contributed to the protection of welfare in hard times, but more efforts are needed to reduce poverty.

It is expected that the HIPC Initiative will allow the four countries in our region to return to a sustainable debt path. As mentioned, the current debt position of the countries is believed to be sound, but it may well be affected by a series of factors, from unpredictable trade shocks to negligent domestic policies. Debt relief will only render a sustainable path for the countries inasmuch as they maintain responsible policies. This means that debt relief is not a substitute for coherent fiscal and economic management and sound growth policies. Indeed, the experiences so far show that economic growth is a cornerstone of any successful poverty reduction strategy.

Last but not least, let us bear in mind that in the context of the HIPC Initiative, we are dealing with instruments and procedures that are necessary but not sufficient for poverty reduction. These instruments and procedures must be at the service of public policies and sustained by wide political agreement in each of the recipient countries in the framework of permanent efforts for democratic consolidation with growth and equity. The IDB remains committed to and will continue to support such efforts in the region.

Thank you.

El MODERADOR: Agradecemos la disertación del doctor Semb del Banco Interamericano de Desarrollo.

PANEL 2: SERVICIO Y PESO DE LA DEUDA DE PAÍSES DE INGRESOS BAJOS Y MEDIOS  
QUE NO SE BENEFICIAN DE LA INICIATIVA HIPC:  
EL PAPEL DE LOS BANCOS COMERCIALES Y DE LOS INVERSIONISTAS PRIVADOS

El MODERADOR: A continuación, abordaremos el tema “Servicio y peso de la deuda de países de ingresos bajos y medios que no se benefician de la iniciativa HIPC: El papel de los bancos comerciales y de los inversionistas privados”. Invitamos a nuestro panelista, el doctor Jian-Ye Wang, Jefe de División Adjunto del Departamento de Desarrollo y Revisión de Política del Fondo Monetario Internacional (FMI). [Pausa.]

Igualmente, a continuación del doctor Wang, intervendrá el doctor Otaviano Canuto, Director Ejecutivo del Banco Mundial por Brasil, Colombia, Ecuador, Filipinas, Haití, Panamá, República Dominicana, Suriname y Trinidad y Tobago. Dentro de este panel, finalizará el doctor James Barrineau, Vicepresidente *Senior* de Alliance Capital. [Pausa.]

Intervendrá también para finalizar este panel el doctor David Wyss, Economista Jefe de Standard & Poor’s.

El JEFE DE DIVISIÓN ADJUNTO DEL DEPARTAMENTO DE DESARROLLO Y REVISIÓN DE POLÍTICA DEL FMI: Thank you, Mr. Moderator. Good morning, ladies and gentlemen!

My topic is debt sustainability in non-Heavily Indebted Poor Countries (HIPC). Is debt sustainability a systematic problem in non-HIPC developing countries? Here are a few ratios based on the World Bank’s Global Development Finance (GDF) data base.

The first column on the left-hand side shows the developing countries’ average. The second column is the non-HIPC low-income countries (LICs), and the last column is the 27 HIPCs that will have reached decision point by the end of March 2005. I should add one more column for reference: the HIPC Initiative debt sustainability threshold.

The net present value (NPV) to export ratio is 150 percent; the debt service to export ratio is about 15 to 20 percent. This table shows that on average in 2001, the net present value to export ratio of developing countries, including middle- and low-income countries, was below the HIPC Initiative

threshold of 150 percent. Their debt service ratio is also within the range of 15 to 20 percent. The NPV to export ratio is a bit higher for non-HIPC LICs, but their debt service ratio is a bit lower. A large part of their debt is concessional, and most of the debt of middle-income countries (MICs) is on market terms, so it is nonconcessional. This ratio indicates—it is not clear—that debt sustainability is a systematic problem for non-HIPCs. However, average numbers mask a big difference across countries. It should be pointed out that the risk of debt distress can still be high in many developing countries, including HIPCs. We know that in some HIPCs, the debt ratio has increased after receiving debt relief under the HIPC Initiative.

Turning to Latin America, the first slide shows the numbers in 2001 and 2002. In the last few years, especially after the financial crises in a few countries in the region, we saw domestic policy adjustments, including fiscal consolidation, reduction of fiscal deficits and a move toward a flexible exchange rate, which increases the flexibility of the economy to deal with external shocks, as well as build-up of official reserves.

Seven countries in the region—Argentina, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela—increased their official reserves from \$150 billion at the beginning of 2003 to more than \$200 billion by the end of 2004. These are positive developments. In addition, their share of trade in gross domestic product (GDP) has increased, meaning that there is a greater trade orientation.

In the current international environment, interest rates are low. Many countries in the region are exporters of commodities, and they benefit from high commodity prices. So this slide shows that in the last few years, the payment capacity and debt burden situation, on average and in general, has been improving for countries in the region.

However, many countries in Latin America still have very large external financing requirements and remain vulnerable to external shocks. As I mentioned, the international environment is pretty good, with low interest rates and high commodity prices. However, there are risks ahead, depending on how the huge global financial imbalances unwind in major countries. There could be a sudden, rapid increase in interest rates and commodity price volatility, and if the U.S. financial situation changed, that could weaken global growth. That would be a shock to the region. The key to reduce vulnerability is to cut public debt ratios by pressing ahead with fiscal reforms and improving debt sustainability.

To maintain debt sustainability in non-HIPCs, you first need economic growth to increase fiscal and external payment capacity. Second, as we have seen in many countries, you need to increase self-insurance by building up official reserves. The third element is prudent debt management and sound economic policies. Here, we would include bringing down debt relative to payment capacity and shifting the composition of debt away from short-term, floating rate, and foreign-currency-linked debt.

We have seen change recently in the region. For instance, Brazil's debt maturity has been lengthened, and many other debt management measures have improved the debt profile.

In addition, to maintain sustainability in an enduring way, it is important to strengthen fiscal institutions, including building up a robust fiscal revenue system and rationalizing expenditure toward greater growth enhancement.

Finally, debt sustainability analysis (DSA) is a useful tool to help policy makers and market participants maintain debt sustainability. As mentioned by earlier speakers, the IMF and the World Bank have developed a DSA framework for LICs. It is a forward-looking framework aimed at providing a systematic analysis of key debt indicators, such as stock and flow indicators; analyzing the impact of plausible shocks—low-income countries are vulnerable to many shocks, such as financing conditions shock—and eventually establishing indicative thresholds, taking into account the quality of policies and institutions to guide debt management, borrowing policies in debtor countries, and the lending policies of creditors.

The IMF has also put in place a DSA framework for MICs that was adopted in 2002 and refined in 2003. This framework aims to provide a systematic analysis of debt dynamics for these countries, putting into a framework more streamlined, prudent, realistic medium-term projections, including growth and recognition of risks. This framework aims to help policy makers, the private sector, and other stakeholders strengthen crisis prevention, because the most important aspect of prevention is maintaining sustainability and reducing the risk of debt distress. The framework provides information for informed judgment, but DSA is only a tool and cannot replace judgment. Ultimately, debt payment is not only the ability to pay, but also the willingness to pay. It has a political dimension. However, this tool will help assess vulnerability and what is needed to maintain debt sustainability.

Thank you.

El MODERADOR: Agradecemos al doctor Wang. Tiene la palabra el doctor Otaviano Canuto del Banco Mundial.

El DIRECTOR EJECUTIVO DEL BANCO MUNDIAL POR BRASIL, COLOMBIA, ECUADOR, FILIPINAS, HAITÍ, PANAMÁ, REPÚBLICA DOMINICANA, SURINAME Y TRINIDAD Y TOBAGO: I thank your excellencies for allowing me the honor to be here.

I will attempt to be short, because Jian-Ye has touched upon several of the aspects that I wanted to highlight.

To understand and to treat appropriately the issue of debt service and debt burden of non-Heavily Indebted Poor Countries (HIPCs) low-income countries (LICs), including middle-income countries (MICs), we have to revisit some very basic concepts that will be necessary for us to develop our argument.

First, we must be clear in our minds about the several channels through which public and/or foreign indebtedness affect growth and poverty reduction. This distinction between public and foreign indebtedness is, in the case of non-HIPCs, a crucial one that sometimes is forgotten.

There are three or four channels through which high foreign indebtedness may hurt growth and poverty reduction. Jian-Ye treated the first channel: fears regarding debt sustainability. Debt sustainability refers to being able to service a given stock of debt without resorting to exceptional finance or a major future correction in the balance of income and expenditure.

There are two possible approaches to debt sustainability. One is to refer to the present net worth; that is, the net present value (NPV) of assets vis-à-vis the NPV of liabilities. A debt pardon is unsustainable when the NPV of assets is not sufficient to cover the net present value of liabilities.

The other approach is to consider the flows. Given the inevitable asymmetry of information, the downside risks, and the pure uncertainty in any assessment of future policies, both flow and stock perspectives on debt sustainability tend to be blurred in the real world. This is because strong liquidity constraints in countries can trigger fundamental changes and may turn an otherwise sustainable path into an unsustainable one, depending on the conditions at the starting point of the analysis.

High public indebtedness, which is a different animal, has its own channels through which it can affect poverty reduction and growth. In this case, the sustainability fears are related to whether a given stock of public debt can be served without resorting to exceptional finance. If the debt is not sustainable, a major future correction in the value of public liabilities will result in either an orderly or a disorderly fashion. Of course in this case, the fears about sustainability hurt growth and poverty reduction via the high risk of premia that are associated with local interest rates, thus discouraging private investments.

But one also has to take into account debt overhang; that is, we have to take into account the fact that debt is a binding constraint to growth, to the extent that increased taxation of future output to service debt reduces the expected return on private investment. This, of course, is a channel through which the debt burdens may negatively affect investor confidence.

Also, we should not forget that high fiscal debt may crowd out the private use of available savings rates and discourage private investments. Lower fiscal space may hurt not only public investments that are complementary to private investments, but also social policies.

Market-access countries (MACs) are different from HIPCs and non-HIPC LICs, which don't have market access. MACs could alternatively be called immersion markets, even though that label is very restrictive, but generally MACs are developing countries that are able to borrow from private, international capital markets.

The two kinds of countries are at different development stages. In LICs, foreign and public indebtedness are almost the same and official finance predominates, whereas MACs have a more complex interaction of balance sheets. There are economy-wide foreign net liabilities, but there's also the issue of public sector assets and liabilities that do not match perfectly with foreign net indebtedness. Then there's the role of the local private financial sector, as well as that of the nonfinancial private sector. Of course, this higher level of integration is what characterizes the MACs.

It is not by chance that the dynamics of growth and crises faced by MACs have been strongly associated with capital account crises and sudden stops in private capital flows. There are costs as well as benefits associated with so-called debt relief. It is not by chance that in the case of MACs, debt relief by force is a result of a process rather than a policy. There is no such thing as a responsible policy for going through debt relief by force. The experiences that lead to debt relief by force result from tragedy and are usually a manifestation of failure in a previous strategy. It is not by

policy design, as has been the case for HIPCs. Given the complex interactions between balance sheets and that the level of development of MACs hinges upon the development of domestic financial markets, intermediation, and independent private investment, the costs associated with drastic and involuntary changes in liabilities create debt intolerance and long-enduring risks.

There isn't enough time to tell the different experiences with respect to the recent crises associated with capital account sudden stops, taking into account the complex interaction among the several sectors that comprise MACs. On the one hand, there's the case of Argentina and Uruguay, and on the other, the case of Brazil and Peru.

The bottom line is that insofar as MACs are concerned, the need to be established through policy improvement is vital. There is no way to escape policy improvement as a means to reduce, with time, the remaining public or foreign indebtedness problems that permeate MACs in Latin America. I had planned to say something about the recent developments, but Jian-Ye has already aptly described them.

Let me issue a final caveat, even to my colleagues from multilateral institutions. Domestic public indebtedness is not the same as foreign indebtedness. We should be sufficiently cautious to not simply interchange statistics and observe the increase in public and domestic debt in Latin America as if it were a problem of the same nature as the old foreign debt problems. Why? Because at least in some countries in our region, the increase in public domestic debt has been an outcome of successful institutional development. It has also meant lower imbalances in terms of currency mismatches, liability mismatches, and so on.

So, given the fact that MACs are at a different stage of development to that typically experienced by LICs with no market access, debt relief has to be discussed within the appropriate context so as not to lead us to consider lessons out of context and, of course, with unexpected results.

Thank you, Mr. Chairman.

El MODERADOR: Muchas gracias, doctor Canuto. A continuación, intervendrá el señor James Barrineau de Alliance Capital.

El VICEPRESIDENTE SENIOR DE ALLIANCE CAPITAL: Thank you.

I will give you a private creditor perspective on debt and debt restructuring. We at Alliance Capital manage and invest in about \$5.5 billion in Latin American debt.

The most recent example of a restructuring, obviously, is the Argentine case. I will give you a minority opinion on some of the lessons learned from Argentina, certainly a different opinion than what you heard from many creditors in the press as Argentina was restructuring.

The first thing you have to take into account in restructuring experiences is the starting point of the country. In Argentina's case, it was clear from the point at which they restructured that the restructuring would have to be extraordinarily punitive to creditors.

There are a number of myths about how private creditors experience and look at restructurings. One of them is that private creditors believe that they should not take large “haircuts” and that they are unfair, but in our view, the agreement or the “haircut” that Argentina came up with was necessary in order to make its debt stock sustainable post-restructuring.

When Argentina defaulted on its debt, it also had a currency board. To break from a currency board where you had any number of contracts in the economy indexed to the dollar, as well as your currency fixed, would imply blowing up your banking sector, which is exactly what happened. You add to those burdens the burden of paying for the debt. It is clear to me that the restructuring had to be extraordinarily punitive, so from our point of view, it was no surprise that Argentina tried to establish a deal that was more punitive than other debt restructurings that were accomplished by countries that had a flexible exchange rate and did not take the hit to the banking sector that Argentina did.

Is the Argentine restructuring a precedent for the rest of market-access, emerging market countries? Probably not. In our view, if you look at where the market was when Argentina restructured its debt, emerging market debt was trading at historically tight spreads to U.S. treasuries. The market was in no way worried about this being a precedent or afraid that the Argentina case was going to make investing in emerging markets more risky than it had otherwise been. That is clear from the way the market was reacting prior to the restructuring.

One of the other lessons of restructuring is certainly, and this has been alluded to, that countries pay a high price for restructurings, but we have gone through enough restructurings now as a market to recognize that after debt restructurings, markets always rally. Why do markets always rally? Because the growth prospects of the countries have been significantly enhanced because a debt overhang has been taken care of. In every single case that I can remember after the Asian crisis of '98, the market has rallied. It did in Uruguay, Ecuador, and Argentina. It has always been the case because market participants recognize that the growth prospects of countries have been significantly enhanced by debt restructuring.

That underscores a significant point, I think. Private creditors are looking for countries that can grow into their debt burdens. Both the market and, increasingly, the International Monetary Fund (IMF), have recognized that the solution for high debt burdens in the early 90s—ever-higher fiscal surpluses and ever-higher taxes—is not the solution now when the primary desire of both the countries and market participants is for countries to grow into their debt burdens. So a country's growth prospects and rate of growth are key to the private creditor's view of debt burdens in countries.

Another lesson that follows from the Argentine case is that we believe that countries are too heavily indebted in dollars. People are coming to see that it is far better for countries to be indebted in their local currencies than in dollars. There is a myth among many in the official community that private creditors like ourselves will somehow not invest in local currency debt because of the associated risks with currency. That is completely false.

The large growth in investing in emerging markets in the last 18 months has come in local currency investing. Uruguay has brought a local currency issue. Ecuador, although it is a dollarized

country, has brought a one-year issue that is considered a local issue, and we bought it. Colombia has done a significant job in shifting the composition of its debt from dollars to local currency.

To the extent that this continues and is accelerated by official policy, we think it is only for the better for the asset class and for the countries involved, because it is extremely difficult to run monetary policy, fight inflation, have competitive exchange rates, and worry about the effect of currency depreciation on your debt stock all at the same time. There are too many policy targets and not enough policy tools when you have a significant debt burden in dollars.

To the extent that debt burdens can be shifted to local currency, it's all for the better. Private creditors would welcome that. This is a significantly opportune time to do something like that, with commodity prices being high, global interest rates being exceedingly low, and global investors looking all over the world for global local currency opportunities. I see very few of them with high interest rates and, therefore, they are willing to take on additional risks in countries like Uruguay that are able to bring issues in their local currency.

The associated issue is countries opening up their capital accounts and allowing foreign investors like ourselves to come in and buy local currency treasury issues. With closed capital accounts, it is going to be very difficult for countries to shift their borrowing to local currencies. With open capital accounts, countries like Chile and Mexico are finding that the foreign appetite for local currency debt overwhelms the stock of local currency debt. In Mexico, the 10-year benchmark issue in Mexico is 83 percent owned by foreigners. When Chile revamped its *encaje* rules and opened up its international accounts, we were the first company to buy that debt. The only problem for us was that there wasn't enough of that debt to buy to go around to all of our different portfolios and clients. So the opportunities, if you open up capital accounts and allow foreign investors to arbitrage interest rates down, are considerable. Granted, there are legitimate concerns about hot money and foreign capital inflows, but having an overwhelming majority of the stock of your debt in your local currency is extremely beneficial and would overwhelm problems with hot money.

The developing issue is the growing stock of dollar reserves throughout the region. We would welcome even more aggressive use of reserves to facilitate the transference of the debt stock from dollars to local currency. Colombia is a great example of this; it has used its reserves aggressively to issue more peso paper. Mexico could easily get out of the U.S. dollar market tomorrow with the level of reserves it has. Oil producer countries throughout the region associated with the commodity boom and with growing dollar reserves and issue debt have this capacity.

When you think about market access for countries, you have to think outside the box. You would not think of countries like Nicaragua as market-access countries (MACs). We own Nicaraguan debt; we own Nicaraguan land compensation bonds. Countries have market access when they can issue debt to willing private creditors, and the field of countries that can do that is larger than you think because private creditors like us are willing to take on the risks of those countries.

El MODERADOR: Gracias, señor Barrineau. A continuación tiene la palabra el señor David Wyss, Economista Jefe de Standard & Poor's.

El ECONOMISTA JEFE DE STANDARD & POOR'S: Thank you, Excellency. I would like to thank your excellencies for inviting me to be here today.



I would like to start by looking from a global standpoint at what is happening to sovereign debt and then talk about Latin America.

If we go to slide 2, today we have more countries than ever with a debt rating. That's important because the debt rating is assigned, and you can access bond markets freely and reasonably clearly as long as you don't have a D rating. We also have today the most countries ever with investment grade ratings.

Moreover, the rating quality has been improving pretty steadily. We had a record number of upgrades last year. We've had very low default rates and, generally, strengthened economic growth, particularly in Asia. The outlook looks good through this year. Thirteen countries have a positive rating, and only eight have a negative rating. That means this will probably be the twelfth year in the last 13 that we have more sovereign upgrades than downgrades.

If you look at the ratings history on the next slide, you can see the general pattern. There has been a huge increase in the use of ratings since 1990 and, I think, a commensurate huge increase in the use of public bond markets as a source of borrowing by sovereigns.

Latin American ratings, on the other hand, have generally changed a little bit less, and obviously the credit quality has been generally significantly lower. While Latin American countries account for only 15 percent of rated issues, they account for about one third of speculative grade issues. Only two countries in Latin America have investment grade ratings at this point. The good news, though, is that it's pretty cheap now for even speculative grade borrowers to get money, partially because interest rates are low, with bond yields in the United States down at 4.4 percent on a 10-year treasury, but even more so because the spread between speculative grade issuance and U.S. treasuries is the lowest it has been in the history of the series. We got under 300 basis points a month ago. It has popped up just a little bit since, but it is still near record lows.

Slide 7, please. I keep telling people that if Standard & Poor's were perfect, there would only be two ratings in the world: bonds that will default and bonds that won't default. We are not quite that good, but we do try to make sure the probability of default is very clearly issued.

Next slide, please. Investment grade bonds, particularly AAA, AA, and A, have very low default risks, even over a 15-year period. To be in the investment grade category, you need a bond that is very, very unlikely to default. At the BBB level, it gets to be significant, but it's still only five percent after 15 years. The speculative grade rates get higher.

We expect, and markets expect, that over a quarter of the B bonds, for example, will default within a 15-year period, and that has to be priced into the yields that are received. One thing that we are worried about right now is that the spreads are still narrow. They are not adequately pricing in that risk, and we do expect those spreads to widen.

On the next slide, we had a record number of upgrades this year. Twenty-seven countries were upgraded; only seven received downgrades. That is a sign of strengthening credit quality throughout the world, but particularly among many of the less creditworthy issuers.

What has been the investors' reaction to defaults? Well, it's no surprise that investors don't like restructuring. They want to get paid back in full; they want their money back, but the evidence is that by and large, they understand that it does not always happen. They are not dumb; they've looked at the rating quality, and if anything, it looks to me like they have extremely short memories.

It seems to be extremely easy for countries or, for that matter, individuals to get back into borrowing after a default or bankruptcy, probably a little faster than in many cases they should. There is little evidence that even successive defaults keep investors away from lending money if the terms look attractive, in part because they'll look at a country that has just gone through a restructuring and say that debt is low, growth prospects are improved, as Mr. Barrineau indicated, and, therefore, this looks like a much better credit than it did before the restructuring.

Lending bounces back very quickly. We saw that after the Asian crisis in 1997 and 1998; 1998, incidentally, was the only year in which downgrades exceeded upgrades, but borrowers were right back in there in 1999 and lenders were quite willing to give them the money.

If we look at the sovereign default record for Latin America on slide 11, default is a normal condition. In fact, if we look at some of the countries, they have been in default longer than they have been out of default. That doesn't stop people from lending them the money. If we look at the number of defaults on the next slide, the top three countries have had a default every 20 years throughout their history. People keep lending them the money as long as the terms look attractive, because default is simply another business risk that you deal with as a lender.

If you look at the next slide, what we do worry about this year is that world growth is beginning to slow. Last year was probably the best year. It's the best year that we have had in 20 years for world gross domestic product (GDP) growth, and it will probably be the best year for a few more. Particularly in the industrial countries, but also in Asia and Latin America, we look for a little bit of a slowdown. This is happening at a time when interest rates are going up. U.S. interest rates and short-term rates are already up. They have been raised seven times to 2.75 percent; still very low. We've seen less of a movement in bond yields, but they are starting to move up as well. It is going to be more expensive to borrow money in an economic environment in which revenues are going to be growing more slowly.

In Latin America, on the next slide, growth rates have certainly trailed the Asian experience. Latin American growth has averaged 1.6 percent over the last ten years, about a third of the East Asian average. That gives less room for high borrowing, particularly high borrowing in other people's currencies. Even though trade flows have been rising, as seen on slide 15, and we've seen a tremendous increase in trade as a percentage of the economy in these countries, the foreign revenue is still not sufficient to reliably support external borrowing, particularly external borrowing done in other people's currencies. I would echo Mr. Barrineau's comment that we feel that countries, by and large, should be moving much more toward lending in their own currency in order to retain control over their ability to repay their debt.

I think we have learned some significant lessons from the recent defaults. First of all, default can happen when you are going in for restructuring. The restructuring can start at any place. We have had some countries—Ecuador, for example—which started out by restructuring the private debt

and then went to the Paris Club. Other countries, like the Dominican Republic, started with the Paris Club, and others, like Argentina, basically ignored both.

We have also learned that haircuts are necessary. Obviously, investors understand that; they don't like it, but they do understand it. How deep the haircut gets, obviously, has varied a lot. I think what they particularly tend to resent is when the private investors have to take a bigger haircut than the public investors. But there is life after default. Investors come back very quickly, even if that haircut went down to the kneecaps. I think that you'll see that the investors, in the case of places like Argentina, will be back in the market very quickly.

If I have a worry, it is some of the legal issues that are arising with regard to defaults. That was mentioned in the previous presentation. We have had some court cases recently where borrowers, including people who bought debt at a high discount, are now demanding to be paid back 100 cents on the dollar, regardless of the fact that other investors have accepted it. These haven't wound their way through the courts yet, but it does illustrate that, as Anne Krueger mentioned a few years ago, we really need to do some regularization of international bankruptcy and rescheduling rules.

In that regard, we have had an increase in collective action clauses. It is not at all clear that they are a legal protection against this type of issue. We generally favor them because we don't think they change the default risk. We do feel that they can increase recoveries for borrowers, but we don't feel that they are likely to cause a big change in the structure of these debt markets.

Thank you.

El MODERADOR: Muchas gracias, señor Wyss.

Queremos pedirles a los señores panelistas que permanezcan en la sala para los comentarios de las delegaciones.

**PANEL 3: ALIVIO DE LA DEUDA, CRECIMIENTO Y REDUCCIÓN DE LA POBREZA:  
¿CÓMO NOS ASEGURAMOS QUE EL ALIVIO DE LA DEUDA BENEFICIE A LOS POBRES?**

El MODERADOR: En seguida abordaremos el tema "Alivio de la deuda, crecimiento y reducción de la pobreza: ¿Cómo nos aseguramos que el alivio de la deuda beneficie a los pobres?" Intervendrá como panelista el doctor Jonathan Sanford, Especialista en Economía Política Internacional, del Servicio de Investigación del Congreso.

[Pausa.]

El ESPECIALISTA EN ECONOMÍA POLÍTICA INTERNACIONAL DEL SERVICIO DE INVESTIGACIÓN DEL CONGRESO: Thank you very much, excellencies, for inviting me to speak with you today. This is a very valuable meeting, and I appreciate an opportunity to speak to you.

In your packet, there are slides that you might want to follow along because I have some numbers.

My assignment is to discuss debt relief, growth, and poverty reduction, and how to ensure that debt relief benefits the poor. In particular, I was asked to discuss whether debt relief was necessary for economic growth, trade interaction, and poverty reduction. Should that relief be reserved for the Heavily Indebted Poor Countries (HIPCs) only? What about heavily indebted countries with private creditors?

This is, of course, a very big topic, and I can only really touch on a few relevant points in the time that I have available. However, I hope my remarks will be of use to you and to our broader discussion. Incidentally, I have to say that these are my own views and should not be taken as those of the Congressional Research Service (CRS) or of anybody else. I hope other people do agree, but they are not anybody else's views.

What is the relationship between external debt and poverty? It is often said that heavy debt burdens cause poverty or make poverty in indebted countries worse. However, one actually needs to demonstrate this connection; if not, we are using magical thinking—something is true because we believe it is true.

Slide 2, please. For the purposes of this meeting, I will assert that there is no clear link between the size of a country's debt burden and its level of poverty. I will present some tables and statistics to develop this point. My data are drawn from *Global Development Finance 2004*, which is a publication of the World Bank. The 2005 volume was released yesterday, but I don't think it is going to change my findings.

Reduction or cancellation of debt is a good thing, and it is a modest source of additional resources that can be used to promote development and reduce poverty. However, the amounts are relatively small. Moreover, in the case of the concessional aid programs of the multilateral development banks, this debt cancellation must be paid for if it is going to be beneficial to the recipient countries.

In the World Bank Group's International Development Association (IDA), debt repayments account for 40 percent of the money available for annual lending. If money is not contributed to offset the loss, a dollar reduction in debt repayments from borrower countries will be translated immediately into a dollar reduction in the amount of assistance that the Bank can provide to its recipient countries. In that case, poor countries finance debt relief for other poor countries. On a net basis, there is no benefit from debt reduction.

They have not been distributed to you, but I have prepared two larger tables in the form that the World Bank uses for *Global Development Finance*. One of these is for HIPCs; the other is for heavily indebted medium-income countries, which I will call HIMCs. The World Bank does not produce these tables for these groups of countries. I am not sure why, but they do not. The tables I use in my presentation are derived from these larger tables.

For the purposes of analysis, I have removed Argentina, Brazil, and Turkey from the HIMC group. These are important countries; their issues and problems merit serious concern. However, they are so big compared to the other HIMCs that they swamp the data and they make analysis of the numbers impossible. Without these three countries, the countries in the two groups are roughly

similar in size, and comparison of the aggregate numbers for each group might tell us something about the relationship between debt and poverty.

Slide 3, please. This is the table you also have in your packet. First, I want to look at the amounts of money that are saved by the program to reduce the debt payments of HIPC countries. The reductions in the stock of debt are not necessarily the relevant concern. You have heard others speak about large numbers, such as \$54 billion. I would suggest, however, that the amount of money saved annually on debt service is also a very important consideration, because this is the way debt service is actually linked to government budgets in the debtor countries. There has been heavy emphasis in the HIPC program on the idea that money saved through debt reduction should be spent for poverty reducing activities, particularly basic education, basic health, and similar social issues programs.

Table 1 shows how much debt service payments of the HIPCs can be expected to fall on accounted debt cancellation. This is a number prepared by the International Monetary Fund (IMF) and the World Bank in their most recent report on the progress of the HIPC program. Overall, the Bank and Fund expect that the annual debt service will fall about \$660 million between 2000 and 2006. In other words, in 2006, the annual amount will be \$660 million smaller than it was in 2000. Bear in mind that grant aid to these same countries is about \$750 billion a year. The British are currently circulating numbers that suggest that 100 percent debt stock cancellation by the multilateral development banks (MDBs) for the HIPCs and other countries would reduce debt service by \$1.2 billion in 2006. I am not sure about the accuracy of these numbers; I've raised some concerns on that score, but this is a number that is put out.

There have been, however, no provisions yet to pay for any of this debt stock reduction to offset the loss in revenues that it would cause for the development institutions. Therefore, as it currently stands, the aid programs of the IDA and other similar programs will shrink annually by a similar amount.

Meanwhile, as you can see on this chart, poverty-reducing expenditures are expected to grow from \$6 billion in 2000 to \$12 billion in 2006. Obviously, the savings from debt service account for only a modest share of 10 percent of the \$6 billion dollar increase. Most of it is coming from other sources.

Slide 4, please. Let's examine what poverty is and how it can be reduced. I would suggest that poverty contains two components: low income and human misery. Activities that raise income may not necessarily reduce the level of wretchedness, and vice versa. For example, expenditures on basic health and basic education clearly improve the quality of life of their beneficiaries; however, they may have little direct impact on levels of income.

Let me suggest that income is most effectively raised by employment. Levels of per capita income go up when levels of employment increase, unless one creates jobs with official resources merely to reduce unemployment. Unemployment levels are most enhanced by economic growth and economic expansion. In its turn, economic growth is a function of the policies of the government, the strength of the country's institutions, and the level and effective use of investment.

Improvements in basic education and health can help improve productivity and help people participate in the economy. However, this happens only if opportunities for employment and

economic activity are increasing. We all know places where people are relatively well educated and relatively healthy but where there is substantial unemployment because the economy is not growing.

Next slide. Let's compare the HIPCs and the HIMCs using tables 2 and 3.

First, on table 2, we see that the HIMCs have higher levels of per capita income than do the HIPCs. Well, that's not a surprise, because one is a group of middle-income countries (MICs) and the other is a group of low-income countries (LICs).

Second, per capita income has grown faster in the HIMCs than it has in the HIPCs, and their economies have expanded twice as much during the period 1996 to 2002.

Third, the debt burden is greater in the HIPCs and their debt export ratios are greater. However, debt as a share of national income is higher than in the HIMCs in our sample. They pay a larger share of their income for debt service and their per capita debt is higher. This suggests that debt is a burden on the HIPCs because of the size of their economies and their level of exports, not necessarily because of the size of the debt per se.

The HIPCs have dramatically reduced their level of arrears between 1996 and 2002. However, this was done primarily through the forgiveness of those arrears. The HIMCs in our sample reduced their arrears without forgiveness.

Next slide, please. On table 3, we see that the HIPCs received much more foreign aid, both grants and aid loans, but they grew more slowly than did the HIMCs. Surprisingly, foreign and direct investment increased substantially in the HIPCs, rivaling that of the HIMCs in our sample. I conjecture that this was caused not by the reduction in debt, but by improvements in the investment climate caused by the policy reforms in the HIPCs that they had to adopt in order to qualify for debt cancellation. Also, while the economies of the HIMCs grew by 20 percent during this period, exports as a share of national income were unchanged. This suggests that export-led growth was not the critical factor in their growth.

Fifth, as a whole, the HIMCs received about as much debt stock cancellation as did the HIPCs, but their rates of economic growth and improvements in their individual levels of income were much greater. This suggests that debt reduction is not in itself the critical element in economic growth.

Next slide, please. On table 4, we compare the HIPCs and the HIMCs with other countries of their type.

First, for all developing countries, foreign aid increased by about 24 percent. The percentage increase was higher in LICs, and it was higher still in HIPCs. The rate of increase of foreign aid in MICs was much lower. However, and this was a big surprise to me, it grew very substantially—160 percent—in the HIMCs included in our sample. It is, still, a very small amount of money in absolute terms.

Second, the growth in foreign direct investment was greater in the HIPCs and the HIMCs than the levels of income in low-income and middle-income countries as a whole. It appears that the

debt burden was not a decisive factor when foreign investors chose where they wanted to put their money. We should discern the factors that caused investors to be more interested in heavily indebted countries than in less burdened countries. It is not obvious why this happened.

Third, the net flow on debt has been very negative in recent years as regards developing countries. This could not have been helpful in stimulating rates of growth. We need to better understand why this situation prevails and why it might change.

I have to note that there is an error on table 4, which is my mistake. The table says that the net flow of resources to LICs was plus 131 percent. That would be very nice. Unfortunately, the correct figure is minus 134 percent. The outflow was minus 134 percent. This has a different effect than does a positive inflow of 131 percent.

On the other hand, I must point out that both the HIPCs and the HIMCs had a net inflow on debt that was very positive and the short-term debt now comprises a smaller share of the total for them than it did in previous years. Perhaps lenders have had sympathy for the heavily indebted countries and are willing to put more money in than they are taking out. I expect, however, that charity is not a sufficient explanation, and we need to look further.

Slide 8. From the foregoing, several conclusions are suggested.

First, debt reduction is important; however, it may be important mainly as a means of encouraging countries to adopt changes in their policies, procedures, and institutions that are conducive to growth and more important that way than as a source of revenue for development activity per se. The amount of foreign assistance in the HIPCs has been very substantial, and the amounts that the HIPC governments have saved from a reduction in debt service is small by comparison. You will remember the \$7.5 billion compared to the \$660 million. Donor countries do not seem to be dissuaded from providing foreign aid loans and grants to HIPCs even though their debt stock is large and they are often in serious arrears in their payments to the same bilateral official creditors. Despite theories to the contrary, the size of the debt stock of the HIPCs and HIMCs does not seem to be a factor limiting the flow of capital from official sources or from foreign direct investment (FDI).

Second, levels of debt do not seem to be decisive in poverty reduction or growth. The HIPCs and the HIMCs both perform better than other groups of countries despite their relatively heavy burden of debt compared to the size of their economies.

Third, poverty is reduced most effectively, I would argue, if the levels of personal income of the poor countries are raised. Now, that sounds like a tautology, but poverty in this case is low income. Improvements in basic education and health are important from the perspective of humanitarian purposes, but they do not seem to be a direct stimulus to economic growth compared, for example, to investment in activities that create employment. Therefore, if we want to reduce poverty, we need to encourage policies and actions that stimulate employment, productive investment, and economic growth.

Debt reduction is a great concern of many, and much enthusiasm has been devoted toward that end. Money has been transferred from foreign assistance activities in many cases to fund debt

stock reduction. However, the reduction in debt service payments seems to be of secondary importance compared to activities that create growth as a means of reducing levels of poverty—if you measure poverty as levels of income. All things being equal and resources being limited, I suggest that more attention on activities that stimulate growth and employment may have a greater impact on poverty reduction than the same effort focused on debt reduction.

Thank you very much. This completes my presentation.

El MODERADOR: Muchas gracias, doctor Sanford. De inmediato abrimos un período para los comentarios de las delegaciones. Tiene la palabra la señora Representante de Honduras.

La REPRESENTANTE ALTERNA DE HONDURAS: Muchas gracias, Embajador.

En primer lugar, en nombre de mi Delegación deseo agradecer a quienes han tenido la paciencia y el deseo de organizar esta sesión conjunta del Consejo Permanente y la CEPCIDI para tratar un asunto de tanta importancia como es el alivio de la deuda, crecimiento y reducción de la pobreza que tanto afecta a muchos de nuestros países. Quiero agradecer a todos los panelistas por sus brillantes exposiciones y al mismo tiempo tengo dos preguntas, una para el doctor Vikram Nehru y otra para el doctor Jonathan Sanford.

La primera pregunta que tengo para el doctor Nehru es en relación con el “*completion point*”, como lo escuché en inglés y no sé como se dice en español. En ese sentido, quiero comentar que escuché y vi cuando el señor Presidente de mi país anunció a través de la televisión y otros medios de comunicación que Honduras había llegado en semanas recientes al “*completion point*”. Él lo dijo con mucha alegría y con mucho orgullo, pero el ciudadano común, el ciudadano de la calle no comprende muy bien el lenguaje técnico, de manera que no pudo percibir exactamente cuáles eran los grandes beneficios que ese hecho traería en cuanto a la reducción de la pobreza, porque a veces también el ciudadano común y corriente, cuando se habla de estrategias para la reducción de la pobreza, se muestra escéptico porque no se percibe directamente en qué se alivia la pobreza.

Pero al mismo tiempo de esa noticia, los precios de la gasolina estaban subiendo continuamente a niveles que el pueblo ya sentía excesivos y eso sí golpea directamente al pueblo en sus bolsillos y lo lleva a la frustración y a las protestas públicas. En ese sentido mi pregunta sería, porque yo también desconozco la relación en el lenguaje técnico, si cuando un país llega al “*completion point*”, que anticipa que habrá desembolsos de las instituciones financieras y que llevarán a un alivio de la pobreza, existe un nexo en el sentido en que al subir los precios de la gasolina puede producirse un impacto negativo, o si no existe absolutamente ninguna conexión entre estos dos factores. Esa es una de mis preguntas.

La otra pregunta es para el doctor Sanford. En los cuadros que nos presentó se leía la expresión “*human misery*”. Quería preguntarle a que se refiere exactamente “*human misery*”, porque nosotros en la OEA estamos manejando, por ejemplo, el término “pobreza extrema”; estamos discutiendo sobre la lucha contra la pobreza extrema pero “*human misery*” parece que lleva una connotación un poco difícil.

Gracias.



EI DIRECTOR DEL DEPARTAMENTO DE DEUDA DEL BANCO MUNDIAL: Thank you very much for that question.

Actually, I thought Dr. Sanford made the link between debt reduction and poverty reduction very brilliantly. Unfortunately, there has been a lot of rhetoric around debt reduction leading to poverty reduction. The reality is that at completion point, the commitment to provide debt relief becomes irrevocable and unconditional on the part of the creditors, so no matter what other policies the government has after completion point, that debt relief will be provided.

But as Dr. Sanford said quite correctly, the contribution of debt relief in terms of lower debt service payment by the country is relatively small in relation to all the other needs and factors that contribute to economic growth and poverty reduction in a country. Debt reduction is not your magic bullet; it is not going to lead to a solution of all the problems of countries, including the price of gas or poverty reduction or growth.

As I said, one of the important messages I wanted you to take home is that a lot of other things have to go right for there to be growth, poverty reduction, and so forth in these countries. Debt relief can contribute only a small amount, and I would emphasize not a critical amount. The issue of debt relief has been blown out of proportion in relation to the development needs of countries, in relation to the policies that countries have to follow, in relation to the environment from which each country needs to operate, the international environment. I would urge and beseech you to recognize that debt relief only plays a very small role among all the other factors that contribute to growth and poverty reduction in countries.

Thank you.

EI ESPECIALISTA EN ECONOMÍA POLÍTICA INTERNACIONAL DEL SERVICIO DE INVESTIGACIÓN DEL CONGRESO: Thank you for your question.

I was trying to differentiate the two concepts that underlie poverty: the level of income and the human condition. When I talked about wretchedness or human misery, I had in mind many of the issues that are addressed by the Millennium Development Goals (MDGs), such as increasing levels of education, more children in school, levels of school attendance, levels of child mortality, and incidence of disease. All of these are very important factors affecting the quality of life of individuals, and it is important to address them.

The money saved by the Heavily Indebted Poor Countries (HIPC) Initiative is targeted disproportionately toward those issues that address human wretchedness, the wretchedness of life, the difficulty that people face in living their daily lives. But I would maintain that their ability to be employed is the critical factor when you are talking about levels of income. Increasing life expectancy and reducing levels of child mortality are very important issues, but they don't raise income levels.

Tim Bergin had a rule that if you have two goals, you need two tools. It's the same thing. If you want to reduce wretchedness, there is a whole series of things you do—programs you fund, activities you promote. But if you want to increase income levels, you do other things. You have

different policies if you are a government. You try to make your investments and your institutions more effective. It is a whole different set of things. This is what I was trying to call to your attention.

El MODERADOR: Muchas gracias, señor Sanford. El señor Embajador de Panamá, don Aristides Royo, desea hacer una pregunta.

El REPRESENTANTE PERMANENTE DE PANAMÁ: Gracias, señor Presidente.

Tengo tal enredo mental que ni siquiera sé si la pregunta va a resultar fluida, pero ahí va.

Hace muchos años que los organismos de crédito –como el Banco Mundial y el Banco Interamericano de Desarrollo– para dar préstamos a los países pobres o en vía de desarrollo o como se les quiera llamar, ponen una serie de condiciones en relación con actitudes que tiene que adoptar el país que desea obtener un crédito. Esto lleva ya muchos años. Se niegan los créditos o se otorgan los créditos, pero sometidos a algunas condiciones, de ciertos cambios que tienen que hacer los gobiernos.

Todavía tenemos estos estados de pobreza, pobreza extrema, es verdad –a mi tampoco me gusta y no usamos el término de miseria humana, si hay que traducirlo así– pero sigue el problema del desempleo, sigue el problema de la deuda externa que en algunos países crece; la pregunta, concretamente, es ¿hasta qué punto los países deudores le hacen caso a los lineamientos, a las conductas que solicitan los acreedores para poder otorgar los créditos? Gracias.

El MODERADOR: Muchas gracias, señor Embajador de Panamá. Quisiera preguntar al doctor Canuto si pudiera ser él el primero en contestar esta pregunta.

El DIRECTOR EJECUTIVO DEL BANCO MUNDIAL POR BRASIL, COLOMBIA, ECUADOR, FILIPINAS, HAITÍ, PANAMÁ, REPÚBLICA DOMINICANA, SURINAME Y TRINIDAD Y TOBAGO: With pleasure.

Ambassador, you've touched on a very relevant issue, the role of the conditionalities that multilateral institutions have been applying to client countries. There has been a very stimulating change in the approach of the international financial institutions (IFIs) to the conditionality issue.

First of all, the evidence has shown that either the client country owns what one might call conditionality, or it doesn't work out, so there is no sense in stressing conditionalities in the old-fashioned way. That's gone for good.

Nowadays the multilateral institutions attempt to follow a more open approach. Whatever the country decides to do, it is up to the country to follow through. As long as the country shows results, then, as a reward, money can come, so the responsibility has been increasingly put on the shoulders of the countries themselves. This applies, on the one hand, with respect to lending.

What one might fear is that in a world with 100 percent grants, it would not be like that, because it's one thing to lend money. When the World Bank lends money to a country, the country receives the money and has the obligation to pay. Whatever I do with the money, it's ultimately my own.

When it's a grant, the donor has a lot to say about how he wants this money to be used. With this change toward a 100 percent grant world, we might see a setback in the form of governance of the institutions, in the sense that they would be run more like trust funds in which the donors decide whatever they want, establish the conditions, and say: "If you want my free money, do what I want." But that is not the case with lending.

So I have two different answers to your response. That's why we will have to consider the many aspects of the apparently soft world of 100 percent grants.

El MODERADOR: Muchas gracias, doctor Canuto. Quisiera preguntar si otro panelista pudiera contestar también esta pregunta. El señor Sanford, por favor.

El ESPECIALISTA EN ECONOMÍA POLÍTICA INTERNACIONAL DEL SERVICIO DE INVESTIGACIÓN DEL CONGRESO: Yes, I have just one comment.

If conditionality is viewed as a punishment in which the donor grudgingly says: "We will lend you the money on the condition that you'll do these terribly painful things," you aren't going to do it, or you are going to find some way of squirming out from under it. Obviously, my kids, or anybody for that matter, would try not to have to bear that burden if it is seen as a punishment. However, if it is seen as an opportunity, then it needs to be negotiated, because after all, the only benefits of policy changes are the ones that produce growth. But Dr. Canuto is correct; the atmosphere has changed on this issue. Now you have to have actual ownership and wish to do it because you realize there will be benefits from it.

I want to touch on the issue of grants because it's something I've written about in the past. We are looking at moving toward a larger share of foreign assistance through the multilateral institutions on a grant basis. I suggest that there is no economic benefit from grants in our lifetimes. International Development Association (IDA) loans are repayable over a 40-year period, and 80 percent of the money to be repaid is paid in the last 20 years.

The benefit of a grant to the recipient occurs at the moment that the recipient will need to make the repayment, not at the moment the recipient receives the check. If you receive a loan, you also receive a check. The difference is that a loan has to be repaid. So the benefit from a grant only occurs when the grant means you don't have to make a repayment. That means 80 percent of the benefits of a grant will be felt and received in the last 20 years of that 40-year period. When a country receives a grant, children who have just been born will be the beneficiaries, not the adults who are in the current work force, because they are not expected to repay it. Eighty percent of the repayments will be 20 years hence. So when you look at the benefits of grants and the issues relating to grants, remember when the actual benefit is transferred on a grant.

El MODERADOR: Muchas gracias, señor Sanford. El señor Representante de la República Dominicana tiene la palabra.

El REPRESENTANTE ALTERNO DE LA REPÚBLICA DOMINICANA: Esta Delegación quiere primeramente agradecer a los distinguidos panelistas su corta pero interesante intervención.

Tengo una pregunta que está relacionada con la intervención del distinguido Embajador de Panamá. Se está viendo últimamente un gran número de países que están en condiciones de negociar la deuda y que están interesados en recibir al mismo tiempo nuevos préstamos; y simultáneamente los organismos internacionales están en esta misma condición de conceder préstamos. Pero veo que la deuda va a la par con la pobreza. Entonces no tiene sentido, y seguiremos siempre en un círculo vicioso de deuda y pobreza, deuda y pobreza.

Entonces, quisiera que alguien me conteste cómo podría salir un país, idealmente, de este círculo vicioso de deuda-pobreza, al tiempo que tiene que erogar dinero de su presupuesto para pagar su deuda.

Gracias, señor Presidente.

EL MODERADOR: Quisiera transmitir a los señores panelistas esta interesante pregunta que ha formulado el señor Representante de la República Dominicana, sobre el nexo, el encadenamiento, el círculo vicioso, como él lo ha calificado, entre deuda y pobreza. Por favor, el doctor Nehru.

EL DIRECTOR DEL DEPARTAMENTO DE DEUDA DEL BANCO MUNDIAL: Thank you.

You've raised a very profound question. Actually, it was answered in part in Dr. Sanford's presentation. I must say that I agreed with many of the points that he made.

You know, debt relief is not a new thing. Debt relief has been going on since the 1960s in low-income countries, and it has been growing substantially over time. It started in the early days of the Paris Club, and in 1988 the Paris Club began to provide debt stock reduction of 33 percent, which then went up to 50 percent, then 67 percent, and then 80 percent. It went to 90 percent, and now the Paris Club provides 100 percent debt relief to Heavily Indebted Poor Countries (HIPCs). Then we had HIPC itself. Then we had an expansion of HIPC. Then we had topping up. So debt relief has been around a long time and has been growing.

The answer to whether debt is a problem in these countries would be: Well, all this debt relief is being provided and the problem has not been solved, as you say. That is exactly what Dr. Sanford's presentation noted, and I thought he made the point very powerfully that it's not debt that has contributed to this poverty. Debt is a symptom of a deeper disease. A debt burden is a symptom of a deeper disease, and the deeper disease is the development challenges that many of these countries face.

Countries in East and South Asia have borrowed as much, if not more, than countries in Africa. Do they have a debt burden problem? No, they don't, because they have grown rapidly. They have been able to resolve many of their development challenges. So the problem in Africa, for example, is not that these countries have borrowed too much; it is that they have grown too slowly. Why have they grown too slowly? My submission to you is that the debt burden is really a very small part of the story.

I would like to make three points about the growth in these countries.

First, these countries face a huge problem in terms of governance, the strength of their institutions, and the quality of their policies. That, clearly, is an issue.

But second, bad things happen to good people sometimes. These countries are subject to enormous exogenous shocks—commodity price shocks, natural disaster shocks. We did an analysis that showed that these countries face shocks that are of a higher frequency and greater amplitude than other countries face, especially middle-income countries and certainly much more than high-income countries. That's the second factor.

There is a third factor, which I will call the neighborhood factor. If you live in a bad neighborhood, you tend to have problems even though you may be an upright citizen. Countries and neighborhoods that are politically unstable tend to become politically unstable themselves. Political instability and, hence, economic instability, is a major issue in many of these countries.

To argue that debt is contributing to these problems, I think, is stretching the point a bit. My submission to you is that there are deeper issues that need to be resolved; therefore, writing off debt to expect a solution to these problems is expecting too much.

El MODERADOR: Muchas gracias, doctor Nehru, por su respuesta. Tiene la palabra el señor Representante del Ecuador.

El REPRESENTANTE ALTERNO DEL ECUADOR: Gracias, señor Presidente.

En primer lugar, quisiera agradecer a todos los panelistas que han intervenido en este primer panel sobre “Alivio de la deuda, crecimiento y reducción de la pobreza”. Las intervenciones de los panelistas creo que permiten a esta sesión conjunta del Consejo Permanente y de la CEPCIDI dar cumplimiento con el mandato establecido en la resolución AG/RES. 1990 (XXIV-O/04) de la Asamblea General reunida en Quito, en la que se nos encargó estudiar la relación entre el comercio, la deuda y el financiamiento, así como considerar el impacto del servicio de la deuda en la lucha contra la pobreza.

Dicho esto, señor Presidente, quisiera dirigir una pregunta al representante del Banco Mundial, el señor Otaviano Canuto, en relación con este tema, y mi pregunta va formulada en el siguiente sentido. Considerando que el Banco Mundial ha adoptado políticas de asistencia para los países pobres altamente endeudados con requisitos quizás más blandos en comparación con la asistencia que el Banco presta a los países de ingresos medios, y si bien esto tiene lógica, porque parecería que ellos, los países pequeños, son los más vulnerables, no se puede desconocer que los focos de pobreza más importantes en el mundo se encuentran en los países de ingresos medios, como es el caso de la India, del Brasil o el de mi propio país.

La pregunta es la siguiente: ¿qué futuro se ve en los préstamos de los organismos de crédito, Banco Mundial, Banco Interamericano de Desarrollo, para los países de ingresos medios, considerando sobre todo los préstamos de libre disponibilidad, que parecen ser más importantes en las políticas económicas de nuestros países y que en cierta medida son los que permiten asegurar una sostenibilidad de la deuda y al mismo tiempo cumplir con sus objetivos de desarrollo y, entre ellos, combatir la pobreza?

Gracias, señor Presidente.

El MODERADOR: Doctor Canuto, por favor.

El DIRECTOR EJECUTIVO DEL BANCO MUNDIAL POR BRASIL, COLOMBIA, ECUADOR, FILIPINAS, HAITÍ, PANAMÁ, REPÚBLICA DOMINICANA, SURINAME Y TRINIDAD Y TOBAGO: This really goes to the crux of the struggle that representatives of middle-income countries (MICs) have raised at the Board of the institution.

There are two aspects to be taken into account in response to such a question. First, as I attempted to say in my presentation, the relevance to middle-income countries of the World Bank and similar institutions is relatively lower than it is for low-income countries (LICs), because middle-income countries don't have middle incomes by chance. It's because they have better developed institutions. In some cases they have highly-developed domestic financial markets and a very active domestic private sector. They have private flows. Naturally the alternatives for country finance vis-à-vis the multilateral institutions are fewer, so it's natural that the content of assistance be higher for low-income countries.

In fact, the multilateral institutions run the risk of becoming irrelevant in the long term for MICs. The known financial costs of doing business with the World Bank, coupled with the financial costs, which are higher than the terms of assistance to LICs, are such that it is sufficient for a MIC to have its risk premium around 300 base points to make it unattractive to borrow money from the World Bank. Take Brazil, Mexico, Chile, China, India, Russia. It is not by chance that some of these countries are prepaying. They are getting the money back to the Bank, and that's why whenever the base points go below 300, it is not worth getting money from these institutions.

In the long term, low-income countries might be hurt as a result of this tendency, because not only financially but also in terms of knowledge, what institutions like the World Bank have to convey to low-income countries is strongly related to what they learn while operating within countries like yours, which I have the honor to represent at the Board. It is through the successes and failures of projects in middle-income countries that the World Bank, the Inter-American Development Bank (IDB), the African Development Bank (ADB), and other regional institutions have the capacity to pass on knowledge to low-income countries. This is why a complete, full discussion has begun at my institution on revising procedures to keep the Bank attached to countries such as yours.

For instance, responding to your specific demand, we have been talking a lot about blending, which is a means through which loans can be combined with specific grants, not necessarily from the multilateral institutions, that can be used to focus and enhance the attack against poverty in specific pockets within our countries.

So the approach to country finance in the case of middle-income countries cannot be the same as the one in low-income countries. If we are to have a focused fight against poverty, then we will have to address specific issues regarding the pockets of poverty in our countries. But, again, the problem today is more that of the multilateral institutions than the countries. If they follow the right policies, middle-income countries are more likely to raise money in the markets with a higher scope of possibilities in terms of destination of the money.

El MODERADOR: De nuevo muchas gracias, doctor Canuto. El señor Embajador de Honduras, don Salvador Rodezno, Presidente de la CEPCIDI tiene una pregunta.

El REPRESENTANTE PERMANENTE DE HONDURAS Y PRESIDENTE DE LA CEPCIDI: I will speak in English because when talking about money, it sometimes helps to speak English.

I'd like to pose this question to Dr. Wyss from Standard & Poor's. What can the countries of Latin America and the Caribbean do to improve their investment climate, to make them more attractive, especially today in this environment of emerging economies in East Asia in which we have to compete for resources and faced with the great challenge posed by China? Thanks.

El ECONOMISTA JEFE DE STANDARD & POOR'S: How you compete in today's world is going to be a real issue for everybody, I think, because there are a lot more people that are competing with you than there used to be. It's a global economy. And, especially if you are a small country, it sort of feels like you are being squashed by all the elephants that are running full speed. With China developing quickly and India rapidly picking up speed, that's two billion people.

I think what any small country, small state, or small city, for that matter, has to do is concentrate on what it can do. Think hard about where you can compete, what real businesses are there that make sense for your region and how you develop them.

If you look across the world, the biggest key is education. Countries with educated work forces develop quickly. Countries with uneducated work forces sit there.

I guess the other thing is: don't waste money on things that are not going to work. We've seen that done a lot in many of these countries. People have a pet project, decide that is the way to push growth and, in many cases, quite frankly, it ends up being a total waste of money that then has to be supported.

The Representative of the Dominican Republic asked earlier about the vicious cycle of debt and poverty. It shouldn't be that way, because there are only two reasons to borrow: you're either borrowing out of desperation because you have to feed people, in which case it should really be a grant; or you're borrowing to invest. If you are borrowing to invest and you are not getting growth, it means you are doing something wrong. You are either investing in the wrong industry or you are doing a lousy job managing the money.

El MODERADOR: Muchas gracias, economista Wyss. Tiene la palabra el señor Representante de San Vicente y las Granadinas.

El REPRESENTANTE ALTERNO DE SAN VICENTE Y LAS GRANADINAS: Thank you, Mr. Chairman.

I would like to join with speakers before me in expressing appreciation to the panelists for their presentations. I want to focus a little bit on this issue of debt and the debate that seems to be emanating out of the presentations, particularly Dr. Sanford's comments.

I want to give a brief historical perspective regarding this notion of debt and poverty and development, because sometimes when we take certain positions and make certain pronouncements, the context and the background in which these pronouncements are made become very important, and sometimes we seem to downplay those situations.

I want to speak particularly about the Caribbean, as I am a national of a Caribbean country. I am quite sure that most persons, if not everybody here, understands the history of the Caribbean insofar as colonialism is concerned, and that is one issue that I did not hear coming out of the discussion, particularly regarding debt.

I know that in many Caribbean countries, the phenomenon of colonialism left us so desperate that in the initial stages of our independence, we had to undertake serious developmental issues. We had to engage in serious borrowing so that we could at least attempt to bring ourselves back to where we ought to be and give a sense of decency to our people. We ended up in a situation in which—and I am not afraid to say this—our colonial masters pretty much took so much advantage of us that they created a disadvantage. We were so far behind, and our small size compounded the problem.

The United States, for example, was also colonized, and it was not until after the Industrial Revolution that American society and the American economy started making the strides that catapulted it into where it is today. For the most part, Great Britain and other European countries that were colonial masters did not have this problem.

We had to bring our societies and our peoples back to a position of decency, if I can use that term. In many instances, we were forced to borrow to try to create and provide necessary social services and infrastructure, and as Dr. Wyss just pointed out, when you borrow, you are either borrowing out of desperation or to invest. In many cases, if you are borrowing out of desperation, the money should really be a grant.

Saint Vincent and the Grenadines has borrowed so much money to “invest in the nonproductive sector.” We have borrowed money to build hospitals; we’ve borrowed money to build schools. In many instances, there aren’t any real direct returns from these investments. This is quite different from borrowing money to invest in a factory where you can produce goods and services and earn income to take care of that loan.

This is the connection that I am trying to make when I talk about the position in which our colonial masters left us. It’s a very important point that we need to keep in mind.

This link, or lack thereof, between the debt burden and the level of poverty is one that I beg to differ with. I’m sorry, Dr. Sanford, but I know that in Saint Vincent and the Grenadines, the last time I checked, our debt burden ratio was at least 0.1. I am quite sure it is higher than that right now. In other words, our debt burden ratio is at least 10 percent of our national income, which simply means, for the laypeople around the table, that if the national income of Saint Vincent and the Grenadines is \$100, we have to take \$10 out of that \$100 to pay back and reduce our external debt. Now, in a small developing country such as ours, that is a sizable amount of money that could be diverted to other important uses.



I am not so sure about the notion that the reduction or cancellation of debt is only a modest source of additional resources. That is not true at all in small countries. When we look at data produced by very reputable institutions, such as the World Bank, sometimes the data must be analyzed alongside the practical, real circumstances that exist in many countries.

Sometimes I wonder. Way back when, even in precolonial times, Africa was a very rich continent. Before the colonial era, at least from my history lessons, Africa was a well-managed continent in terms of its economy, society, and so on. Back in those days, they did not have recourse to very well-established data and all this sort of stuff, so sometimes it makes me wonder.

I was a bit disappointed by some of the comments made by Dr. Nehru, especially since he is a national of a developing country that suffered through colonialism. To say that many Heavily Indebted Poor Countries (HIPC)s and, by extension, many developing and small countries have experienced slow growth because there have been problems with their levels of governance and economic management is a bit disturbing. If you are going to make that argument, then one must also look at why there seem to be questionable governance issues.

I could go on all day. I am not going to do that because I don't want to get carried away.

Dr. Sanford alluded to human misery and noted that it is a very important component of poverty. But human misery is, in my opinion, very subjective. I mean, so many factors can come under this rubric of human misery, and if you are going to use human misery as a component of poverty then, by extension, you should analyze some of the subcomponents of human misery in making your conclusions. One such subcomponent is that poverty is most effectively reduced through increases in personal income.

Again, when you talk about personal income, one must consider it as opposed to money income. In many countries, especially in countries such as mine, the whole notion of inflation has a lot to do with the level of poverty and your ability to reduce poverty. I can tell you that throughout my career, my income has been going up, relatively speaking. My money income has been going up, but in many instances I can also say that my level of misery has also increased. Increases in prices and all these other socioeconomic issues must be critically analyzed when these kinds of conclusions are going to be made.

Maybe later on, if I get an opportunity, I'll come back to some of these issues, but the presentations have been very thought-provoking. I personally am very appreciative of the presentations made here today.

Thank you very much.

El MODERADOR: ¿Podemos pedirle un comentario al doctor Sanford, por favor?

El ESPECIALISTA EN ECONOMÍA POLÍTICA INTERNACIONAL DEL SERVICIO DE INVESTIGACIÓN DEL CONGRESO: I am not sure what to say here. The conditions in specific countries may differ from those of the general laws that cover all groups of countries.

You did touch on one issue that might be important. You mentioned that your country borrowed substantial amounts of money for social programs, and evidently your rate of growth was not such that you could pay back. That might have been an instance in which grants could have been a more important way of approaching the matter, so the question of what you borrow your money for and how you expect to repay it is important.

I was trying to differentiate here as to what poverty is. Poverty is both the misery aspect of daily life and the lack of money in your pocket. I was talking in real terms, you know, real money as opposed to the inflated value of money. But the objective ought to be that if you want to reduce poverty, you would increase income levels. Now, it sounds like a tautology, but it shifts your attention from this nebulous concept of what poverty is.

You know, my teachers would tell me my life is impoverished because I don't understand opera, so what do we mean by impoverished? There are all sorts of meanings, so I tried to separate the definition of poverty by saying that the wretchedness of human daily life is one aspect and the level of income is another. When most of us talk about poverty, we are really talking about levels of income, so I would think that the policies that the countries pursue, the strength of their institutions, and the way they invest resources to produce employment and economic growth are very important in poverty alleviation. Investments in programs that deal with education, health, and other social areas are important, but raising the level of income, if only to be able to pay for those other things, is important as well, I would suggest.

El MODERADOR: Tiene la palabra el señor Embajador de Panamá.

El REPRESENTANTE PERMANENTE DE PANAMÁ: Seré muy breve, señor Moderador. Quisiera hacer un comentario y no una pregunta.

La pregunta del señor Salvador Rodezno, Embajador de Honduras y Presidente de la CEPCIDI me ha llevado a hacer una reflexión en el sentido de qué se podría hacer para favorecer más las inversiones en los países en vías de desarrollo. Quisiera comentar solamente que la inmensa mayoría de los países procuran desarrollar planes para atraer la inversión, incluso la nacional, aparte de la extranjera. Pero una parte del problema, y que lleva a veces al fracaso de esos programas de inversión y de esos atractivos para la inversión, son los cambios en las reglas del juego.

No puedo hablar ahora del Caribe pero sí de los países nuestros de América Latina. Cada vez que se produce algún cambio de gobierno, cada cuatro o cinco años, hay un nuevo gobierno que llega con ideas nuevas y decide cambiar las reglas del juego del gobierno anterior. Y donde había normas atractivas para la inversión, se implantan nuevas normas laborales, nuevas normas fiscales, nuevas normas económicas que desincentivan la inversión.

En la medida en que nuestros países muestren mayor estabilidad en esos planes y programas para atraer la inversión y no se cambien al ritmo de los cambios políticos que se producen en nuestras democracias, en esa medida se protegerán las inversiones y el inversionista confiará más en esas reglas del juego.

El MODERADOR: Muchas gracias por sus acotaciones, señor Embajador de Panamá. Tiene la palabra el señor Representante del Perú.

EL REPRESENTANTE ALTERNO DEL PERÚ: Muchas gracias, señor Presidente. Quería, en nombre de mi Delegación, darle las gracias a los expositores y panelistas por estas reflexiones tan provocativas que han generado a nivel de nuestro Consejo Permanente.

Mi intervención es para hacerle una pregunta muy directa a los panelistas en su condición de representantes de los organismos financieros internacionales. Y tiene que ver con una actividad muy importante para esta Organización como es el trabajo a nivel de la Comisión Interamericana de Educación (CIE), y particularmente lo que podemos hacer los países de la OEA en torno a ayudar a nuestros países, y valga la redundancia, para enfrentar el problema de la educación.

Existen mecanismos ya establecidos en algunos casos que se han venido dando en forma bilateral entre países con respecto al canje de deuda por inversión en educación. Este es un tema que va a ser debatido próximamente en la reunión de Ministros de Educación que se va a celebrar en agosto a nivel interamericano y que realmente concita gran interés en muchos países, porque el hecho de que los organismos financieros empiecen a tomar en cuenta –y nosotros coincidimos plenamente con el enfoque de que necesitamos estimular estrategias competitivas– que necesitamos considerar que la clave de nuestro desarrollo es el desarrollo de nuestra educación en los países no solamente de ingresos bajos sino de ingresos medios, quiere decir que necesitamos invertir socialmente en la educación y para eso hay un mecanismo o por lo menos existen ya experiencias sobre lo que ha sido este instrumento del canje de deuda por educación.

La pregunta concreta es ¿cuál es la opinión que pueden tener aquí los representantes, tanto el Banco Mundial como el FMI, sobre la aplicación de este tipo de mecanismo a nivel multilateral para los países del Hemisferio? Muchas gracias.

EL MODERADOR: Doctor Canuto, tenemos que acudir a usted. [Pausa.]

EL DIRECTOR EJECUTIVO DEL BANCO MUNDIAL POR BRASIL, COLOMBIA, ECUADOR, FILIPINAS, HAITÍ, PANAMÁ, REPÚBLICA DOMINICANA, SURINAME Y TRINIDAD Y TOBAGO: Ambassador, this initiative is full of merit and has been discussed in several areas.

The major difficulty is operational. Unless the transfer of property is voluntary, it would mean a breach of contract. One cannot force the creditor, who provided money in order to receive money plus interest in a certain manner, within some exemptive risk calculations, to say: “Look, sorry, but we are going to change; instead of receiving what I had pledged to pay you, I am going to give you shares of this and that.” This is a debt renegotiation. As I said in my presentation, in the case of middle-income countries (MICs), there are many, many costs even though, to my surprise, David Wyss downplayed the negative implications of the process of debt restructuring. The empirical evidence shows that debt intolerance manifests itself in the cost of interest rates if and when a country undergoes successive forced debt restructuring.

Of course, this possibility of stretching the entitlement of liabilities in any country is a possibility, but it has costs.

The best thing that countries like ours could do is to look at the quality of our public expenditures in order to find fiscal space to make good policies, such as the ones oriented towards

basic education. Instead of attempting to find magic bullets—because they do not exist, any of these magic bullets—our continental history has shown that in the long term, the costs become very high, even if they look like very nice, soft, and sympathetic in the very short term.

The Ambassador of Panama said that if there is something that we should pursue in our region, it is the continuity of our commitment to basic, sound macroeconomic and institutional policies that enshrine our respect for the basic institutions of market economies, because we, as far as I can understand, all hope to become well-developed market economies. The rules of the game have to be followed in order to get there.

El MODERADOR: *Again, thank you very much, Dr. Canuto.* Tiene la palabra la Representante de la Argentina.

[Pausa.]

La REPRESENTANTE ALTERNA DE LA ARGENTINA: Gracias, señor Moderador. Mi Delegación desea, en primer lugar, agradecer las presentaciones de los distinguidos oradores por el esclarecimiento de aspectos técnicos relacionados con la materia y provistos por ellos de las perspectivas de sus formaciones particulares o bien de las políticas de los organismos a los que pertenecen.

Queremos destacar, sin embargo, que sin perjuicio de la relativa utilidad de estos análisis para iluminar el camino de esta Organización en la lucha contra la pobreza, no debe dejarse de lado la noción de que las soluciones definitivas a estas cuestiones deben darse básicamente a partir de la formación de consensos para los cuales es necesario la integración de diferentes enfoques, más allá de aquellos de los países desarrollados, de los organismos de crédito y de los acreedores privados, que constituyen mayoritariamente el panel de expositores en esta jornada.

Para mi Delegación, la integración, y sus puntos de vista, debe darse incluyendo la de aquellos países en desarrollo y países endeudados y de académicos, investigadores independientes para quienes el problema de la deuda y el problema de las restricciones a sus políticas económicas impuestas desde afuera pueden constituir serias trabas a su desarrollo y a la lucha contra la pobreza extrema en sus territorios.

Desde nuestro punto de vista, la mejor manera de integrar esos enfoques es concentrarlos de la manera más grande que se pueda en el menor número de foros técnicos que sea posible para evitar la duplicación de esfuerzos, para evitar desgastes de energía que países de menor desarrollo económico no pueden desplegar atendiendo diversos frentes.

En tal sentido, nuestra Delegación vería con agrado que las opiniones aquí vertidas, más allá de su utilidad como mencioné hace un rato, no vayan a transformarse en recomendaciones o en la adopción de algún modo de políticas excediendo los objetivos inicialmente planteados para esta reunión.

Como decía, para nosotros es importante que se soslaye el punto de vista de los Estados más allá de las instituciones financieras.

Yendo a una de las exposiciones particulares, nos permitiríamos disentir con alguna posición reduccionista que parece simplificar el tema de la eliminación de la pobreza en la noción de encontrar una solución a la cuestión del crecimiento económico.

Nuestra Delegación cree que son situaciones extremadamente complejas y que la ruptura del círculo vicioso de la pobreza extrema incluye también la atención de situaciones de sufrimiento humano y la mejora de la educación y de la salud como condiciones mismas de ese crecimiento económico.

Finalmente, quisiera hacer una pregunta a algunos de los expositores. La profundidad y la recurrencia de las situaciones de crisis de la deuda han llevado a pensar en algunos de nuestros países que tal vez los instrumentos, mecanismos y organizaciones de que disponemos para enfrentarlos no son suficientes o no son los adecuados. Querría saber si hay dentro de sus organizaciones o si tienen conocimiento de alguna reflexión profunda que se esté haciendo acerca de si es posible comenzar a pensar en algún esquema de modificación de las reglas del propio sistema financiero o de transformación profunda dentro de las instituciones para que estas situaciones de crisis no sean tan recurrentes o que se pueda salir de ellas a partir de reglas más flexibles.

Muchas gracias.

El MODERADOR: Como investigador que es el doctor Sanford, tal vez tiene algún comentario.

El ESPECIALISTA EN ECONOMÍA POLÍTICA INTERNACIONAL DEL SERVICIO DE INVESTIGACIÓN DEL CONGRESO: I think it is important to look at the condition of people living in the country—the wretchedness factor, as I suggested earlier. In fact, the Heavily Indebted Poor Countries (HIPC) Initiative was predicated specifically on this objective. There was no need for the creditors to institute such a program because they were either going to be paid or not. In most cases, they weren't going to be paid for bilateral debt. Multilateral lenders could expect to be repaid because that was the condition of continued assistance.

The debt relief was provided specifically to enable the HIPCs to address problems related to the human condition, but it was also given because of a sense that these countries lacked the capacity on their own to refocus their economic policies and needed that type of relief to be able to do so. There is a certain amount of “which came first: the chicken or the egg” in that case.

Other countries do have more capacity and more resources to move in that direction. I think that strengthening the economy of the country to produce employment and so forth is the underlying factor you need to deal with. Bringing the financial and real economies back together so that the one does not sink the other is another important consideration. Those considerations are much more along the line of policy rather than things that are directly related to debt itself.

El MODERADOR: Por favor Doctor Nehru, ¿podría añadir algo más?

El DIRECTOR DEL DEPARTAMENTO DE DEUDA DEL BANCO MUNDIAL: I'd like to make a more general comment because throughout the discussion, there have been indications that investments in social sectors—education and health—are sort of opposed to the promotion of

economic growth. I am stating it a bit to the extreme, but at the Inter-American Development Bank (IDB) and the World Bank, we invest a lot of resources in both education and health. There are many examples and experiences that prove that these investments in productive sectors and in social sectors go hand in hand. Indeed, if you look at the experiences of the East Asian Tigers, investment in education was very important in order to promote the growth that those countries had, so we are not leaving the challenges of the social sectors at all. We are going to remain there for some time.

Thank you.

El MODERADOR: Muchas gracias. Ofrezco la palabra al señor Embajador Antoine, de Grenada.

El REPRESENTANTE PERMANENTE DE GRENADA: Thank you very much, Mr. Chairman.

Having heard the exchanges that I have had the opportunity to listen to, I feel that I lost a lot by not being here earlier. However, I have a few questions and comments regarding what I have been listening to.

The distinguished Chairman of the Permanent Executive Committee of the Inter-American Council for Integral Development (CEPCIDI) asked a very important question. We are asking the experts what we can do to attract investment. The investment he spoke of went deeper. What can we do to have sustainable growth in our countries?

My question is: How long have the poor countries been poor in this hemisphere, and why have they become heavily indebted?

When the question of indebtedness was asked, one of the responses was: what you borrow for makes a big difference. However, debt is a symptom of a deeper disease. That is the answer I am talking about now.

In addition, it was said that the challenges of development create or cause debt. We are then looking at some incurable diseases, because these diseases have been there and they are festering. They are not being surmounted.

I thought that the Ambassador of Honduras wanted to know what is the vaccine for these diseases. How do we address ourselves to a set of formulas, a set of new indicators, a set of sustainable development indicators that would assist us in ensuring that we move gradually to some degree of sustainability?

Now, I heard talk of the market economy. We are talking about market economies. I want us to talk about people economies, because it would seem as though the market is void of people. Can we talk about people economies and market versus people economies?

We talk about education and capacity building. We have noticed that the magnetic nature of the neighborhoods of the developed world eradicates the product of our people. Now, I'm talking about small countries. Since the days of colonialism, we have produced raw products, as the

Representative of Saint Vincent and the Grenadines mentioned, and we still are producing. All of our human capacity building flows to the developed world.

Do we have a label? Why, then, is indebtedness so heavily weighted when it comes to creditworthiness? How can indebtedness be considered a mere symptom and not necessarily a factor in not achieving sustainable development? However, when it is time to look at the neighborhood, not only is political instability a problem, where there is such, but indebtedness is a main indicator in the engagement of such a state.

What agents for social and economic change are being recommended by the panel? How does a microeconomy fulfill economic agendas, keep promises to its people, and measure sustainable development? It is not fair that small microeconomies like Grenada are measured the same way as the developed world; hence, the issue of grants and special and deferential treatment for the countries of the Eastern Caribbean.

We have identified the problems; can we now discuss some solutions and formulas? I would like a sense of the direction that we will take in setting out formulas and solutions to the problems that we have discussed.

El MODERADOR: Muchas gracias, Embajador. Particularmente sobre este importante tema de hacer atractivo el clima de las inversiones, quisiéramos nuevamente recurrir al doctor Canuto para que nos haga unos comentarios al respecto.

El DIRECTOR EJECUTIVO DEL BANCO MUNDIAL POR BRASIL, COLOMBIA, ECUADOR, FILIPINAS, HAITÍ, PANAMÁ, REPÚBLICA DOMINICANA, SURINAME Y TRINIDAD Y TOBAGO: Ambassador, your call for concrete remedies is a healthy one, by the way.

Any experience that we have registered in the history of economic success has involved some common factors. The basic factor is not necessarily the modern way, but education, human capital; the second factor is physical infrastructure; and last but not least, institutions appropriate to the society to which we refer.

I call for institutions, contracts, and so on because we happen to be living in a market economy. A booming market economy that can include instead of expel people has to have appropriate institutions, but it has to be set up as a virtual circle that simultaneously includes education and physical infrastructure.

Let's select a set of policies and look up what our states do, what our governments do with whatever resources are available. I cannot say this about any country in particular, but I can say it with respect to my own country, Brazil. When one looks at the composition of public expenditure in Brazil, part of the benefits of this expenditure goes to the middle class through social security and so on. If a country were to go back and look at the list of public expenditures, certainly some space would be found to raise funds for education, physical infrastructure, and institutions.

There is no such thing as an economic miracle. There is no such thing as a grant falling from heaven or from other countries because they owe us something from the past. We are going nowhere

if we keep on insisting on some kind of original sin because nobody will pay attention to it. We had better look for some kind of bootstrap development.

Ambassador, the only way is to look at ourselves to get support whenever it is available. It is up to us what we do with our scarce resources regarding education, physical infrastructure, and institutional development, instead of keeping the characteristic privileges that the ruling class has enjoyed in a large part of our region.

El MODERADOR: Muchas gracias. Veo que las Delegaciones están estimuladas. Tenemos inscritos a cuatro países y estamos sobre el tiempo, por lo cual les quisiera rogar que seamos absolutamente breves tanto en las preguntas como en las respuestas. Tiene la palabra el señor Representante de México.

El REPRESENTANTE ALTERNO DE MÉXICO: Gracias, señor Moderador. Seré lo más breve en atención a su llamado.

En primer lugar, mi Delegación agradece la convocatoria a esta sesión conjunta, enfocada al análisis de temas que tienen una relación e incidencia directas con el desarrollo económico y el bienestar social de nuestros países.

Expresamos nuestro reconocimiento a los distinguidos panelistas por sus muy ilustrativas presentaciones acerca del alivio de la deuda, el crecimiento económico y la reducción de la pobreza.

Después de atravesar serios problemas de endeudamiento externo en décadas pasadas, el Gobierno de México ha logrado conducir un importante proceso de transición estructural en la economía del país. La disciplina monetaria y fiscal ha sido una constante durante los últimos años, dando mayor certidumbre a los actores económicos. El manejo responsable de la política fiscal y monetaria ha permitido mantener el nivel de la deuda en una tendencia decreciente de largo plazo. Adicionalmente, se ha buscado una menor dependencia del financiamiento externo.

En este nuevo entorno, la deuda pública se ha vuelto más manejable para el país. A partir de estas acciones, el Gobierno de México busca expandir la capacidad de crecimiento del país, propiciando con ello una prosperidad económica general que contribuya a la reducción de la pobreza, a la creación de empleos y al mejoramiento de los salarios dentro de un marco económico sustentable.

Dicho lo anterior, quisiera formular una pregunta a cualquiera de los panelistas que me haga el favor de contestarla. ¿En qué medida el cumplimiento de los compromisos asumidos para el financiamiento del desarrollo –me refiero concretamente a los derivados de la Conferencia de Monterrey sobre ese tema– concretamente en relación con la asignación de porcentajes específicos del producto interno bruto de los países desarrollados para el financiamiento del desarrollo, contribuiría a mejorar el perfil y las condiciones económicas de los países en desarrollo y con problemas de endeudamiento para aliviar la carga de la deuda y para aliviar también las condiciones de pobreza?

Muchas gracias.



El MODERADOR: Muchas gracias. El señor representante del BID podría contestar a esta pregunta.

El JEFE DE LA DIVISIÓN DE PAÍSES 3 DEL DEPARTAMENTO REGIONAL DE OPERACIONES 2 DEL BID: I don't think I am familiar enough with the *Acuerdos de Monterrey para contestar a la pregunta*. I'm sorry.

[Pausa.]

El MODERADOR: Podríamos continuar, entonces, y ceder la palabra al señor Representante de los Estados Unidos.

El REPRESENTANTE ALTERNO DE LOS ESTADOS UNIDOS: Thank you, Mr. Chairman.

The United States welcomes the study of the relationship between these important topics. The panelists painted a mixed picture, one that on balance suggests recently improved sustainability for developing countries as a whole, although significant risks remain. We will leave debt sustainability in developed economies for another meeting.

Our approach to debt policy is a blend of principle and pragmatism. On the principle side, we still hold to some traditional ideas; for example, that debt financing can provide investment resources to promote development. We still believe in the sanctity of legal contracts. Debts should be repaid.

However, in the case of heavily indebted countries, we believe that the Heavily Indebted Poor Countries (HIPC) Initiative has made good progress in reducing debt burdens in the countries that qualify for the Initiative and in enabling them to increase social-development-oriented investments. The United States goes beyond the formal requirements of the HIPC arrangements and provides 100 percent reduction of our bilateral claims on HIPCs when they reach completion point, and we regularly encourage our Paris Club friends to do the same.

The United States believes these middle-income countries (MICs) are most likely to maintain access to international capital markets and debt sustainability and to prevent crises from emerging when they pursue sound economic policies that promote private-sector-led economic growth. This is not simply our ideological predilection; the evidence clearly supports this view.

Thank you, Mr. Chairman.

El MODERADOR: Gracias, señor Representante de los Estados Unidos. Nuevamente, ofrezco la palabra a la señora Representante de Honduras.

La REPRESENTANTE ALTERNA DE HONDURAS: Muchas gracias. Discúlpeme por tomar nuevamente la palabra. Deseaba simplemente comentar, impulsada por el comentario del señor Representante de Panamá en cuanto a que los países sean atractivos para captar la inversión extranjera, que cuando en un país pobre como el mío se han aprobado leyes avanzadas de protección de los derechos sociales y económicos de los trabajadores, porque muchos inversionistas no quieren enfrentarse a sindicatos ni a cumplir con beneficios que otorgan esas leyes y al pago de onerosas

prestaciones, por supuesto no se va a regresar porque nos sentimos orgullosos de tener ese tipo de leyes, pero es una incongruencia y un círculo vicioso.

También acerca de la mención que hizo uno de los distinguidos panelistas sobre los *pet projects* que se impulsan en los países por diferentes administraciones y que despilfarran preciosos recursos de los pueblos y la forma como la sociedad civil y los pueblos pueden evitar que eso suceda.

Esos eran unos comentarios. Ahora simplemente mi pregunta concreta es al señor David Wyss de Standard & Poor's. ¿En la evaluación del clima de inversión y el *credit rating* de Standard & Poor's, qué papel juega tener o no tener un acuerdo comercial con el CAFTA? Gracias.

El MODERADOR: Señor Wyss, por favor.

El ECONOMISTA JEFE DE STANDARD & POOR'S: Does the credit rating have anything to do with bilateral trade agreements? I think the answer is virtually nothing. Those agreements are related to politics, not debt issues, and I don't think the administration particularly cares whether a country is a B or a BB. All they care about is whether the country will comply with the requirements under the free trade agreement. Frankly, I think that's probably all they should be concerned about.

El MODERADOR: Muchas gracias. Finalmente, vamos a dar la palabra al señor Representante de Venezuela.

El REPRESENTANTE ALTERNO DE VENEZUELA: Gracias, señor Moderador. También quisiera agradecer la convocatoria de esta sesión y la exposición de los panelistas.

En todo endeudamiento, cualquiera que sea, hay una doble responsabilidad, tanto de quien solicita el préstamo como de quien lo otorga. En cuanto a quien lo solicita, hacer un uso racional y responsable de él, entre otros. En cuanto a quien lo otorga, cerciorarse previamente de la capacidad de pago y asegurarse de que quien lo ha solicitado está haciendo un uso racional de él; además, como contribuye a generar las condiciones para que los países, los Estados, estén en capacidad realmente de pagar esos préstamos.

Ahora bien, en el endeudamiento de los países que se han beneficiado hasta ahora de esta iniciativa, de los países altamente endeudados, ellos han tenido que hacer una serie de ajustes y cumplir una serie de requisitos para beneficiarse de este modelo.

Sin embargo, y éstas son las preguntas en concreto: ¿Cuánto representa en términos reales y porcentuales la reducción otorgada en el alivio de la deuda con respecto a lo que hasta ahora han pagado los países que se han beneficiado de ella en términos de los intereses que durante tantos años han venido pagando por ese endeudamiento?

En segundo lugar, ¿cuáles han sido los sacrificios, si es que ha habido alguno, que han asumido quienes han otorgado esos créditos en comparación con los enormes costos políticos, económicos y sociales que han tenido que asumir muchos de los países que ahora se ven fuertemente endeudados?

En tercer lugar, y desde la perspectiva de los valores éticos y morales que representan para un país, para un Gobierno, el tener que sustraer recursos sustanciales para dedicarlos al pago del servicio de la deuda o al capital de la deuda, ¿cuáles habrán sido o han sido o cómo han respondido los organismos multilaterales y la banca privada a esos valores? ¿Han tenido valores desde el punto de vista ético y moral al hacer exigencias que en la mayoría de los casos sobrepasan las dimensiones reales y la capacidad de pago que los países tienen con relación a las demandas de su pueblo?

Otra pregunta es: ¿habría alguna consecuencia para el sistema financiero internacional –me estoy refiriendo específicamente al caso de los países altamente endeudados– si los organismos internacionales públicos y privados condonaran por completo la deuda de estos países o hicieran una reducción significativa, pero no en términos de la reducción como hasta ahora se ha planteado sino en la eliminación total de la deuda?

Y finalmente, sobre la base de la pregunta del Embajador de Honduras y del comentario del Embajador de Grenada, me gustaría revertir la carga de la pregunta: ¿cuánto pueden hacer, si es que están dispuestos a hacerlo? ¿Hasta qué punto y si realmente los organismos multilaterales y los organismos privados están dispuestos a través de estos mecanismos, verdaderamente, a contribuir al desarrollo de los países que así lo necesitan? Gracias.

El MODERADOR: Muchas gracias. Como representante del Banco Mundial, quisiéramos una vez más acudir al doctor Canuto.

El DIRECTOR EJECUTIVO DEL BANCO MUNDIAL POR BRASIL, COLOMBIA, ECUADOR, FILIPINAS, HAITÍ, PANAMÁ, REPÚBLICA DOMINICANA, SURINAME Y TRINIDAD Y TOBAGO: I'll try to reply to these very stimulating questions, particularly the one about the moral aspect of paying debt while there are remaining possible alternatives for the money for the nations in question.

To start with, an investment is only made if the investor will gain something from it; otherwise, no one invests money. The terms of the investment and the rate of return are necessarily associated with several factors, including risk assessment and the possibility of not getting a return on the money invested.

A contract is bilateral by definition; it is a voluntary act by two parties. It is not a moral question; it is not a question of whether one should or should not. If a contract is breached, an investor afterwards will raise the risk premia required to make another contract. Pragmatically, if I am the governor or the one responsible for policymaking in an economy and I think that I will need to resort to contracts in the future, I have to take into account that any move that I make will cost something. There is no miracle in that. It is not necessarily a moral question, but a pragmatic one from the economic and financial standpoint.

El MODERADOR: Por favor, el doctor Sanford.

El ESPECIALISTA EN ECONOMÍA POLÍTICA INTERNACIONAL DEL SERVICIO DE INVESTIGACIÓN DEL CONGRESO: Just a few comments.

You asked about the interest rate on debt cancellation programs. The debt cancellation programs that have been instituted to date have been for low-income countries (LICs). The interest rates on those debts are very low and the amount paid has been very low. The unpaid interest has also been cancelled, so the interest costs on those loans have been sufficiently small as to not be a significant part of the debt burden. It's the principal that is mostly the issue. Now, how that extends to middle-income countries (MICs) is another question.

You asked about 100 percent debt cancellation for the international development institutions and for the private sector. I can't speak for the private sector, but if the World Bank, for example, were to forgive all of the debt owed to it by MICs, as my colleague just said, the Bank would break. You would no longer have the institution, because the Bank goes into private capital markets and borrows money in order to be able to re-lend it. It borrows roughly at 0.5 percent less than the rate at which it lends. And so, if the Bank no longer has the proceeds from your debt repayments, it no longer has the proceeds to pay off the people from whom it borrowed the money. Those funds are often pension funds and mutual funds from other types of institutions, so those institutions would lose money. Of course, the Bank would not be able to borrow on the international capital markets at anything near the rates that you would be able to afford if it were to then pass the loan back to you on a marked-up basis.

Meanwhile, there would be very substantial losses to the Bank beyond the scope of its reserves, which are somewhere in the 24 percent range of its outstanding borrowings, and that would mean that the callable capital pledged by all of the member countries would then be called. That, of course, would trigger the major countries like the United States, Japan, Germany, and France, but it would work its way down so that all of the countries that borrow from the institution would be asked to come up with their share of callable capital. There would be a series of rounds until they came up with enough money to cover those losses.

Now, I would submit to you that countries, such as the United States, Germany, or Japan, that suddenly are required to come up with billions of dollars to cover these losses—which they are contractually obligated to do—will not look very kindly at the broader situation, and that in itself will have consequences. If you kill the institutions, you put the international financial system at some risk, you injure the institutions from which the money was borrowed, and you put both your own countries and the larger countries at some immediate financial risk in order to pay off those losses, so there are consequences to such an action.

EI JEFE DE LA DIVISIÓN DE PAÍSES 3 DEL DEPARTAMENTO REGIONAL DE OPERACIONES 2 DEL BID: Can I just add one point on this discussion? I think it is very important to keep in mind that these banks—the World Bank, the Inter-American Development Bank (IDB), and the other multilateral development banks (MDBs)—are not commercial banks. They are cooperative institutions that are owned by you. In the case of the World Bank, you have 184 members. In the IDB, we have 46; the shareholders present in this room, I think, would account for 70 percent or more of the ownership. They are your institutions, and I think you should be very careful before you put them into problems that would eventually come back to haunt you in terms of the possibility of receiving assistance from these institutions.

El MODERADOR: Reanudaremos nuestra interesante sesión a las dos de la tarde, en cuya oportunidad se abordarán temas como comercio, crecimiento y reducción de la pobreza, así como financiamiento del comercio y desarrollo económico.

Queremos una vez más, de verdad, expresar nuestro reconocimiento a los señores panelistas que nos han acompañado esta mañana y por cierto invitarles a todos, particularmente a nuestros panelistas, a un *buffet* que ofreceremos *downstairs* en el Patio Azteca. Gracias.

Quisiera pedirle a nuestro Presidente de la CEPACI que tenga la bondad de levantar la sesión.

El PRESIDENTE DE LA COMISIÓN EJECUTIVA PERMANENTE DEL CONSEJO INTERAMERICANO PARA EL DESARROLLO INTEGRAL: Muchas gracias, señor coordinador de este evento. Se levanta la sesión para reanudarla a las dos de la tarde tal como él lo expresara.

[RECESO]

## MÓDULO II: COMERCIO Y DESARROLLO ECONÓMICO

El PRESIDENTE DE LA COMISIÓN EJECUTIVA PERMANENTE DEL CONSEJO INTERAMERICANO PARA EL DESARROLLO INTEGRAL: Buenas tardes. Damos reinicio a la sesión conjunta del Consejo Permanente y de la Comisión Ejecutiva Permanente del Consejo Interamericano para el Desarrollo Integral (CEPCIDI). En tal sentido, ofrezco la palabra al Embajador Marcelo Hervas, Representante Permanente de Ecuador, quien coordina el evento de este día. Cedo la palabra al Embajador Marcelo Hervas.

### PANEL 1: COMERCIO, CRECIMIENTO Y REDUCCIÓN DE LA POBREZA

El MODERADOR: Muchas gracias, señor Presidente.

Reanudamos nuestra sesión de la tarde. Quiero decirles que nuestra sesión coincidió en ciertos momentos con una misa en honor del Papa Juan Pablo II, de modo que esa puede ser la razón por la que algunos embajadores han estado ausentes. A continuación abordaremos el tema “Comercio, Crecimiento y Reducción de la Pobreza”. Posteriormente seguiremos con el tema “Financiamiento del Comercio y Desarrollo Económico”.

Están con nosotros los siguientes panelistas: el señor William Cline, del Instituto para la Economía Internacional, y el doctor Eduardo Lora, amigo de este Consejo y conocido de todos –esta casa es la suya, doctor Lora– quien es Asesor Principal del Departamento de Investigación del Banco Interamericano de Desarrollo (BID); luego continuaremos con la segunda parte del panel con otros tres expositores.

Con el permiso del señor Presidente quiero reiniciar la sesión, dando la palabra al señor William Cline, del Instituto para la Economía Internacional.

EI *SENIOR FELLOW* DEL INSTITUTO PARA LA ECONOMÍA INTERNACIONAL:  
Thank you very much, Mr. Moderator.

I thought I would summarize my book *Trade Policy and Global Poverty*, which was published by the Institute for International Economics (IIE) last June, and say a few words about where we stand on the World Trade Organization (WTO) Doha Round on these issues.

The broad framework of my analysis is that open trade can make a major contribution to reducing poverty by making a major contribution to economic growth, and economic growth is the ultimate engine for reducing poverty.

This first slide shows the strong correlation between economic growth and export growth in the last two decades. On average, an extra one percent in export growth has been associated with an extra 0.15 percent in gross domestic product (GDP) growth. We know lots of reasons why this is true; it goes back to Adam Smith in terms of producing for comparative advantage, achieving economies of scale, and creating the pressure for productivity growth that comes with openness to the international economy. This has been known in general because of the influence of producing to world standards and technological transfer, often along with the role played by direct investment.

Increasingly, statistical studies show a relationship between productivity growth and openness of the economy. This table summarizes the recent studies, and the broad bottom line that I draw from these studies is that an extra one percent in the ratio of trade to GDP is associated with an extra 0.5 percent of long-term output per worker. That is a very powerful link between productivity growth and openness of the economy.

Economic growth does reduce poverty and, in fact, there is a very leveraged relationship. International experience, on average, is that an extra one percent of per capita income translates into a two percent reduction in the incidence of poverty. This relationship is even more powerful when income is fairly equally distributed, as in some of the Asian countries; it tends to be somewhat less powerful where income is unequally distributed. In Brazil, the relationship, as you see in the table here, is 1.5, but it still is leveraged.

Substantial protection remains to be eliminated in the world economy, particularly in agriculture. Europe and Canada both have a total protection equivalent of about a 50 percent tariff in agriculture. I estimate the figure for Japan to be 80 percent. In agriculture, the tariffs tend to be relatively high for Europe, and the subsidies tend to be relatively higher for the United States. There is a lot of protection in agriculture, as well as in textiles and apparel, so there is scope for increased export opportunities for developing countries if industrial countries were to eliminate their protection.

I tried to use state-of-the-art models to estimate the impact on global poverty of eliminating protection. It is important to keep in mind that most of the countries with a lot of poverty have a lot of unskilled labor, and basic trade theory says that unskilled labor should benefit from an increase in the wages of unskilled labor because that is their comparative advantage when global trade is liberalized. I used a general equilibrium model to estimate the trade impact of global free trade, and then I translated that into the impact on unskilled wages, and then, applying the unskilled wage change to this poverty leverage, this poverty elasticity, I estimated the number of poor who would be lifted out of poverty.

The farthest-left column is the static effects, such as the ones in the traditional economic textbooks from Adam Smith, and then there are the dynamic effects that economists are increasingly talking about. I include both this productivity effect that I was mentioning and induced investment, which one could expect from new trade opportunities. When I add all of that together, over a 15-year period, global free trade would reduce the number of poor by 500 million people, against something like two billion people in poverty at that time. This is at the level of two dollars per day.

If we look at Latin America, we see that the total share of that figure is relatively limited. It's a reduction of poverty by 15 million persons. That would still be about 10 percent of the estimated number of poor at this level in Latin America, but partly because of this lesser sensitivity that I mentioned, there's less impact here.

The summary of this study was that global free trade could lift 500,000 million people out of poverty over 15 years. Something like \$200 billion annually is the income gain to developing countries from global free trade. Half of that comes from the liberalization of markets in the industrial countries and the other half from the liberalization of the markets of developing countries. Of course, that would mean that the industrial countries could convey benefits to developing countries that are almost twice as large as their annual aid budgets by giving free trade. Trade should be considered as a more efficient instrument that should parallel, not replace, what is being done through aid. Finally, half of the gains have come from agriculture, which reflects the high level of protection.

What should Doha do? Doha should seek to go, as far as possible, to global free trade. The industrial countries should sharply cut tariffs in agriculture, textiles, and apparel and, of course, reduce the peak tariffs in manufactures. They should eliminate agricultural subsidies or fully decouple them from production. One of the big issues one will be looking at is whether the recent European offers on their subsidies, supposedly putting them into the non-trade-distorting category of production, in fact accomplish that. This is the so-called Blue Box for subsidies.

The middle-income countries (MICs)—and this is very important, I think, for this gathering—do need to cut their industrial tariffs by 50 or 60 percent. Industrial tariffs average about 15 percent in the MICs, and there has to be something on the table in order for the trade interests in the industrial countries to be willing to put pressure on the agricultural interests in the industrial countries to get this balanced deal. I also think that it would make sense for the MICs to give free entry to the least developed countries because in this negotiation, you have to have consensus, and a lot of the least developed countries are concerned about preference erosion. Immediate free entry to imports from the least developed countries into countries such as Brazil and, for that matter, China, would be a major compensation that would make the less developed countries think that there was a more balanced deal.

There was progress last July on agricultural subsidies. The July framework meant that there is plenty of scope for a deep liberalization, and it's still to be determined whether that would be taken advantage of. Cotton and sugar rulings are very important. These recent developments are also pointing toward liberalization.

Let me close with a couple of comments on some of the more recent issues. There is a lot of concern about the least developed countries not benefiting and, in fact, being disadvantaged by global free trade in agriculture because a lot of them import food, and food prices would go up with

agriculture liberalization. Well, it's important to realize that the least developed countries have a trade deficit on everything—not just food—and they have an even bigger trade deficit on manufactures than they do on food. Because free trade will reduce average prices as a result of the economy being more efficient globally, the savings they make on lower import costs on manufactures will actually be greater than the extra costs on food imports, so it is important to take a general equilibrium look at that issue.

Finally, there is the question of preference erosion. When I do fairly strong tests in my model of this issue—and I can't get into the details—taking into account the preferential entry that the least developed countries currently have reduces your estimate of their net gain from global free trade because they do have some advantage, but there are still positive benefits. This is, of course, under the assumption that they would now have free entry to the markets of MICs and benefits from liberalizing their own trade.

I will stop here by summarizing that Doha can make an important contribution to global growth and to the reduction of global poverty.

Thank you.

El MODERADOR: Agradecemos muy cumplidamente al señor William Cline, del Instituto para la Economía Internacional, por su exposición, que además ha sido muy gráfica. A continuación el doctor Eduardo Lora, Asesor Principal del Departamento de Investigación del BID, hará su presentación.

[Pausa.]

Quiero manifestar a las delegaciones que los aportes que hagan nuestros panelistas son recogidos en actas, de modo que toda esta información y esta documentación va a ser muy útil para quien quiera revisar el tema, familiarizarse más con el, conocer los puntos de vista de los panelistas; de modo que toda aquella información va a ser realmente fructífera. Doctor Lora, tiene usted la palabra.

El ASESOR PRINCIPAL DEL DEPARTAMENTO DE INVESTIGACIÓN DEL BANCO INTERAMERICANO DE DESARROLLO: Muchas gracias, Embajador Hervas y gracias por el saludo de bienvenida. Para mi es un placer estar aquí.

Voy a ocupar los siguientes minutos presentándoles las conclusiones centrales de nuestro informe anual del año 2004, que trató sobre el tema laboral y en el cual estudiamos con mucho detalle los efectos sociales de la apertura en América Latina. Lo que motiva esta presentación es la preocupación que hay en América Latina, con muy justas razones, por el problema laboral.

En los noventas, las tasas de desempleo en muchos países aumentaron y, en promedio, lo mismo ocurrió en toda América Latina. En los noventas, en promedio, en América Latina los salarios estuvieron prácticamente estancados, no tuvieron prácticamente ningún crecimiento, aunque en algunos países hubo algunos crecimientos, pero el promedio fue bastante desalentador. En general, en todos los países de América Latina, quizás con una sola excepción, las brechas salariales entre los



grupos de trabajadores con mayores niveles de educación y los grupos con menores niveles de educación, que ya eran muy grandes, se ampliaron.

Puesto que todo esto ocurrió durante los años en que, a su vez, estaba abriéndose la economía, mucha gente identifica o cree que lo uno fue necesariamente consecuencia de lo otro y eso, la verdad no es fácil precisarlo sin hacer estudios muy detallados, sector por sector, y comparando los resultados de unos países y otros, etcétera. Esto es, precisamente, lo que han hecho muchos investigadores. Lo que les voy a traer aquí es el resumen de lo que han dicho las investigaciones, incluyendo unas pocas nuestras.

Mucha gente cree, como les he dicho, que la apertura está detrás de los problemas laborales. Las citas que traigo aquí, que no les voy a leer, pero ustedes las tienen en sus materiales, son tomadas de una encuesta participativa de opinión social hecha en varios países latinoamericanos que se resume aquí en estas expresiones que dicen esencialmente que la gente piensa que la apertura ha sido causa grave de los problemas sociales que tienen los países.

Antes de entrar en materia sobre lo que dicen las investigaciones, hay un punto que es muy importante dejar en claro y que ya lo ha señalado el profesor Cline en su presentación y que lo han señalado muchos analistas. Y es que la apertura al comercio internacional ayuda al crecimiento. Es un punto que es muy importante, porque claro, si la apertura redujera el crecimiento no sería una sorpresa que aumentara la pobreza o que generara otros problemas, pero quitemos eso del camino para tener claro en qué terreno nos vamos a mover. La apertura mejora el crecimiento.

Muy bien, entonces veamos los efectos de la apertura. En realidad, cuando se estudian los efectos de la apertura, es mejor dejar los prejuicios “en remojo”, porque los efectos de la apertura son una caja de sorpresas. Son una caja de sorpresas tanto para quienes promovieron la apertura y para los líderes de la apertura, como para sus críticos. Hay efectos sorprendentes de lado y lado.

Empecemos por el desempleo, que es el tema que más le preocupa a la gente. Los análisis, sin excepción, concluyen que los episodios de apertura o las reducciones de aranceles o de otras restricciones a las importaciones no producen ningún efecto sobre las tasas agregadas de desempleo. Repito, ningún efecto. En el gráfico de PowerPoint que les estoy mostrando se observa eso, pero, por supuesto, esta no es la única base de esta conclusión. Este gráfico muestra alrededor del eje central cómo eran las tasas de desempleo en promedio en América Latina en el momento en que cada país hizo la apertura, y cómo fueron antes y después. Entonces, el período T es aquél en que cada país hizo la apertura. Ustedes ven que, en promedio, si algo ocurrió es que las tasas de desempleo tendieron a caer después de las aperturas, no a aumentar. Tengo el ejemplo de Colombia, en parte porque es mi país, pero en parte porque es un caso donde las tasas de desempleo son muy elevadas y ni siquiera en este país se encuentra esa relación. Eso sobre desempleo.

Sobre empleo, hay que distinguir entre el empleo total y el empleo industrial. En el caso del empleo total, tampoco se ha encontrado ningún efecto, como si fuera el reverso del desempleo. No lo es exactamente, pero *grosso modo* no se ha encontrado ningún efecto sobre el empleo total. Sobre el empleo industrial, en los sectores industriales, que son los que más compiten con las importaciones o los que sufren los efectos comerciales, sí se han encontrado efectos en el empleo, pero lo que es importante destacar es que estos efectos son muy modestos.

Los resultados que estoy mostrando en el gráfico son elasticidades, que es una medida que puede llamarse típica, que usan los economistas para medir qué tan sensible es una variable frente a otra; y estos datos muestran elasticidades muy pequeñas, especialmente cuando se tiene en cuenta que además la apertura en general tuvo efectos favorables de producción sobre muchos sectores. Es cierto, a algunos los perjudicó. Por supuesto, a otros los benefició. Pero cuando uno tiene en cuenta los efectos conjuntos de a quiénes benefició y a quiénes favoreció, en general los efectos de la apertura sobre el empleo son muy modestos o incluso nulos de acuerdo con muchos trabajos.

Muy bien. Esto yo creo que es una sorpresa para unos y otros, tanto para los proponentes de las reformas como para los críticos de las reformas. Sin embargo, los salarios son otra historia. Hasta ahora he hablado de empleo y desempleo, déjenme que hable ahora de salarios.

Es cierto que, de manera general, en las economías que ya son más abiertas y aquí hay que subrayar el ya, que ya son más abiertas, les va mejor a los trabajadores. En el gráfico que les estoy mostrando se comparan los salarios de los trabajadores; cómo les fue a los salarios de los trabajadores en los noventas, comparado con los ochentas, en las economías ya integradas o globalizadas con las no globalizadas, y se ve que les fue mucho mejor a los trabajadores en las economías ya globalizadas o ya integradas internacionalmente. Pero esto es ya integradas. Otra cosa es, cuando uno hace la apertura; en el momento en que se hace la apertura. Y lo que ocurre es que en los años inmediatamente posteriores a la apertura, los salarios caen y solo se empiezan a recuperar realmente después de un tiempo. Entonces, una cosa es el efecto que uno va a tener al final, permanentemente, que va a ser favorable a los salarios y otro es el *shock* que sufren las economías cuando se reducen las restricciones a las importaciones.

Y aquí es importante preguntarse si esto no es contrario a la teoría, ya que los economistas siempre nos habían dicho –o hemos dicho, porque yo soy economista– que uno esperaría que en la medida en que se abren las economías los trabajadores deben recibir mayores salarios porque el trabajo es el recurso más abundante en las economías en desarrollo. Sí, posiblemente, pero hay una serie de factores que los estudios han mostrado que impiden que eso sea así en el corto plazo. Y aquí están las razones.

Una razón muy posible es que los trabajadores participaban en las rentas de la protección que tenían las empresas, y que la apertura erosionó el poder sindical de las empresas, de los trabajadores en las empresas, de manera muy importante. Muy posiblemente en algunas economías ocurrió que los aranceles eran en realidad mayores en los sectores con más trabajo intensivo, no en los sectores, como se creía siempre, con capital intensivo; lo que han dicho las investigaciones es no, lo que estábamos protegiendo eran los sectores que empleaban más trabajo, por lo tanto, cuando les bajamos los aranceles los salarios caen. Naturalmente, es sentido común.

Otra explicación posible es que el trabajo no es el recurso relativamente más abundante en América Latina. Eso es muy posible, especialmente frente a China, si pensamos ahora que China está en los mercados mundiales; posiblemente el recurso abundante de América Latina no es el trabajo, posiblemente son los recursos naturales. Y por último, que posiblemente la apertura aumenta la demanda de trabajo calificado más que el trabajo no calificado.

Eso está relacionado con el último punto que quiero tocar y es que en materia de salarios hay alguna evidencia, repito y subrayo, alguna, porque no es muy contundente, de que la apertura

aumentó las brechas salariales, que como ustedes vieron, se elevaron. La cuestión es si eso se debió a la apertura. Aparentemente sí en el caso de la Argentina, aunque el efecto es relativamente modesto; y aparentemente también en Colombia, Costa Rica y México. Esto aparentemente ocurrió no tanto por un efecto comercial propiamente dicho, sino porque la apertura trae un efecto tecnológico muy importante y es que induce a las empresas a innovar tecnológicamente, a modernizarse con nuevo capital y con nuevas tecnologías, que usualmente tienden a desplazar a los trabajadores de menor calificación y a utilizar más trabajadores calificados. Ese parece haber sido el canal por el cual la apertura aumentó las brechas salariales.

Sin embargo, la evidencia dice –y aquí también las conclusiones son muy parciales por el momento– que posiblemente esos efectos de aumentar las brechas salariales, de aumentar la desigualdad salarial son temporales. Claro, ocurren al principio, pero en la medida en que luego la educación responde, hay cambios en la forma como se organizan las empresas y tienden a reducirse. El ejemplo que estoy presentando aquí es México y lo que observan en la gráfica corresponde a las brechas salariales. Allí se ve que las brechas salariales tendieron a aumentar a partir de 1986 cuando, como ustedes saben, México se unió a la Organización Mundial de Comercio (OMC), y en los primeros años de esa integración las brechas salariales aumentaron en dicho país. Sin embargo, cuando México se unió a los Estados Unidos mediante el Tratado de Libre Comercio (TLC), que es la línea roja que se ve en el gráfico, eso no siguió ocurriendo. Al contrario, parece haber habido una pequeña disminución en las brechas salariales. Lo cual sugiere, repito, que esos malos efectos distributivos son temporales o también que dependen del tipo de integración que se hace. Claro, cuando México se integra con la economía mundial, quizás tiene que competir con la China y eso perjudica las brechas salariales, y cuando se integra con Estados Unidos eso no perjudica sus brechas salariales, posiblemente eso lo favorece, porque hay más ocupación de trabajo no calificado para exportaciones hacia Estados Unidos.

Concluyo la presentación haciendo un pequeño resumen de lo que he dicho y agregando algunos puntos que no he mencionado. Los efectos sociales de la apertura están llenos de sorpresas. Es bueno dejar los prejuicios afuera, los prejuicios no ayudan a pensar en estos temas.

Básicamente, lo que encontramos son muy pocos efectos de empleo y desempleo, prácticamente nulos. Efectos sobre salarios, sí y negativos; al principio la apertura redujo y reduce los salarios. Es posible que haya contribuido algo y aquí es importante tener en cuenta el algo. Eso no explica la desigualdad en América Latina, ni explica el gran aumento que ha tenido, es solamente algo: aumenta las brechas salariales.

Aunque los nuevos empleos son mejores, algo a lo que no me referí, pero el informe sí se refiere a eso, los nuevos empleos que se están generando gracias a la apertura no son inferiores a los anteriores, al contrario, son mejores empleos. La estabilidad del empleo no cambió; no he mencionado esto, pero las investigaciones nos dicen que ahí no pasó esencialmente nada. Mayor informalidad es algo que tampoco concluye mucho la investigación; ahí hay aparentemente un efecto en algunos países y podemos hablar de eso en la discusión, si a ustedes les parece.

Eso era todo y muchas gracias.

El MODERADOR: Muchas gracias, doctor Eduardo Lora, Asesor Principal del Departamento de Investigaciones del BID. Doctor Lora, no es la primera vez que está con nosotros, como decía, y le agradecemos sus ilustrativas exposiciones.

Abrimos un período para comentarios de las delegaciones. El señor Embajador Maisto, de los Estados Unidos.

El REPRESENTANTE PERMANENTE DE LOS ESTADOS UNIDOS: Thank you, Mr. Chairman.

This joint meeting is really quite important. It is good news that the presentations will be available to all the members of the Permanent Council, because there is much information that should be absorbed if we are all to be more than rhetorically acquainted with the subject matter. In that respect, my delegation offers its congratulations to Dr. Cline and Dr. Lora for their presentations today, which contained very valuable information.

Mr. Chairman, my objective in this intervention is to provide an outline of the approach of my government to the general subject matter. My delegation hopes that this discussion can go on beyond today in the appropriate fora.

The United States, Mr. Chairman, welcomes the study of the relationship among all the issues that are on the agenda today. We have even seen in this presentation, as in others, that the statistics paint a mixed picture, one that, on balance, suggests recently improved sustainability for developing countries as a whole, though with important risks remaining.

I would like to talk about the approach of the United States to debt policy because undoubtedly, first of all, the trade exposition speaks for itself. I don't know that there is much more to add. That said, I would like to go right to the debt policy issue, and our approach constitutes a blend of principle and pragmatism.

On the principle side, we still hold to some traditional ideas; for example, that debt financing can provide investment resources to promote development. We still believe in the sanctity of legal contracts—the notion that debts should be repaid.

In the case of heavily indebted countries, the United States believes the enhanced Heavily Indebted Poor Countries (HIPC) Initiative has made good progress in reducing the debt burdens of the countries that qualify for it and has enabled them to increase social-development-oriented investments. The United States goes beyond the formal requirements of the HIPC arrangement and provides 100 percent reduction of our bilateral claims on HIPCs when they reach completion point. We regularly encourage Paris Club creditors that do not extend 100 percent reduction to do so.

The United States believes that the middle-income countries (MICs) are most likely to maintain access to international capital markets and debt sustainability and are more likely to prevent crises when they pursue—and this is no new information for those who follow this—sound economic policies that promote private-sector-led economic growth. This is not simply an ideological predilection; the evidence supports this view.

We have also seen projections today on the trade side that show economic growth as an engine for reducing poverty. Those statistics are indeed impressive. The importance of the World Trade Organization (WTO) Doha Round, as expressed here today by Dr. Cline, speaks for itself.

I do not want to get into a discussion here of U.S. trade policy. I am not a trade economist—I follow it as closely as I can and try to understand it—but I want to underline the important work on the trade side of the Office of Trade, Growth, and Competitiveness (OTGC) of the Organization of American States. It is really very important, particularly at this very vital stage of trade negotiations, not only in our hemisphere but, of course, in the world. Doha is so important to the well-being of every country in this hemisphere and to our overall objective of reducing poverty.

We have heard presentations in the past from the Inter-American Development Bank (IDB). We have heard Dr. Lora; we have heard President Enrique Iglesias here. It would be wise for all of us to go back and read President Iglesias's presentation at the *Cátedra de las Américas*.

To give you an idea of the continuation of the importance of the dialogue from the U.S. point of view, I am proud to note that the Under Secretary of the Treasury for International Affairs, John Taylor, will be here next month at the Lecture Series of the Americas. I hope I haven't overshot the announcement, but that's okay; I'll take that risk. We are anxious to get a good interchange on all of these subjects this year. They are tremendously important.

Thank you, Mr. Chairman, for this opportunity to make a few general remarks, and I will try to get back for the rest of the debate. After my intervention I will have to leave, because I have a meeting with somebody who knows the subject matter very well, the current Deputy Secretary of State, Robert Zoellig. He will be pleased to hear that it was discussed at the OAS today.

Thank you, Mr. Chairman.

El MODERADOR: Muchas gracias, Embajador John Maisto, por sus comentarios. Al propio tiempo quiero mencionar y destacar que el anuncio que nos acaba de hacer el Embajador Maisto con relación a la presentación del Subsecretario del Tesoro dentro del programa Cátedra de las Américas será un muy útil complemento a las labores que estamos desarrollando.

Tiene la palabra el señor Representante de Panamá.

El REPRESENTANTE ALTERNO DE PANAMÁ: Gracias, señor Presidente.

En primera instancia, quisiera agradecerle el esfuerzo que usted ha hecho para hacer este panel del día de hoy y agradecer también a los conferencistas que nos han acompañado esta tarde. Igualmente, por esa vía quiero agradecer a la Secretaría Ejecutiva de Desarrollo Integral y la Oficina de Competitividad y Comercio por el trabajo desarrollado.

Deseamos una aclaración sobre la presentación que hizo el señor Cline. No entendimos muy bien, o no recogimos en las notas, si en su investigación después de iniciar el proceso de liberalización se requerirían cerca de 50 años para disminuir o eliminar la pobreza. No sé si ese era el criterio o era otro, pero básicamente esa es la inquietud que tenemos. Gracias.

El MODERADOR: Tiene la palabra el señor Cline.

El *SENIOR FELLOW* DEL INSTITUTO PARA LA ECONOMÍA INTERNACIONAL: Si entendí bien su pregunta, sobre si yo estaba hablando de 50 años, la respuesta es no, estaba hablando de 15 años. La mayoría de los economistas no piensan que 50 años existen aquí, descuentan al futuro.

El MODERADOR: Tiene la palabra la Representante del Uruguay.

La REPRESENTANTE ALTERNA DEL URUGUAY: Muy amable, señor Moderador.

También quería agradecerle por la preparación de esta sesión y agradecer especialmente a los panelistas. También esperamos la distribución, por supuesto, de las actas de esta sesión conjunta del Consejo Permanente y la CEPCIDI.

Creemos que han sido muy interesante estas últimas dos presentaciones relativas al comercio y desarrollo económico y como decían por la percepción que hay, o por el *shock* inicial de una apertura comercial en la población, es importante también aportar estudios, elementos para demostrar que por lo menos en los siguientes años hay un proceso de readaptación a esta situación y que se llega al menos a un crecimiento económico.

No sé si faltaría elaborar en estos estudios el tema de la distribución del ingreso, porque cambia de un sector a otro. La gente debiera recapitarse para pasar de un sector a otro, por decirlo así, frente a una liberalización en agricultura. Esto beneficiaría a ese sector, pero si la población se ha concentrado en las ciudades tendría que volver al campo; cosas por el estilo. Entonces, el beneficio no es tan inmediato o no lo siente tan inmediatamente la población. Por eso queríamos conocer algo más, justamente sobre cómo ayudar a mejorar la distribución del ingreso en los países y a que se visualice.

Por otro lado, destacar, por cierto con base en lo que nos señaló el Embajador Maisto, recién referido al tema o al anterior, pero de todos modos la importancia que ello tiene. Nos mencionaba la prevención de las crisis financieras, lo cual no siempre es absolutamente posible porque un país no controla todas las variables; especialmente hoy día en un mundo globalizado y menos un país pequeño, como ha sido el caso nuestro. Pero también reconocemos la importancia de actuar rápidamente para tratar de superar esas crisis y en ese caso, a veces, sabemos que las burocracias no siempre ayudan en ese sentido. En el caso particular nuestro sí; ya le fue reconocido al Gobierno de Estados Unidos, que tuvo en su momento una actitud muy importante y creemos que esa intervención que hará el Subsecretario del Tesoro de los Estados Unidos puede ser importante en el tema de la superación de las crisis.

Por último, tenemos el tema de las negociaciones comerciales a nivel de la Ronda Doha, que es una expectativa para todos los países y que tendrá su impacto, supongo, en la continuación del proceso de liberalización a nivel de nuestro hemisferio. Esperemos que así sea. Gracias.

El MODERADOR: Muchas gracias. Quiero preguntar a nuestros panelistas, alguno de los dos, si pudiera contestar a la inquietud de la Representante del Uruguay. El doctor Lora, por favor.

El ASESOR PRINCIPAL DEL DEPARTAMENTO DE INVESTIGACIONES DEL BANCO INTERAMERICANO DE DESARROLLO: Gracias. Lo que dicen los estudios sobre distribución del ingreso, en general, es que los cambios son relativamente menores por efecto de la apertura. Cosa que puede diferir de los efectos de los modelos de equilibrio general, sobre los que posiblemente se puede referir el profesor Cline, porque esos son ejercicios, digamos, prospectivos, mucho más teóricos que lo que se observa y lo que hoy se puede observar en la realidad.

Sobre el tema de quienes quedan desplazados y estos problemas de movilidad, etcétera, es sorprendente que los estudios encuentran muy poco cambio en los patrones que ya hay de gran movilidad laboral. La actividad que hay de creación y destrucción de empresas y de creación y destrucción de empleos es tan elevada en todo momento, no solamente en América Latina sino en todas las economías de mercado, que muchas veces la apertura es una gotita de agua más en este mar turbulento. Es difícilísimo distinguir cual es el efecto de la gotita en ese mar que se está moviendo todo el tiempo, que tiene enormes cambios.

Lo que dicen los estudios es: mire, después de la apertura, o con la apertura, no se observa que las aguas estén más agitadas que antes. No le están diciendo que las aguas son tranquilas. No, eso no lo dicen los estudios. Hay cantidades de gente que todo el tiempo en América Latina está perdiendo su trabajo, está pasando del sector formal al informal, al desempleo, etcétera. Mire, las cosas no cambian mucho con o sin apertura.

Cambian mucho más, y eso si es clave, con el otro tema que usted mencionó, que es el problema de la estabilidad macro y de la inestabilidad financiera y la inestabilidad, por ejemplo, de los tipos de cambio; un tema muy uruguayo, por supuesto, y argentino, etcétera. Eso sí tiene unos cambios enormes. Esos sí se alcanzan a ver. Si se ve el cambio de la marea antes de la devaluación y después de la devaluación; esos sí son cambios brutales en la marea. Y a eso sí hay que ponerle mucha más atención para proteger realmente problemas de desplazamiento y problemas de desigualdad y de deterioro de condiciones de pobreza, etcétera.

El MODERADOR: Gracias, doctor Lora. Tiene la palabra la Representante de Honduras.

La REPRESENTANTE ALTERNA DE HONDURAS: Muchas gracias, Embajador.

En primer lugar, quisiera agradecer a los panelistas por las muy interesantes y esclarecedoras presentaciones que nos han hecho, especialmente a los que no somos especialistas en estos temas.

La pregunta que tengo que hacer es la siguiente. Si mis notas son correctas, entendí que con la apertura, como usted lo ha dicho, los salarios al principio más bien bajan; sin embargo, dice, los nuevos empleos son mejores, pero también aumentan los salarios, si no lo entendí mal, en los empleos, podría decirse, especializados.

En ese sentido quisiera preguntarle si, en este caso, la segunda pregunta que se hace aquí en nuestra agenda, cuando se presentan los temas principales, que dice “puede la liberalización del comercio ayudar a mejorar la distribución del ingresos en estos países”, tendría en principio una respuesta negativa y después mejoraría; la liberalización, en ese sentido, cómo puede ayudar o cuándo, en la lucha contra la pobreza o la pobreza extrema. Gracias.

EL MODERADOR: Dada la experiencia del doctor Lora en estos temas, quisiera pedirle que conteste y absuelva esta pregunta.

EL ASESOR PRINCIPAL DEL DEPARTAMENTO DE INVESTIGACIONES DEL BANCO INTERAMERICANO DE DESARROLLO: La manera como usted lo ha resumido es perfecta. Es tal cual lo que yo he tratado de decir. Los salarios al principio bajan, luego empiezan a aumentar y posiblemente en el largo plazo se parecen al tipo de resultados que quería mostrar el doctor Cline, que son los resultados a los 15 años.

Lo que traté de mostrar es lo que pasa al principio y luego va a haber ese aumento. Entonces, sí es muy posible que al principio haya algún deterioro en la distribución del ingreso y luego haya la mejoría en la distribución del ingreso. Cuando se dice que los empleos son mejores, es efectivamente, como usted lo dice, porque los nuevos empleos que se están creando son empleos de mejor calidad, pero en parte también porque las empresas que participan en el comercio internacional son más vigiladas internacionalmente por el cumplimiento de las condiciones laborales en general, que por el nivel de salarios.

De acuerdo, entonces, en que puede pensarse que en una empresa maquiladora o en una gran empresa exportadora, uno sabe que para mantener su reputación internacional y su buen nombre, tiene que tener unas condiciones de seguridad laboral, de limpieza, de protección al trabajador, etcétera, que pueden ocurrir al principio a cargo de los salarios. Ahora, yo no estoy tan claro sobre cual es el efecto inicial sobre pobreza.

Claramente, al final hay una reducción de la pobreza y yo estaría completamente de acuerdo con los resultados del profesor Cline. Es posible que al principio haya algún pequeño aumento de pobreza por este efecto de salario. La gente que está en el margen, no es que pierda el empleo sino que el salario es muy bajo y sus salarios pueden caer, y es posible que este es el tipo de cosas que se hayan podido ver en México y en otros países. En los primeros años se deterioran y las condiciones son un poco más difíciles, es posible, pero lo pongo con mucha cautela porque yo no he visto conclusiones de estudios que digan eso.

EL *SENIOR FELLOW* DEL INSTITUTO PARA LA ECONOMÍA INTERNACIONAL: I would like to make a two additional points on the last two interventions.

First, in the case of Uruguay, it is important to realize that the export base is an import shock absorber. One of the reasons that Latin America got into more trouble with debt crises in the past than Asia was that the export base was much smaller. The incredible increase in Mexico's export base will now serve that country very well as a counter to future shocks. That's important to keep in mind if you think the poor really get hit by a financial crisis; there is a far less likelihood of a financial crisis if you have a solid export base.

It follows, then, that you want to encourage exports. Well, protection is a tax on exports. When there is an import tariff, the eventual effect is just like a tax that discourages exports, so trade liberalization strengthens the export base and therefore reduces vulnerability to financial crises.

Second, there was a tremendous amount of upheaval in the region in this period. Take Mexico in 1987. The stabilization program froze the nominal minimum wage, and, of course,



inflation did not stop overnight, so it is no great surprise that in this period you had a sharp widening of the wage gap. So many things were going on and, as Doctor Lora said, what you pick up from the incremental effect of trade liberalization is small relative to those big shocks, but we have to be careful about even accepting as a stylized fact that the initial effects are negative for wages or for income distribution.

El MODERADOR: Gracias, señor Cline. Con las preguntas del Ecuador y del Perú cerramos este período, por el momento, de comentarios de las delegaciones a fin de continuar con nuestro programa. Tiene la palabra el Representante del Ecuador.

El REPRESENTANTE ALTERNO DEL ECUADOR: Gracias, señor Moderador. Seré muy breve.

Primero, para agradecer las presentaciones tanto del doctor Cline como del doctor Eduardo Lora en este segmento de nuestra sesión, y luego para manifestar que para el Ecuador también la Ronda de Doha tiene grandes esperanzas, y aspira también a que ella nos lleve a fortalecer esa capacidad del sistema comercial mundial en la búsqueda de los problemas que estamos aquí considerando, el problema de la deuda, el problema del fortalecimiento del comercio internacional, cómo impacta esto en el sistema financiero; en fin, la búsqueda de mejores vías para los ciudadanos de las Américas.

Mi pregunta es muy concreta y está dirigida al doctor Lora, aprovechando el ofrecimiento que él hiciera cuando habló de las sorpresas sociales de la apertura. Él mencionó que en ciertos países se detecta mayor informalidad; yo quisiera saber si él podría elaborar más este concepto porque esa mayor informalidad en países pequeños y en países medianos se refleja en un número importante de la población que de alguna manera se ve afectada con la apertura y no encuentra su cauce en el sistema económico del país y en el mundo globalizado.

El MODERADOR: El tema de la informalidad que ha tocado el Representante del Ecuador es muy importante para muchos países. Doctor Lora.

El ASESOR PRINCIPAL DEL DEPARTAMENTO DE INVESTIGACIONES DEL BANCO INTERAMERICANO DE DESARROLLO: No hay muchos estudios sobre esto. Hay unos dos o tres estudios. Y la conclusión a la que llegan es básicamente la misma y es la siguiente: Los países donde los códigos laborales son muy rígidos, porque es difícil despedir a los trabajadores, sus sistemas de contratación de trabajadores son muy complicados, hay cargas a las nóminas muy altas, etcétera –estoy hablando del Ecuador, de Colombia, del Perú y de otro país latinoamericano; no estoy hablando de México ni de los países centroamericanos, en general– les ocurre que cuando hacen la apertura, aumenta la informalidad.

Tiene todo el sentido porque las empresas que se quieren adaptar más están temerosas de contratar más empleo porque no saben cómo van a ser las condiciones, no saben si ellas van a ser competitivas o no, o si las cosas van a funcionarles o no. Por lo tanto, aunque algunas despiden trabajadores, otras no los contratan; y eso es lo que hemos visto que ha ocurrido en estos países.

Entonces yo sí diría que eso ocurre y posiblemente lo que vimos en los países andinos es en parte eso; ahí, por lo tanto, la implicación de política tiene que ver con lo que uno tiene que hacer

también con los códigos laborales. Uno no puede irse a abrir la economía y no pensar en que tenga un sistema o un régimen laboral que dificulta la creación de empleo. Esa es la conclusión.

El MODERADOR: Muchas gracias una vez más, doctor Lora. Escucharemos a continuación al señor Representante del Perú.

El REPRESENTANTE ALTERNO DEL PERÚ: Gracias, señor Presidente. Mi Delegación quiere agradecer las presentaciones hechas por ambos expositores.

Se hizo referencia a un problema que ha vivido muy directamente mi país en la última década, principalmente sobre el tema de la informalidad. Solamente podría decir en cuanto a la flexibilidad laboral que muchas veces, no en sentido de empleo sino más bien en sentido de subempleo, en el caso del Perú hemos tenido ese tipo de problemas.

Pero mi pregunta concreta va dirigida a un tema que se ha mencionado esta tarde, sobre la Ronda Doha y sobre los beneficios que aparentemente provendrían de la liberalización de los sectores agricultura, textiles y manufactura para países como los nuestros. La pregunta que quiero hacerle al expositor que tocó el tema es ¿qué hay del comercio de servicios? ¿Cómo nos beneficia o cómo nos perjudica en el marco de la Ronda de Doha?

Muchas gracias.

El MODERADOR: Por favor, doctor Cline.

El *SENIOR FELLOW* DEL INSTITUTO PARA LA ECONOMÍA INTERNACIONAL: Bueno, voy a hablar en español. Las estimaciones que existen sobre servicios son muy precarias, pero son muy grandes. Ellas indican que los beneficios como resultado de la liberalización de servicios pudieran ser mayores que el impacto generado por la liberalización de mercancías. Digo que las estimaciones son precarias porque hacen supuestos muy grandes, mayores que los que yo he hecho, que son muy grandes. Específicamente, hacen el supuesto que el margen entre el costo y el precio cae al nivel mínimo observado entre los países, lo cual puede ser una exageración. Pero creo, sin embargo, que el sector de servicios puede ser muy importante, y eso solamente dice que los beneficios son aun mayores que los que yo tengo estimado.

## PANEL 2: FINANCIAMIENTO DEL COMERCIO Y DESARROLLO ECONÓMICO

El MODERADOR: Bien, continuamos con nuestro último panel para tratar el tema “Financiamiento del Comercio y Desarrollo Económico”. Le cedemos la palabra muy cordialmente al doctor Hans Schulz, Jefe de Operaciones de Financiamiento de Comercio y Mercados de Capitales, del Departamento del Sector Privado del Banco Interamericano de Desarrollo.

[Pausa.]

El JEFE DE OPERACIONES DE FINANCIAMIENTO DE COMERCIO Y MERCADOS DE CAPITALES, DEL DEPARTAMENTO DEL SECTOR PRIVADO DEL BANCO

INTERAMERICANO DE DESARROLLO: Good afternoon! Sorry for the little delay here. Thank you very much for having me here, and thank you for your attention.

I'll try to be brief. I won't be as scientific as the very interesting panel before me, but I will present some hypotheses before I try to explain what the Inter-American Development Bank (IDB) does in terms of private sector tools and instruments to help trade finance.

The panel was asked some very concrete questions.

Is there a constraint in terms of financing for trade? Our hypothesis is yes. In Latin America, we definitely observe serious constraints to companies trying to obtain finance, which is critical for growth, especially in the current cycle of expanding export bases, as we've just heard.

Can Latin American countries' access to trade finance be improved? Absolutely.

Can new market-based mechanisms be devised? Yes. There is a whole range of solutions that we can think about.

A vicious cycle is one that you don't know how to break. You're not really sure where it starts and where it ends. For the cycle on the graph, I'll start with macro contraction, assuming that there is a shake-up in the macro situation. As perceived country risk by international providers of credit goes up, banks more and more fail to distinguish between trade credit and other credit exposures, and the overwhelming country risk drives the problem. That leads to constraints on trade through a reduction in available finance. We saw that very clearly in 2002 and in the last big cycle of volatility and sudden stops in Latin America, which then constrain growth. You could go on with this and start different cycles with other examples. I think the point is made with this graph.

The importance of trade finance is increasing because the importance of trade is increasing. As we have just heard, trade has become a much bigger element in Latin America than ever before. The chart on the left-hand side shows trade as a share of gross domestic product (GDP) at 40 percent in 2002, but we all know that the last two to three years have been very good for Latin American exports. The base is expanding. The graph on the right-hand side shows some of the selected countries; Brazil's figure for trade as a share of GDP is significantly higher now. Trade is definitely on the increase, and the importance of trade finance to the countries of the region in order to take advantage of the available opportunities is also on the increase.

Perceived country risk is easily illustrated with a graph like this one, and there are some similar graphs in the package, which is very good. You can see how the availability of trade finance divided by exports, which is illustrated in the blue graph, reacts to events and the perception of risk. Argentina can be seen here; the elections in Brazil can be seen; as well as other events. You could go into many of these scenarios if you wanted to, but that's not the point. The point is just to show that there is a clear relationship.

In addition, Latin America is prone more than other regions to repetitive cycles of banking crises. The graph on the left-hand side compares the different regions, starting with the higher income countries, which have experienced zero banking crises, all the way up to 35 crises in Latin America. The graph is just an illustration, again, of how this affects countries. The right-hand side

shows that if you have an unstable banking system, the crises, the volatility cycle, and the sudden stop will be accelerated automatically. Trade finance is obviously prone to that vulnerability; it is not exempt from it.

The distinction between trade finance—the traditional letter of credit business, self-liquidating, low risk—and working capital facilities to banks is really lessening. A lot of trade these days is open accounts; it gets more and more difficult to distinguish between trade credit and other credit. Most of all, it is an issue of perception among international banks.

In addition, there has been a tremendous amount of consolidation in the banking markets, both internationally and in Latin America. Most Latin American banking systems are now owned to a large extent by foreign banks. They are also highly concentrated among a few major players, and that accelerates the problem in many cases.

On the other hand, the international traditional trade finance business has changed quite a lot. A lot of it is structured trade and bank lines just to the top tier of in-country banks, and it is very reactive to the perception of country risk. Making a distinction between credit and country risk at the short end of trade is really very difficult and becoming less prevalent.

The IDB was not an active player in supporting trade finance instruments until about three years ago in the last big cycle of sudden stops. As a result, we started looking at how we could add value to the markets without crowding them out, as well as how we could play an anticyclical role to reduce volatility and develop instruments that can address more structural constraints in trade finance.

This matrix gives you an overview of where we are and where we are going with this mandate, which is being made a permanent mandate by all governments, as we speak, at our annual meeting in Okinawa. The governors are voting on making this mandate, which was originally a two-year window, a permanent window for up to one billion dollars of support.

If you look on the left-hand side of the chart, we are distinguishing between credit instruments that we are calling A/B loans and partial credit guarantees. The top row distinguishes between working with banks and working with nonbank financial institutions.

The traditional way of supporting a reduction in trade finance is to go in and make what we call an A/B loan to, say, a bank in Brazil, as we did in 2003 with Banco Bradesco, and use an instrument that has been used widely by the IDB, the International Finance Corporation (IFC) of the World Bank, and other multilateral institutions. With a B loan, we sell participation in a loan that the IDB makes to borrower, and by selling participation in a loan, the purchasing institution, which could be another bank, acquires all the credit risk that goes with that portion, but it benefits from the implicit preferred creditor status of the multilateral institution, so many countries have exempted their banks from creating country-risk provisions when they buy B loans. Therefore, this is a valid instrument that has been used for trade finance, product finance, infrastructure, and other sectors. It's one way, and it continues to be one way to induce foreign lenders to stay in a country and keep lines open with the top tier of commercial banks during cycles of volatility. It provides liquidity to the market.

Another way to work with banks is to provide a partial guarantee. We just launched yesterday—you may have seen the press announcement—the Regional Trade Finance Facilitation Program. It consists of us taking a percentage of the confirmation risk that occurs when a local bank issues a credit instrument and an international bank confirms it, and the traditional trade finance business and the international bank is not willing or interested in increasing its country-risk exposure. We will guarantee the confirmation risk or part of it and, therefore, keep these lines open.

This instrument was originally developed by the European Bank for Reconstruction and Development (EBRD) for Eastern Europe, and it has worked very successfully over there. The African Development Bank (ADB) has also started doing this. We think that it is a most valuable instrument in difficult times, so if you have another cycle, which you may have in a few years, that is when this will be most useful and be most in demand.

Currently, we have seen quite a lot of demand for intraregional trade in Latin America, for example, for trade between Brazil, Argentina, and other countries. Banks do not want to take cross-country risks, which is an interesting phenomenon. Some banks, because they are owned by international foreign banks, have an exposure limit. They don't have any exposure limit for a neighboring country, and so intraregional trade, which is very low in Latin America, can be supported with this type of instrument.

We are also working with nonbank institutions. In the upper-right-hand corner, you see an instrument that we used once, and we are working on a second operation right now. Essentially, you have private equity investors in the U.S. that usually don't use any leverage, and they operate trade finance portfolios around the world. These are low-risk portfolios that provide a stable revenue flow and are quite attractive to many investors. We provide them some leverage in exchange for them committing to financing directly to Latin American exporters. This process does not go through a Latin American banking system; it goes directly to exports. It is for exports mostly, and it is turning out to be a very useful instrument when the banks don't offer a lot of services. Basically, it is attractive to medium-sized exporters that don't have a lot of access to the top tier commercial banks.

Finally, on the lower-right-hand side, you see an instrument that we have used once so far—we are looking at other operations—where we go in and provide risk mitigation capacity for a bank that is operating locally and providing pre-export credit to domestic companies. In this case, we are coguaranteeing with another international private export credit insurance company that would otherwise not be willing to go into this country and take country-risk exposure. If there is a problem, the company would also benefit from our preferred creditor status in the country; therefore, it is a way to induce private insurance capacity to go into countries that such companies would not normally go into because they are perceived as too much of a credit risk.

This is the current envelope of products that we operate. I think you are going to see more things coming out of the IDB and trade finance as we go forward.

I'm available for questions. Thank you very much.

El MODERADOR: Al agradecer la ilustrativa exposición del doctor Schulz, cabe comentarse y esperarse que la gráfica que nos presentó sobre el círculo vicioso del problema pueda convertirse en un círculo virtuoso.

A continuación tiene la palabra el doctor Jeffrey Miller, Vicepresidente *Senior* y Jefe de Financiamiento de Exportaciones del Export-Import Bank.

EL VICEPRESIDENTE *SENIOR* Y JEFE DE FINANCIAMIENTO DE EXPORTACIONES DEL EXPORT-IMPORT BANK: Thank you very much.

It is Friday afternoon and the cherry blossoms are in bloom, so my staff made me write out this speech so I would not keep you here until evening.

The Export-Import (Ex-Im) Bank of the United States is the official export credit agency of the United States. Export credit agencies, otherwise known as ECAs, have an important role to play in the economic growth of Latin American economies. I strongly believe that financing from ECAs, rather than adding to the debt burden of these economies, can help them grow. ECAs play a significant role in all of the major infrastructure projects in the world. ECAs are committed to supporting private market growth by financing the sale of goods and services from their countries to Latin American buyers.

However, in the United States we are a traditional ECA, in the sense that our mission is to fill in trade financing gaps or level the playing field with the other ECAs. We support U.S. exports that otherwise would not go forward because private sector financing is not available or insufficient. We do not compete with or crowd out the private market, and we want to keep it that way. We encourage the private market.

International Latin American financial institutions can handle much of the region's general trade finance needs, but they tend to focus on the bigger corporations and the blue-ribbon customers. Where ECAs can do the most good is in some critically important niches: supporting the tougher deals, the purchases by small and medium enterprises in Latin American markets; filling financing gaps; providing excess capacity; or helping sorely needed municipal and provincial infrastructure. Key ways in which ECAs can support infrastructure development are through limited recourse project financing and by working through public/private partnerships.

Lastly, ECAs need to support exports from their countries to small- and medium-sized enterprises in Latin American countries and to support very small deals also. We do need the help of lenders to serve as intermediaries. We also need solid credit standards and transparent legal systems that assure us that contracts will be honored.

Today, I would like to describe briefly what Ex-Im Bank does and how ECAs can best contribute to Latin American growth. One thing is clear: the path is away from sovereign debt, and this is reflected in Ex-Im Bank's activity. In industrial sectors, such as power, oil, and gas, rather than accepting sovereign government guarantees, increasingly we support projects that pay for themselves through project revenues, otherwise known as limited recourse project finance. In addition, we offer corporate finance through financial institutions and directly with end users to support purchases by Latin American buyers. We want to provide subsovereign financing with municipal and regional governments to support their infrastructure projects, whether they be water systems, schools, roads, or hospitals, and we want to do it without a sovereign guarantee.

As I mentioned before, a major focus of Ex-Im Bank's efforts is to support medium- and small-sized U.S. export sales to small businesses in Latin America. These transactions offer the greatest potential for growth. I do believe the other ECAs of the world share those views.

Our financing provides substantial benefits. We can offer favorable credit terms and provide longer repayment terms for foreign buyers that would otherwise be unavailable in the local markets.

Finally, we are mandated to have a reasonable assurance of repayment for every transaction we support. We want to be paid also.

Most Latin American economies are thriving. I am told that Brazil just reported the fastest growth in more than ten years. Mexico, Chile, and Peru grew fast also. Much of Latin America, arguably, has gone further than any other developing region in implementing economic reforms to facilitate infrastructure investment, including privatization, liberalizing power markets, and making prices better reflect marketing conditions.

These positive developments are important because the needs of the region for financing to build infrastructure are enormous. Transportation, energy, power, telecommunication, water, waste treatment, medical, and other technologically advanced infrastructure are vital for well-functioning and growing economies.

I heard recently that through a combination of birth and migration, cities like São Paulo are growing by more than 30 people per hour. Imagine being the mayor of one of those cities. It is like two dozen busloads of people arriving every day. These people need infrastructure.

Over the last decade, 2,500 infrastructure projects involving partnerships with the private sector have represented three fourths of a trillion dollars of investments worldwide, and the need continues to grow. Cities in provinces need water, electricity, roads, hospitals, and education facilities, and the central governments cannot do it alone. While the World Bank and other multilateral development banks (MDBs) provide financing for infrastructure projects in poor and developing countries, equity, bond, and commercial lender financing is often unavailable, particularly for national, city, and state governments. This is where ECAs can play such a critical role, spurring private sector involvement and filling that financing gap.

Public/private partnerships are an important vehicle to accomplish this. Brazil, for example, has established a framework in which the private sector can participate in large projects. We've signed an agreement with Brazil enabling Ex-Im Bank to participate. We are working with Chile, which has passed a law supporting projects with public and private investment.

As I mentioned earlier, subsovereign financing as a national niche for ECAs has slowly started. Ex-Im Bank has a long track record in infrastructure finance, because we recognize that cities and states are often the decision makers and buyers for infrastructure projects. We have an initiative to provide financing for municipalities and regional projects without sovereign guarantees. To my knowledge—and I am working with the other ECAs around the world—Ex-Im Bank is the only export credit agency that will consider accepting applications for the debt of qualified cities, states, provinces, and other subsovereign entities that are current on foreign currency obligations and that are borrowing in compliance with local law.

For example, a number of cities, states, and provinces in Brazil can qualify for this program. However, in countries such as Mexico, municipalities are prohibited from borrowing in foreign currencies. This is unfortunate, because we think that the use of such a program could be key to economic and infrastructure development. Other ECAs are looking at the same thing.

We also need the cooperation of the central governments to enable creditworthy city and provincial governments to borrow and to meet their infrastructure needs.

Latin America is already Ex-Im Bank's largest single region for project and structured finance transactions. The Bank has authorized \$7 billion since 1993 when we formally launched the Project Finance Program. This \$7 billion accounts for more than 40 percent of our structured and project finance activity. Although about \$4.5 billion of this amount has gone to Mexico—and we are pleased to have such a successful relationship with Mexico—we are interested in working more broadly throughout the region. In Mexico and Brazil, we have provided billions for financing various energy projects.

But in addition to large energy sector projects, last year we finally concluded projects in two or more nontraditional markets for Ex-Im Bank. We are particularly proud of the loan we approved in September to support the export of U.S. equipment and services to build a new international airport in Quito, Ecuador. In addition, there's our specialty-structured, limited-recourse project financing for the Veladero Gold Mining Project in Argentina, which demonstrates the advantages of limited recourse project financing. These projects are just a sampling of what we have done without sovereign guarantees, filling the market gap and enhancing infrastructure in the region. It does work.

At the same time, Ex-Im Bank is reaching out aggressively as we encourage other ECAs to facilitate small business transactions between U.S. companies, or in their respective countries for other ECAs, and Latin American buyers. This is an important sector for all ECAs. In the United States, we know that small and medium enterprises (SMEs) are the engines of growth, innovation, and job creation. Latin American countries' banking systems tend to be short-term lenders, which makes it hard for SMEs to grow. They are starved for capital.

While capital markets are improving in Latin America, they still lean heavily toward blue-chip names and government-owned enterprises. There is not much interest in moving to the middle market. Western banks are better equipped to drive that movement forward and, as my colleague said, many of the banks have now been bought by these Western banks. That will help. If they can accomplish that, we are ready to help SMEs. We are starting to see local banks shift to the SME market in countries like Mexico, Brazil, and Peru. They are coming to Ex-Im Bank and other ECAs with possibilities.

The attractiveness of the markets should draw many Western banks to the region. Many are already open there. Local banks are also becoming more active and can use ECAs as they begin to reach out to SMEs. As local banks gear up, there will be buyer financing.

One example of our support for the SME market is our work with the other export credit agencies to provide pure local currency financing, which is not being done by ECAs. We are working, obviously closely together, on cofinancing where procurement is for multiple countries.



For example, of our medium-term portfolio, which is defined as transactions under \$10 million or under seven years total term, over 50 percent of this, \$1.2 billion last year in this portfolio, supported transactions with Mexico. Of the \$1.2 billion, I might add that over 50 percent of the transactions were under \$1 million.

ECAs can do very small transactions, and I think that is little known in the marketplace. We want to do more of these transactions, and we believe that this would be further enhanced if we could do pure local currency financing.

In addition to our municipality financing initiative, we have a renewable energy initiative. We held a conference in Mexico just recently.

In summary, a major opportunity exists for ECAs to expand exports to Latin America to support infrastructure and private sector development. The demand is there; the economies are growing, but we really need the participation of the region's private sector lenders and governments to expand support for middle-market transactions. Legal infrastructure and good credit standards are also necessary. Some central governments will have to consider changes to their laws to benefit from programs such as subsovereign financing. Eastern Europe had done it. The results will be worth it. Trade brings benefits to both buyers and sellers and is the most effective way of raising living standards throughout the world.

Thank you very much.

El MODERADOR: Gracias doctor Miller, del Export-Import Bank, quien también nos ha informado sobre un abanico de posibilidades de financiamiento para proyectos de infraestructura.

Seguidamente ofrezco la palabra al doctor Enrique Camaño, Gerente de Mercados de Dinero y Capitales de Bancomext.

El GERENTE DE MERCADOS DE DINERO Y CAPITALES DE BANCOMEXT: Muchas gracias, señor Presidente. Antes que nada, me gustaría agradecer infinitamente a la OEA la oportunidad de venir a platicar hoy aquí con ustedes sobre estos temas que en mi opinión son de gran relevancia y que seguramente definirán el futuro de los pueblos de América Latina.

El día de hoy hay varias ideas importantes que quisiera transmitir a ustedes y por lo mismo voy a alejarme un poco de la presentación que tienen ustedes como tal para efectos a asegurarme que unos temas queden bien plasmados en la mesa.

Un primer punto es que la apertura económica, la apertura comercial, por sí sola, es un gran paso adelante que pudiera tomar cualquier país. Sin embargo, cabe destacar que acompañando este gran paso, es necesario considerar una serie de reformas estructurales que, sin duda, son también de gran relevancia y que son absolutamente necesarias para asegurar el crecimiento económico en una economía de mercado abierto.

Para ello, quisiera recordar lo que pasó en la crisis del Tequila en 1995 y hablar un poco del caso de Bancomext, que es el Banco de Desarrollo del Gobierno de México, encargado de promover

la exportación y el comercio exterior. Tal vez estudiar el caso de México, y en particular el de Bancomext, nos ayude a contestar algunas de las preguntas que tiene el panel sobre la mesa.

Antes de la crisis, el Banco tenía varias fuentes de financiamiento, básicamente destinadas al comercio exterior. Una de ellas era el mercado internacional de capitales, en donde el Banco hizo una emisión por mil millones de dólares, a un plazo de diez años, logrando un rendimiento de tesoro más 160. Esto sentó precedentes importantes, no solo para México, sino para América Latina en general, ya que se lograba una emisión de bonos de gran tamaño y de plazo importante, el mismo que fue un parámetro relevante para los mercados de capital en los años siguientes.

A su vez, se contaba con un programa global de papel comercial, el cual nos permitía acceder a recursos de corto plazo, de tres o seis meses, sin la necesidad de contar con una carta de crédito de respaldo de ningún tipo de institución. Era el riesgo mexicano el que se vendía directamente en los mercados financieros a través de un instrumento de corto plazo y era comprado por el público inversionista en general. Y finalmente, tenemos el *trade finance*, que conocemos bien, y que es uno de los temas principales el día de hoy; es un instrumento muy importante porque podría decirse que es el único instrumento que prevaleció al detonarse la crisis de 1995.

En la crisis, el mercado de capitales repentinamente desapareció para México y ya no hubo más acceso a recursos, ni de corto ni de largo plazo. Cabe destacar que el mercado de capitales de largo plazo sí ha regresado a México a través de varios años de trabajo y de esfuerzo para lograr acceso a los mercados. Sin embargo, el acceso al papel comercial en el mercado internacional, sin contar con carta de crédito, a la fecha del día de hoy no se ha logrado reactivar.

En ese sentido, la parte de financiamiento del comercio exterior o el *trade finance* a través de la banca comercial jugó un primerísimo papel, ya que fue el único medio de financiamiento que prevaleció y gracias a ello el Banco logró subsistir y enfrentar sus compromisos.

Después de eso, la crisis asiática y después la crisis rusa volvieron, una vez más, a cerrar las puertas de los mercados de capital en donde sí había acceso al mercado, pero los costos eran tan elevados, que simple y sencillamente no eran viables y regresamos a depender del *trade finance*.

Todo esto es relevante porque a raíz de ello México se centró en desarrollar una política económica adecuada que fortaleciera lo fundamental para lograr estabilidad. Es importante mencionar esto debido a que la percepción de riesgo por parte del público inversionista, y de los mercados financieros en general, es totalmente relevante. Si tenemos apertura económica, necesariamente requerimos inversión, y si queremos inversión necesitamos la confianza del público inversionista y del sistema financiero, en general.

Aunado a eso, el sistema político, que ha tenido un gran desarrollo en Latinoamérica en los últimos años, ha jugado un gran papel y seguirá jugándolo en los próximos años; pero va de la mano del papel de los inversionistas. Necesariamente tiene que haber una estabilidad política para que se incrementen los flujos de capital.

El Gobierno de México inició una gran reforma financiera para modernizar el sistema financiero; también cabe destacar, en el campo del gobierno corporativo, los importantes avances que

ha habido porque eso le da transparencia al mercado. El inversionista necesariamente tiene que tener transparencia a nivel internacional para poder saber en dónde está invirtiendo su dinero.

La otra parte es el marco legal. En donde no existe un marco legal que permita a las instituciones financieras el cobro de los créditos que se otorgan, pues simple y sencillamente no otorga el crédito, a pesar de que esté la mesa puesta con la apertura comercial y la solidez de un marco macroeconómico fuerte; tiene que darse el marco legal para que los bancos efectivamente empiecen a prestar el dinero.

Finalmente, el desarrollo de los mercados de capital se produce en el exterior. Es muy importante lograr este acceso y las calificaciones de riesgo crediticio otorgadas por las agencias, para lograr la emisión de corto y largo plazo en el mercado de capitales externo. Esto nos da la llave de entrada al mercado de capitales doméstico y al desarrollo del mercado de derivados que, sin duda alguna, son ahora una nueva fuente de financiamiento para México y para el comercio, en general.

En lo que se refiere a *trade finance* en concreto, me gustaría mencionar que no se trata solamente de una percepción de riesgos, sino que también hay otras variables ahí. Una muy importante es la liquidez que hay en el mercado, ya que al final del día hay un juego de oferta y demanda donde los bancos comerciales están luchando cada día y compitiendo entre ellos en el mercado internacional. En esa medida, hemos notado que el mercado de *trade finance* a través de la banca comercial se ha mantenido ahí, siempre ha estado ahí, y es una gran fuente de financiamiento. Sin embargo, ha habido muchas fusiones entre los bancos a nivel internacional, y al fusionarse ellos, desafortunadamente, no duplicaban su otorgamiento de crédito sino que más bien lo reducían a la mitad.

Por otro lado, los bancos comerciales internacionales también estaban buscando negocios más rentables, ya que la parte de *trade finance* en muchas ocasiones no les daba la rentabilidad esperada, a diferencia, por ejemplo, de emisiones de bonos donde ganaban comisiones más jugosas. En ese sentido, muchos bancos importantes se han retirado de este mercado en donde, afortunadamente, otros bancos nuevos han ingresado manteniendo el mercado.

Otra vez, la liquidez juega un rol importante en esta parte, ya que un exceso de liquidez en el mercado nos ha permitido reducir los costos. Obviamente, los costos en crisis se van a niveles muy elevados, casi incosteables y ese es uno de los puntos medulares.

Por otra parte, cabe destacar que China es un competidor muy fuerte, principalmente en el mercado estadounidense; creo que cabe destacar que la fortaleza de China radica, obviamente, en la fuerza laboral de bajo costo que tiene y que, sin duda, va a ser una ventaja competitiva que ellos tienen en el mediano y en el largo plazo, dado el gran tamaño de su fuerza laboral.

Pero también cabe destacar la capacidad de cambio que tiene el gobierno chino ante las adversidades que ha enfrentado. Yo creo que este puede ser un modelo a seguir, porque se han logrado adaptar y han logrado hacer los cambios de manera muy rápida y muy eficiente; por ejemplo, la apertura financiera que han logrado es impresionante. Impresiona la forma como se están abriendo, con una rapidez y una eficiencia increíble.

A su vez, en el momento en que se empezaba a sobrecalentar la economía china lograron una moderación sorprendente y una vez más los analistas en *Wall Street* fueron sorprendidos por esta capacidad de cambio. Yo creo que tal vez podemos poner como ejemplo ese modelo y aunque no tenemos una fuerza laboral tan barata para competir, tal vez podemos hacer un mayor esfuerzo en el terreno de los cambios.

La fortaleza de México, como bien se dijo hace un momento en la presentación, radica también en la diversificación de sus exportaciones. Pero una nueva fortaleza viene derivada de dos puntos. Uno, la convergencia que ha habido con la economía de Estados Unidos, que en buena medida tiene sus ventajas y sus desventajas.

Obviamente, en una economía estadounidense en recuperación, la economía mexicana ha logrado subirse al vagón y gozar de un beneficio en la recuperación económica. Sin embargo, creo que más importante que eso es buscar una fortaleza interna y esta en los últimos años se nos ha venido dando, gracias a la demanda interna que ha resurgido, que ha tomado una fortaleza interna y que nos da una cierta independencia. Así mismo, en general los analistas esperan una transición gubernamental suave y favorable para lograr una continuidad de la política económica, que es muy importante para la región.

Esta es básicamente la idea que quería yo platicar con ustedes y al mismo tiempo dejo a ustedes la presentación, que habla por sí sola.

Muchas gracias.

El MODERADOR: Corresponde agradecer al doctor Enrique Camaño, nuestro último expositor en la tarde de hoy, quien ha venido desde la ciudad de México para atender nuestra invitación. En el período de comentarios de las delegaciones, nuestro Presidente de la CEPCIDI tiene una pregunta.

El PRESIDENTE DE LA COMISIÓN EJECUTIVA PERMANENTE DEL CONSEJO INTERAMERICANO DE DESARROLLO INTEGRAL: Muchas gracias, Embajador Hervas. Muchas gracias a todos los expositores por traernos todos estos puntos de vista que han enriquecido el debate de este día.

Yo quisiera traer a colación un punto que mencionara el señor representante del BID con respecto al tema de la carencia del financiamiento y especialmente del financiamiento para el comercio intraregional. Me preocupa un poco este tema en función de que nuestros países están en un proceso de discusiones del Área de Libre Comercio de las Américas (ALCA), hay toda una dinámica de negociaciones y de tratados de libre comercio entre países, entre regiones y subregiones.

Entonces, no se si tal vez también el doctor Salazar puede ampliar este tema. ¿Tienen algún rol, por ejemplo, los bancos subregionales en la búsqueda de una solución a este tema? ¿Qué otras avenidas se tienen para encontrar soluciones, si ya estamos hablando entre nosotros de que estamos abriendo nuestras economías y teniendo más comercio entre regiones, entre países, o subregiones? ¿Cómo se están viendo las soluciones? ¿Y, nuevamente, me gustaría saber si alguno de ustedes ve que los bancos subregionales tienen algún papel que desempeñar en esto?

Gracias.

EL JEFE DE OPERACIONES DE FINANCIAMIENTO DE COMERCIO Y MERCADOS DE CAPITALES DEL DEPARTAMENTO DEL SECTOR PRIVADO DEL BANCO INTERAMERICANO DE DESARROLLO: Muchas gracias por la pregunta, voy a intentar responderla.

Definitivamente este es un problema que antes no conocíamos muy bien y justamente por entrar ahora el BID en ese tema nos hemos dado cuenta que es un problema muy grave, porque resulta que sobre todo los países que tienen ahora sistemas bancarios cuya propiedad es principalmente de bancos extranjeros tienen este tema de que los bancos grandes, que son propiedad de bancos extranjeros, no tienen cupo para países vecinos. No lo tienen. Entonces no tienen interés en financiar comercio de un país vecino.

Antes existía el mecanismo de la Asociación Latinoamericana de Integración (ALADI), que entiendo que ya no funciona o no funciona con la misma amplitud que funcionaba antes. Y los acuerdos comerciales subregionales que se han ido dando hasta ahora, por lo que conocemos, no han tenido una correspondencia en la parte financiera sobre cómo motivar también a que haya financiamiento a nivel subregional. Lo vemos entre México y Centroamérica, lo vemos en la Comunidad Andina de Naciones (CAN) y también en el Mercado Común del Sur (MERCOSUR); entonces, este es un tema importante.

Los bancos subregionales, me imagino que se refiere a la Corporación Andina de Fomento (CAF), al Banco Centroamericano de Integración Económica (BCIE) y otras instituciones similares, claro que están interesadas en apoyarlo. Pero hasta ahora no hay instrumentos que estén funcionando y que tengan una escala que pueda superar ese tema. Está también el BLADDEX, que obviamente tiene un rol muy tradicional en esto, pero también es más NORTE-SUR que SUR-SUR. Entonces yo creo que este es un tema en el que hay que trabajar.

Nosotros, como usted sabe, no queremos reemplazar al mercado. Tenemos que buscar mecanismos donde podamos reforzar lo que pueda hacerse desde el punto de vista regulatorio-político y a nivel de acuerdos con las tendencias del mercado. Tal vez nosotros con un granito de arena aquí y otro allá podemos ir dando efectos de demostración buscando que el mercado empiece a descubrir aspectos nuevos que puedan existir y oportunidades, y sobre todo mitigar el riesgo país, que es donde el BID y la CAF y otros organismos similares puedan agregar valor.

Pero el tema está ahí y, en mi opinión, es un tema real.

EL JEFE DE LA OFICINA DE COMERCIO, CRECIMIENTO Y COMPETITIVIDAD:  
Gracias, señor moderador.

Quisiera hacer un comentario muy breve para referirme a algo que no se ha mencionado hasta ahora. Lo que sí ha sido muy claro es un reposicionamiento muy importante del Banco Interamericano de Desarrollo, por ejemplo, en todo lo que es el proceso de integración hemisférica, líneas de crédito, financiamiento para gobiernos y en materia de infraestructura. Ahí el BID participa con la CAF en la iniciativa de integración física en América del Sur. Recientemente, a la par de las negociaciones de acuerdos de libre comercio bilaterales, en general, se puso a disposición una nueva

línea de crédito para integración, comercio y competitividad, y hay algunas otras iniciativas. También la CAF ha hecho lo propio en esta materia; este es un banco regional que ha sido catalizador, y lo sigue siendo, de iniciativas de integración.

Estoy de acuerdo con la percepción de que no ha habido mucha innovación en el crédito al sector privado. La mayor parte de la innovación ha sido por parte del sector privado mismo y de hecho el BID acaba de publicar un reporte bastante importante sobre las restricciones de crédito en América Latina y cómo eso es una restricción al crecimiento; mientras que buena parte del sector más grande y corporativo tiene acceso a los mercados de capital y financieros internacionales, esa sí es una restricción muy fuerte para las pequeñas y medianas empresas (PYMES). En ese informe se analizan una serie de opciones para mejorar el financiamiento que son, digamos, urgentes en la medida en que se avance hacia la apertura.

El MODERADOR: Tiene la palabra el señor Representante de México.

El REPRESENTANTE ALTERNO DE MÉXICO: Muchas gracias, señor Moderador.

Mi Delegación desea agradecer las ilustrativas presentaciones de los diferentes panelistas de esta tarde y aprovechando la presencia del doctor Camaño, quisiera preguntarle, tomando en cuenta la experiencia de Bancomext en el financiamiento de la actividad relacionada con el comercio internacional, ¿cuál es el perfil de las empresas que más se acercan a solicitar financiamiento para actividades de comercio internacional? ¿Son quizás aquellas empresas que ya tienen una vinculación con los mercados externos o son más aquellas enfocadas al mercado local que desean emprender actividades exportadoras o de importación? Le agradecería mucho comentarnos su experiencia en este sentido. Muchas gracias.

El GERENTE DE MERCADOS DE DINERO Y CAPITALES DE BANCOMEXT: Muchas gracias por su pregunta.

Creo que la pregunta es bastante relevante y me permite exponer otra idea. Hace ya algunos años los bancos internacionales, los grandes nombres como Citibank, BBVA, Santander y HCBC decidieron comprar en México y comprar los bancos nacionales. Esto marca un gran quiebre en México toda vez que cuando estos bancos de primer nivel a nivel mundial entran en México, inmediatamente tienen acceso a fondeo a un mucho menor costo. Y esto repercute de manera directa en la competitividad de las exportaciones mexicanas.

En ese sentido, el papel de Bancomext antes de que llegara la banca internacional a México, principalmente, abarcaba a las grandes empresas y a los bancos nacionales a través de la figura del descuento, de los créditos de descuento. Después de la entrada de los bancos internacionales podríamos decir que uno de los objetivos del Gobierno de México para con la banca de desarrollo se cumplió, se mejoró la calidad crediticia y el acceso a recursos y esto quiere decir que las grandes empresas mexicanas pues ya no necesariamente iban a recurrir a nosotros, que es la fuente de desarrollo para el acceso de sus recursos, sino que iban directamente al mercado internacional a hacer emisiones de bonos o se dirigían directamente hacia los nuevos bancos que ya traían capital externo.

Entonces podríamos decir, para responder un poco a la pregunta, que antes de que entraran los bancos internacionales a México, prestábamos prácticamente a todos, o sea prestábamos a los

bancos y prestábamos a las grandes empresas, a los grandes nombres. Después de la entrada, básicamente los bancos internacionales se encargan de prestarle al grueso y obviamente a las grandes empresas, y las grandes empresas ya tienen acceso a los mercados internacionales domésticos y externos.

En ese sentido, Bancomext cumplió su función y en una segunda etapa se dedica a atacar a aquel mercado en donde los bancos comerciales no llegan, que son las pequeñas y medianas empresas mexicanas que no pueden hacer una emisión de bonos porque el nombre no es conocido y no se vende el papel o que simple y sencillamente no encuentran condiciones competitivas con la banca comercial. Ese nicho es el que estamos atacando hoy en día y es donde creo que podemos ser más útiles actualmente. Gracias.

El MODERADOR: Nos corresponde expresar el reconocimiento especial de la OEA a los doctores Schulz, Miller y Camaño por su participación y por sus muy útiles aportes al evento. Igualmente, quiero dejar constancia del reconocimiento muy especial que le debemos al doctor José Manuel Salazar, al Embajador Alfonso Quiñónez, a nuestro amigo Patricio Contreras por su entusiasta y diligente colaboración en la organización de este importante evento, igual que a todos ustedes por su presencia, participación e interés demostrado.

Quiero pedirle expresamente al señor Presidente del Consejo Permanente que proceda al cierre de este importante evento.

El PRESIDENTE: Gracias, Embajador.

En primer lugar, lamento que esta reunión tan importante del Consejo Permanente y la CEPCIDI haya coincidido con una fecha tan agitada para la Organización, que ha motivado que muchos de nosotros tengamos que andar en algunas gestiones paralelas ordenadas por las circunstancias no queridas por la voluntad.

Pero la calidad de los expositores y la importancia de los temas ha servido, estoy seguro, para que cada uno de quienes están aquí presentes lleve el resumen, la voz, la idea a cada uno de nuestros gobiernos sobre los importantes temas que se han tocado y las distintas alternativas que se han presentado con el propósito, efectivamente, no solo de aliviar el problema económico que se cierne sobre nuestros países y, específicamente, el tema de la deuda, sino sobre algunos de los canales que se han abordado a lo largo de las exposiciones para promover el desarrollo.

Quiero agradecer al Embajador Hervas por su tenacidad y esfuerzo, y por el liderazgo que ha puesto para hacer realidad esta sesión que fuera ordenada por la Asamblea General; al Embajador Salvador Rodezno, Presidente de la CEPCIDI, por el apoyo que siempre nos presta y por el interés que siempre tiene con respecto a estos temas económicos y del desarrollo social; y como ya lo hizo nuestro amigo y colega el Embajador Hervas, a la Oficina de Comercio, Crecimiento y Competitividad de la Organización de Estados Americanos, al doctor Alfonso Quiñónez, al doctor José Manuel Salazar y a don Patricio Contreras.

En nombre del Consejo Permanente de la Organización, en esta actividad que será posiblemente la última de este interinato y que confiamos en que se definirá el día lunes, esperamos

que ella haya sido fructífera para todos ustedes como le ha servido a mi país, el Perú, representado también en la persona de nuestro delegado, don Alejandro Beoutis.

Muchas gracias a todos ustedes por su presencia, muchas gracias a los señores panelistas por el talento que nos han permitido compartir y disfrutar en el curso de este día y seguiremos adelante en las tareas de la Organización.

Se levanta la sesión.

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