LATIN AMERICA ADVISOR

A DAILY PUBLICATION OF THE DIALOGUE

www.thedialogue.org

Wednesday, March 15, 2023

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THEDIALOGUE

FEATURED Q&A

What Can Artificial Intelligence Bring to Latin America?

Artificial intelligence (AI) is becoming increasingly popular globally. Some of its benefits include improved healthcare, writes Mijail Popov. // File Photo: Chilean Government.

Q ChatGPT, Open AI's popular chatbot released last November, is estimated to have reached 100 million monthly active users in January, setting a record for the fastest-growing user base for a consumer application, according to a UBS study. Over the past decade, artificial intelligence (AI) has moved from the periphery of policy attention to the center of investment and political focus. In Latin America, AI is forecast to boost GDP by 5 percent by 2030, according to PwC. What benefits could AI bring to the region, and what are the main risks associated with it? To what extent should it be regulated, and which countries in the region have implemented the most significant policies related to AI?

A María Paz Hermosilla, director of GobLab UAI in the School of Government of Universidad Adolfo Ibáñez: "The challenge is always how we use technology, because it is not morally good nor bad by itself. Artificial intelligence can bring important benefits in solving major social problems through the use of data, for example, by expanding the coverage and scope of certain public policies and making them more effective in reaching those for whom they are intended. But just as the opportunities are enormous, so are the ethical risks involved: how do we ensure fairness and non-discrimination, how do we protect people's privacy and how do we guarantee transparency? That is what we are working on. Chile is leading the way in Latin America. At the Adolfo Ibáñez University we are executing the Ethical, Accountable

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Honduras Seeks Relationship With China, Breaking Ties With Taiwan

Honduran President Xiomara Castro announced that she would seek to establish diplomatic relationships with China, which would imply breaking ties with Taiwan.

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The Brazilian Senate invited the central bank chief and former executives from Americanas to testify in Congress.

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Nearly 70 percent of El Salvador's population is in favor of a second term for incumbent President Nayib Bukele, according to a poll, despite a constitutional ban on consecutive presidential terms.

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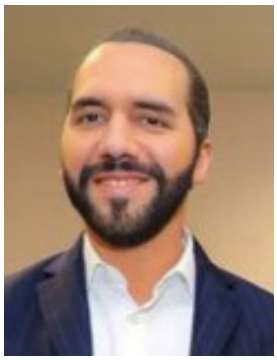

Bukele // File Photo: Salvadoran Government.

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POLITICAL NEWS

Bukele Favored to Win 2024 Presidential Re-Election: Poll

Nearly 70 percent of El Salvador's population is in favor of a second term for incumbent President Nayib Bukele, according to a February La Prensa Gráfica poll published Tuesday, Reuters reported. The results from the polls come despite a constitutional provision that prohibits consecutive presidential terms. "Salvadorans remain divided on whether the constitution allows immediate re-election," La Prensa Gráfica said about the results. "There are citizens who are convinced the constitution does not allow it, but they will still vote for Bukele," the newspaper added. Bukele announced his 2024 bid for a second term in September, following a 2021 ruling from the Supreme Court's Bukele-backed judges that he could run consecutively, citing that it was the leader's right to run. Nearly 35 percent of the 1,500 people surveyed believe the Constitution allows for consecutive re-election, while almost 25 percent believe it is not permitted. Human rights groups, as well as the U.S. government, have criticized the Bukele administration's efforts to seek re-election, arguing that the decision is a sign of El Salvador's democratic decline, the wire service reported. "By seeking to run for re-election, Bukele has joined a worrisome trend in Latin America, which is ending the third wave of democratic governments that originated in the 1980s," Santiago Canton, a senior fellow at the Dialogue, told the Advisor in a **Q&A** published on Oct. 3. In the same issue, Christine Wade, a professor of political science and international studies at Washington College in Chestertown, said, "There is no provision that allows leaders and institutions to ignore the constitution just because it's popular." "Doing so contributes to the further erosion of rule of law," she added. Bukele's year-long violent crackdown on gangs contributed to the Salvadoran president's popularity, Reuters reported. "Militarization and human rights violations have significantly increased under his watch," Canton added. The president's administration has imprisoned more than 65,000 people as a part of the security efforts, which have also suspended a number of due processes and constitutional rights, the wire service reported. Human rights groups alleged that the efforts have resulted in the imprisonment of many innocent people without trial. If Bukele is re-elected in the 2024 presidential election, it will be the first time a president is consecutively elected into the executive since former President Maximiliano Hernández Martínez, who was in office from 1931 to 1944, La Prensa Gráfica reported.

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and Transparent Algorithms project, an unprecedented multi-stakeholder partnership in Chile, funded by IDB Lab, to develop models and standards that incorporate ethical considerations for the design, procurement and use of automated decision-making algorithms in the public and private sector. Among other milestones, earlier this year the National Procurement Agency published standardized bidding terms for AI public purchases including ethical considerations, and during the second semester the Chilean Transparency Council will approve the first binding regulations on algorithmic transparency in the region."

Wally Swain, principal consultant for Latin America at Omdia: "Economists have long complained about services-sector productivity in the region, especially in healthcare and government services. ChatGPT and related technologies could facilitate a great leap forward in cost and effectiveness by mechanizing painful transactions still based on paper (or low-level digital analogues). AI-based bureaucrats should be free of graft or 'acceleration fees'–although these platforms evolve so quickly, this last comment may be naïve! Unfortunately, these low-level government posts are often

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NEWS BRIEFS

Brazilian Development Bank Approves Solar Power Projects Financing

The Brazilian Development Bank, or BNDES, has approved financing of 90 million reais ($17 million) for distributed generation (DG) solar power projects for French company Voltalia SA's Helexia unit, the bank announced Monday, Renewables Now reported. The 19 megawatts of DG solar power projects will include 17 new solar facilities in Brazil's Paraná, Mato Grosso do Sul and Rondônia states. "The financing is aligned with the strategy of BNDES to contribute to the energy transition," the bank said in its statement.

Honduran Castro Breaks Ties With Taiwan Amid China Rapprochement

Honduran President Xiomara Castro on Tuesday announced that she would seek to establish diplomatic relationships with China, which would imply breaking ties with Taiwan, the Associated Press reported. China views Taiwan as part of its territory–a position Taiwan strongly contests–and refuses most contact with countries that maintain formal ties with the island's government. The move would leave Taiwan with only 13 diplomatic allies across the world, most of which are in Latin America and the Caribbean, including Guatemala and Paraguay.

Bolsonaro Set To Be Subpoenaed Over Jewelry

Former Brazilian President Jair Bolsonaro is set to be subpoenaed for an investigation into accusations that he attempted to illegally bring $3.2 million worth of jewelry into Brazil, said Justice Minister Flávio Dino on Monday, Reuters reported. The jewelry, which was a gift for Bolsonaro and his wife from the Saudi government, was discovered by customs officials in the backpack of an aide in October 2021.

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Ecuador Legislators Move Closer to Impeaching Lasso

Ecuadorean legislators on Tuesday voted to declassify documents related to investigations of alleged corruption at public companies, the latest step in the opposition's move to impeach President Guillermo Lasso, Reuters reported. Earlier in March, a majority of lawmakers in the National Assembly backed a non-binding report that accused the conservative president of connections to alleged crimes against state security and public administration, and which called on legislators to begin an impeachment process against the president, El País reported. The accusations followed investigations by the country's attorney general into alleged graft at state companies. It is unclear which charges the opposition wants to bring against Lasso, and legislators have not yet issued any formal request for impeachment hearings. The government did not immediately comment after the latest developments but has said previously that the report's findings are based on coincidence and conjecture, Reuters reported. Lasso has denied corruption and said his government will cooperate fully with the attorney general's office. The resolution passed on Tuesday gives legislators access to the presidency's visitor logs and information from the companies' regulator. Should lawmakers advance the impeachment charges, it would be the second such process that Lasso faces since taking office in 2021. He survived an impeachment attempt last year during anti-government protests that paralyzed the country for weeks.

THE DIALOGUE CONTINUES

What Challenges Will the World Bank's Next Leader Face?

Q The administration of U.S. President Joe Biden on Feb. 23 nominated Ajay Banga, the former chief executive officer of Mastercard, to succeed David Malpass as president of the World Bank. Banga's nomination marks the beginning of a confirmation process likely to take months before the World Bank's board makes a final decision. The United States, which is the World Bank Group's largest shareholder, traditionally selects the organization's leader. If confirmed, what would Banga bring to the role, and what does his nomination mean for Latin America and the Caribbean? What should the World Bank's next leader prioritize, and what challenges face the organization's next president?

A Tobías Belgrano, director of Latin American affairs at The New Global Order: "Many have seen the nomination of Ajay Banga, an Indian-born American business executive from Mastercard, as an unorthodox move that sends a message to developing nations that their interests will not be taken for granted as they will have a voice to represent them. However, this same logic applies to big financial service companies, who under this new administration, will not see their interests compromised. In this sense, Mr. Banga's nomination raised some concerns. Jeff Hauser, an executive director who fights corporate influence in Washington, affirmed that Banga's trajectory does not inspire confidence and that Biden's candidate will not turn the World Bank away from predation by Global North corporations upon Global South countries. However, Mr. Banga's career also included achievements in Latin America by promoting financial inclusion among the poor. During his executive experience at Mastercard, he cooperated with the administration of Mexican President Andrés Manuel López Obrador on digitizing social programs handled by the Mexican government, providing transparency, security and innovation among its beneficiaries. Furthermore, other voices of support have arisen in Latin America. According to Argentine media, Economy Minister Sergio Massa has already expressed his support for Mr. Banga's candidacy. But only time will tell if Biden's candidate will prioritize developing regions such as Latin America, which greatly need policies regarding financial inclusion as the ones Mr. Banga promoted."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the March 6 issue of the Advisor.

ECONOMIC NEWS

Brazil's Americanas and Central Bank to Testify in Congress

The Brazilian Senate's economic affairs committee on Tuesday formally invited central bank chief Roberto Campos Neto and former executives from troubled retailer Americanas to testify in Congress on two developments that have hit the country this year, Bloomberg News reported. The committee wants Campos Neto to discuss the country's benchmark interest rate, which has been at a six-year high of 13.75 percent since last September, Reuters reported. President Luiz Inácio Lula da Silva's administration has pushed for lower borrowing costs as it seeks to boost economic growth. Meanwhile, the committee seeks details from former Americanas executives on the company's financial collapse earlier this year. The retail giant filed for bankruptcy in January after disclosing a $4 billion gap in its balance sheet, rocking Brazil's credit markets and spurring questions about other major businesses and the country's economy. "The discovery of 'inconsistencies' led the financial market to ask if similar accounting methods are used by other companies," Senator Otto Alencar said in the invitation the committee approved, Bloomberg News reported.

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important sources of quality employment in many countries so, as in many regions, the policy issue will be managing the shift of the workforce from those posts displaced by AI to those posts enhanced by AI. Such a challenge tempts politicians to regulate and avoid labor conflict. Officials will also want platforms to manage culturally sensitive issues like bias and politically sensitive issues such as personal data storage or local jobs. Unfortunately, countless examples in the Internet age have shown the difficulty—if not impossibility—of doing so. At best, bureaucrats can block unwanted platforms (and this is easily circumvented); governments have no chance of forcing global platforms to conform to local policies. John Gilmore's famous quote 'The Net interprets censorship as damage and routes around it,' has an equally valid corollary: 'The Net interprets regulation as damage and routes around it.' "

Mijail Popov, analyst at Americas Market Intelligence: "Artificial Intelligence (AI) has the potential to bring significant benefits to Latin America, including improvements in healthcare, agriculture, education and public services. However, one of the most controversial debates surrounding AI is the associated risks, such as job displacement, privacy concerns and the potential for bias and discrimination in decision-making algorithms. It is important to note that many AI developments are still in the early stages, as well as regulation. Latin American countries have adopted different approaches to AI regulation. For instance, Brazil has developed a national AI policy that prioritizes promoting innovation and building human capital in the sector. A national AI ethics committee has been established in Mexico to offer recommendations on the moral use of AI. Colombia, on the other hand, established an AI observatory to research how AI is affecting society and to suggest public policies. As AI continues to evolve and become more prevalent in the region, it's crucial for policymakers to find a way to support innovation while also safeguarding the rights and interests of the people. The governments in the region must take responsibility in guaranteeing that AI is utilized and created in an ethical and accountable manner, with adequate measures in place to handle potential hazards and preserve confidentiality."

> **"It's crucial for policymakers to find a way to support innovation while also safeguarding the rights and interests of the people."**
>
> **– Mijail Popov**

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

LATIN AMERICA ADVISOR
is published every business day by the Inter-American Dialogue ISSN 2163-7962

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