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Financial Crisis Overshadows Youth And Development At Cumbre Iberoamericana

by LADB Staff

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A XVIII Cumbre Iberoamericana (Ibero-American Summit) that might otherwise have devoted itself to the planned theme of Youth and Development instead zeroed in and stayed focused on the planetary financial crisis. Days before the Oct. 29-31 event opened in San Salvador, Salvadoran President Antonio Saca readied the media for that shift in emphasis. "The economic theme is delicate," he said. "The world is passing through a delicate transition."

The conservative Saca hastened to deny rumors that capitalism was dead in the region, but said that it had been misused. "Capitalism hasn't died, what has happened is that the speculators have meddled in the market," he said. "This is irresponsible casino capitalism, as you call it, that had brought oil to US\$148." Saca stopped well short of recommending state intervention, but he is well to the right of most of the governments whose top officials had come to discuss the issues.

It quickly became clear that the prevailing sentiment among the 19 regional heads of state, plus those of Portugal, Andorra, and Spain, was that the state is back after years in the shadow of neoliberalism. The 19 demonstrated solidarity on this point in a joint statement declaring that "developed countries are responsible for what is happening to the financial system, and we agree that it is important for us to take part in the international response."

Center-right Mexican President Felipe Calderon was among those repudiating the practices now thought of as having been imposed on the region. "The current crisis stems from a process of accelerated deregulation, in other words, the false premise that financial systems can regulate themselves without the presence of the state." What the current situation needs, he said, is a "new international economic order that allows a balance between the market and the state and much stricter supervision and regulation of the operations of international and national financial systems." Calderon's government had announced that it would engage in a US\$3 billion infusion operation to add liquidity to domestic credit markets that had tightened as foreign capital fled the country (see SourceMex, 2008-10-10 and 2008-01-22). Mexico is just one of the many countries of the region that have seen growth prospects shrivel, currencies sag, and stock markets roil as the visiting money went home.

As if to make amends, the US, perceived precipitator of the panic, said the Federal Reserve would extend US\$30 billion in credit lines to Brazil's and Mexico's central banks. Outside the region, the banks of South Korea and Singapore were to share in the outlay. Guatemala, however, was one of the countries that have suffered along with the richer nations but was not seeing much gift giving coming its way. "Guatemala should not have to pay for the failure of a model that we never wanted," said President Alvaro Colom. "I hope they don't ask us for more poverty, because we can't give more."

Youth and development not entirely abandoned

The Youth and Development theme was not abandoned, it just took a back seat to the issues that shouted more loudly for attention. The region's leaders were spurred by Colombian singer Shakira, Spanish singer Alejandro Sanz, and Fher Olvera of Mexico's Mana to do more to address the needs of the young of the region. Participants pledged to expand a Venezuelan program, El Sistema, throughout the region. In Venezuela, this is the National System of Youth and Children's Orchestras of Venezuela. Through this system the country has gained global recognition for producing classical musicians.

Shakira fought for space against the tide of financial worry. "The lives of children are more important than banking institutions and politics," she said. She has been an activist for Latin America's poor children in her own country and is taking her foundation, Pies Descalzos, international with this appearance at the summit. Some months ago she told reporters, "We have a model that works. Under less than US\$2 a day, we can provide a kid with top-quality education and the nutrition they need to be able to function and be able to learn because a kid with an empty stomach cannot learn." The singer pointed out that, in Colombia, every child who is born poor will die poor. She was speaking to the region's presidents, telling them, "We are at the threshold of a new wave of awareness and sensibility toward our children's issues.

But early childhood development should be at the top of our priorities and at the top of every president's agenda." And so it might have been. But that was before the accelerated crumbling of the financial world. This was in September, at a meeting at the Earth Institute at Columbia University. Now, on the cusp of November, Brazil's President Luiz Inacio Lula da Silva was warning a gathering of many of the same presidents that the present crisis could erase all the gains of the neoliberal years. "The measures we adopted to benefit our youth will be of little use if all of this effort we have made to overcome poverty is threatened by the irresponsible acts of those who created a casino economy," he said. This was no surprise.

Lula has long been a critic of the excesses of neoliberalism in Latin America. And there was no surprise when Bolivia's President Evo Morales recommended that the assembled presidents take the opportunity to break once and for all from capitalism. If there were any call to raise an eyebrow, it would have been the rhetoric from Saca, the free-marketing advocate of nearly all things US, who was now telling the hemispheric leadership, "We must have strong and independent states that intervene to the extent the law allows, that intervene in social policies where they can. Market yes, financial institutions yes, but with rules and order. Institutions that answer to private interests and also to public interests."

But, from the point of view of the young people whose interests were supposed to be central to this year's summit, this was unsatisfying rhetoric. About 400 of them, who had been meeting for three days at the state university, marched to the site of the summit, the Centro Internacional de Ferias y Convenciones, with a petition condemning the presidents' preoccupation with the financial sector at the expense of the interests of youth.

Governing globalization

Providing some ballast against a rollover that could throw the baby out with the bathwater, the Economic Commission for Latin America and the Caribbean (ECLAC) was on hand to advise strongly against any tendency toward protectionism as part of any scheme to rein in capitalist excesses. The UN organization issued a report that detailed the harm that could be done if the export potential of a region that in 2006 produced 44% of the soy, 13% of the maize, 28% of the zinc, 22% of the aluminum, 19% of the copper, that kept the world fed and functioning, is diminished.

ECLAC, the only UN organization invited to the summit, recommended that the presidents band together to urge "globalization governance" at their earliest opportunity, the Nov. 15 G-20 meeting in Washington. The region should, said the report, militate for the creation of a world economic-governing body that would put forth regulations for transparency in banking practices and for financial-market supervision. The countries should also seek the transformation of the Bretton Woods institutions. ECLAC also advocated integration among the several geographic customs blocs and criticized the predominance of bilateral trade pacts rather than the formation of a true Latin American trade area.

Of similar importance would be improving relations with Asia, the other great emerging zone. This market contributes 20.5% of world production, compared with 6.4% for Latin America. These measures will help the region wean itself from its overdependence on exporting primary commodities, a strategy that will become increasingly counterproductive as prices for these products continue to sink in a stagnating global environment.

On the Youth and Development theme, the UN agency cooperated with the Organizacion Iberoamericana de Juventud (OIJ) to produce a report that found the region's young people to have changed from past years in style of activism but neither apathetic nor conservative. "They are creative in their modes of participation; they grew up with the ideals of democracy and human rights, and they are the generation that is most sensitive to environmental issues and the historical demands of different minorities," said the report. "But they do not trust political institutions..." added the report, prepared for the summit.

Almost 42% of youths said that they were indifferent to the kind of government their country had and that they would accept an authoritarian regime under some circumstances. In general, they identify far less with political organizations than with political positions. The report was based on surveys of young people in Brazil, Ecuador, Paraguay, and Peru. It found that more than 80% are dissatisfied with democracy, fewer than 10% participate in political and labor organizations, and they vote in much lower proportion than do adults, a difference of 13%. The researchers found this lower participation to be true of religion as well. "There is a generational gap in convictions, indicating a trend in which youths believe less in these secular sources...and open their identity to a greater variety of references for their sense of belonging, locally as well as globally," the report said.

Their better access to information and communications technology moves them toward more direct forms of political action and organization. They are, said a UN press release on the report, oriented to civil society in ways that bypass conventional, older institutional forms of organization, at least in some countries. Some do not fit this mold in all respects.

In Brazil, for instance, voting reaches 88% among the young, but these same people participate in unconventional political action at a rate of about 43%. Some 600 young people cut from this mold came to El Salvador to participate in the Ibero-America Campus Party, running concurrently with the summit. The event was sponsored by the Spanish government and several technology companies. It is an annual event, held since 1997, whose purpose is to "bring technology and society together." Participants are heavily involved in technology appropriation adapting hardware and software to their own unique uses. Jose Munoz of Colombia, in charge of the digital-inclusion sector of the event, explained, "In our consideration, the gap is no longer technological, at the level of software and hardware, but cultural. The most important thing is to appropriate knowledge and know-how. We aren't talking about hackers taking part in the Campus Party to show off what they do but about people who use their computers to improve the quality of life of the larger community."

As an example, he said, there are young people from indigenous communities "who are using Internet platforms for community initiatives aimed at keeping their cultures alive." One such person was Jesus Laynes of the Asociacion Enlace Quiche in Guatemala. He has developed educational software in the Quiche language. "Most people who are excluded from the world of technology don't know they are excluded," said Laynes. "To teach them how the Internet works, we have to do it in their own language, to facilitate their learning process. I believe that if we are able to place ancestral knowledge on the Internet, we can preserve it."

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