Dealing with the slowdown

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The 2009 World Economic Forum on Latin America allowed the over 550 government, business and civil society leaders who gathered in Rio to consider the international community's approach to the unfolding global economic crisis and assess how the Latin America and the Caribbean region is addressing the multiple challenges posed by the turmoil.

At the end of the meeting, participants conveyed a declaration to the leaders attending the Summit of the Americas that called for "a new dawn in international cooperation, based on enlightened values and mutual trust."

It was understood that "the ongoing crisis is also an opportunity for the region to surpass the differences from the past and, thus, inaugurate a new era of reinforced trust and integration."

The statement outlined five priorities for a coordinated regional response to the crisis:

1. Funding for international agencies and development banks to provide assistance for counter-cyclical policies
2. Short-term liquidity through bilateral and multilateral systems
3. Reinvigoration of world trade and investment to prevent protectionism
4. Extension of well-targeted social protection networks
5. Leadership on global cooperation to address climate change through initiatives for a green economy

The strength of Latin America's voice in the international community has clearly been bolstered as the region has proven that the reforms and restructuring that many of its countries had implemented in recent years have made the continent better able to weather the global crisis.

This new confidence was on full display at the opening plenary when, after delivering prepared remarks, President Luiz Inácio Lula da Silva of Brazil spoke eloquently, spontaneously and candidly about the impact of the downturn. "This crisis is real and serious," Lula said. "What we need is to stem it so we can think about growing again."

The president was buoyed by the resilience of his nation's economy. "Brazil was the last country to be hit by the crisis and it will be the first country to come out of the crisis and it will come out of this crisis stronger."

Speaking not just for Latin America, but also for developing countries around the world, that though the G20 are now key players in the international response to the crisis, Lula called for a wholesale transformation of the global economy. "We need to go further than emergency measures, transforming the paradigms that took the world economy to the edge of the precipice. We cannot postpone profound and structural solutions."

Notably, Lula railed against protectionism, likening it to a drug that may provide temporary gain, but eventually results in long-term pain. In the same session, President Alvaro Uribe Velez of Colombia reviewed his country's dogged struggle to surmount law and order challenges and the threats to national and human security from criminal elements, terrorists and paramilitary groups. His

administration has succeeded in drastically reducing homicides and kidnappings in the country.

"We know there is a lot to do, but we struggle every day," Uribe said. The Colombian leader's remarks underscored that Latin America's stature in the world has risen not because the region is speaking with a louder voice, but because many of its countries have buckled down to address methodically long-term systemic problems and take the courageous steps to put their houses in order, significantly reducing poverty and securing better futures for their people.

"Latin America is now a source of solutions," concluded Robert Greenhill, Managing Director and Chief Business Officer, World Economic Forum.

Indeed, the region no longer looks to the past in lament at opportunities lost.

As Klaus Schwab, Founder and Executive Chairman, World Economic Forum, concluded, the strong engagement of participants at Rio at a critical time demonstrated "the importance of Latin America and the entrepreneurial and forward-looking mentality and spirit of people who look beyond the crisis and see opportunities."

The meeting in Rio de Janeiro was organized under five sub-themes: Responding Proactively to the Economic Slowdown; Building Bridges among Regions; Integration to Build a Better Future; Public Policies for Sustainable Growth; and Challenges and Opportunities for a Green Development Cycle.

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