Sustainable development goals and the 2030 agenda: in the light of public policy and changes of government in Latin America

The Sustainable Development Agenda approved by the United Nations member countries on September 25, 2015 calls on international bodies, governments of all nations, and civil society to reflect on and show concern for what is still a fragile and nascent development path. Starting with the Great Crisis and the Great Recession and up through the current era of stagflation, zero inflation, and negative interest rates, there has been trepidation as to how to revive the economic growth rate worldwide. Will it be the government administrations currently in power that carry out the Agenda 2015-2030 with reduced taxes and constraints on public spending?

The presupposition is that, by narrowing the inequality gap among countries, within countries, and between men and women, as well as safeguarding the environment, the world will be able to change the way in which and how we produce, improve and protect the public good, and raise income, beginning with a decent wage.

The Sustainable Development Agenda has even seeped into some international financial bodies, such as the International Monetary Fund (IMF), as evidenced in its Global Stability Report and Fiscal Monitor Report, which address fulfilling the Sustainable Development Goals (SDG), presented at the spring meeting this year.

The Economic Commission for Latin America and the Caribbean (ECLAC), in its thirty-sixth period of sessions, held in Mexico, unveiled its publication *Horizons 2030: Inequality at the Center of Sustainable Development,* which expresses the unsustainability of the development style that has been implemented up until now. It emphasizes a challenge to civilization as it stands, the mode of production, and its outcomes, where the *invisible hand* has threatened the commons and the welfare of future generations.

All of the foregoing deserves reflection about how to meet the 2030 Agenda in light of the transformations taking place in the Latin American region. Democratic changes in Argentina and Peru, accompanied by a deepening of public policy management in the hands of the market and the minimalist State, are leaving a swath of society defenseless. To this is added the recent impeachment in Brazil, perpetrated by democratically elected members of the parliamentary chambers, whose first step was to cut social spending.

It is important to note that, after a long cycle of high commodities prices, the primary export or neo-extractivist model is turning against the very social layers that were benefitted by the taxes and social policies implemented by leftist democratic governments until before the fall of exported raw materials prices in 2012. To this is added a new element in the region that sets the current scenario far apart from the “lost decade” of the 1980s. The role of China in infrastructure investment projects, particularly in the Southern Cone, and as the destination of goods exported from the Latin America region.

There is a sector of academia concerned with how to meet the SDGs in the stipulated time period, as there is uncertainty as to the source of the funding to achieve the 17 goals. Starting with the 2008 crisis, central banks began to directly underwrite the profitability of large corporations the world over. Financial markets are, at the end of the day, determining commodities prices, and with that, deepening share prices and the over-indebtedness of corporations. The cycle of high prices in countries that are strong in exports to international trade has come to an end, with the consequence of tighter public and social spending. And it turns out that to meet the SDGs, these reforms must be deepened even further, according to the IMF vision. The question before us for the Agenda 2015-2030 is as of yet unanswered, even at the diagnostic study conducted at the Congress of the Latin American Studies Association, on its 50th anniversary, held in May in New York.

The article “Challenges for Latin America: The Agenda for Sustainable Development and Negotiations in the Twenty-First Century,” written by Ana María Álvarez, is centered on a discussion of the multiple integration processes currently in place and how they can help achieve the ambitious sustainable development goals set forth in the 2030 Agenda. She addresses the conditions needed to finance the 17 SDGs expressed in the Agenda to be carried out in the years to come. The author highlights the fact that in Latin America, various plural integration and cooperation models coexist, recognizing that the approach adopted in the Pacific Alliance is rather different from that used in such efforts as the Common Market of the South (MERCOSUR), the Bolivarian Alliance for the Peoples of Our America (ALBA), the Union of South American Nations (UNASUR), and the Community of Latin American and Caribbean States (CELAC). She draws comparisons to similar initiatives implemented in Europe, Asia, and Africa, where we find examples of mega-regional agreements, such as the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP).

In his paper “Lessons from the Euro Crisis for Regional Financial Cooperation,” Oscar Ugarteche offers a historical analysis from the standpoint of the eurozone, since the formation of the European Currency Unit (ECU) up through the Maastricht Treaty, which proposed that the euro system should take care of the “good” functioning of the monetary policy transmission mechanism. He returns to the problems that the eurozone has managed to move past since the crisis and describes two outlooks on the crisis: the first and more conventional considers that the crisis was a fiscal problem that generated imbalances in the balance of payments; the second holds that the rising deficit and internal debt was an internal result and not a cause. Likewise, he underscores the measures adopted in response to the crisis and highlights the Fiscal Compact (2012), which referred to maintaining fiscal balance. In the end, the author points out that it is better to think about creating a macroeconomic policy coordinator that would keep an eye on both fiscal and monetary matters, as well as to have two extraordinary regional supranational financing mechanisms that could serve as a lender of last resort to cover fiscal deficits and as a debt bailout fund in order to reduce credit spreads.

In “Nanotechnology Public Policy in Latin America,” Guillermo Foladori begins with the hypothesis that the public policies applied in the realm of nanotechnology in Latin American countries have principally come about as the result of pressure from international bodies and not due to a national development plan, because they fail to take into account the high concentration of capital seen in the nanotechnology field. The development of nanotechnology is key in combatting poverty, raising the welfare of the population, and enhancing the health and competitiveness of enterprises, bolstering the development of technologies oriented towards drinking water, health, energy, and industry in general. However, the mass production of nanomaterials has been dominated by a few international corporations, due to high capital concentration. In light of this landscape, the author's proposal is centered on the vertical integration of nanotechnology value chains in markets where the State has a monopoly, as is the case for drinking water or medications. Public policies oriented towards developing nanotechnology are centered on funding small enterprises or research centers (nearly all of the countries have high-level research groups), generating, in the best case scenarios, start-ups, which, if they manage to get their footing, are usually sold within a matter of a couple of years to large corporations or are limited to developing research products that do not produce marketable products.

The paper by Noé Fuentes, Germán Osorio, and Alejandro Mungaray, "Intangible Capabilities for Micro-Enterprise Competitiveness in Mexico," asserts, based on the Industrial Economics theoretical framework, the New Industrial Economics, and the Theory of Resources and Capabilities, that factors internal and external, tangible and intangible, to companies determine the business competitiveness of micro-enterprises. They note that the business competitiveness of micro-enterprises is determined by their intangible capacities. They present an econometric analysis of 2,671 micro-enterprises in the state of Colima, taking into account the size of the micro-enterprise and the sector in which they work. The most significant result is the heterogeneity of factors that determine the competitiveness of micro-enterprises, as these factors vary depending on the segment analyzed, both by size and sector.

"Food Security, Self-Sufficiency, and the Availability of Amaranth in Mexico," written by Laura Martínez Salvador, deals with the problem of malnutrition in Mexico, as well as changes in the country's agricultural policy, and the nutritional, agronomical, and productive profile of amaranth. She proposes incentivizing amaranth production as an alternative to contribute to food security, which at the same time would function as a way to combat malnutrition, as the food contains high nutritional potential. Throughout the paper, she addresses the topic of food security, based on the FAO, and the importance of availability and self-sufficiency in achieving it. She relates how important it is for a country, population, or region to be able to satisfy its own food needs by way of local agrifood production, emphasizing the need to foster public policies that help create a more equitable and feasible food market for both consumers and producers.

"Mexico: Restricted Economic Growth and the Exchange Rate," by Eduardo Loría, aims to prove the existence of a relationship between the real exchange rate and economic growth in Mexico. His hypothesis establishes a tie between controlled depreciations of the exchange rate and slowed GDP growth. He begins by setting up the relationship between exchange rates and economic growth, verifying the hypothesis that the real exchange rate explains the behavior of the GDP growth rate. In the second section, he describes the stylized facts related to the behavior of the two variables in Mexico. With statistical evidence, it becomes possible to observe that the economic growth phases of Mexico have been related to the appreciation of the exchange rate, and it is starting in the 1990s when this relationship and turn of events began to intensify, meaning that recurring drops in the GDP are accompanied by the real depreciation of the exchange rate. In econometric terms, he uses the structural vector autoregression (SVAR) method, which is a model that explains both the short- and long-term effect of the exchange rate on economic growth. The impulse graphs show how a shock, or appreciation in the real exchange rate, prompts an increase in economic growth for the next three periods. In brief, the author proves his main hypothesis, both theoretically and econometrically.

"Fundamentals, the Net Positions of Speculators, and the Exchange Rate in Brazil," by authors Armando Sánchez Vargas, Guillermo Arenas, and Ignacio Perrotini, aims mainly to analyze the dynamics of the nominal exchange rate in Brazil in the time period 2002-2012 and demonstrate that the dynamics of the exchange rate obey both macroeconomic and microeconomic variables. In studying the exchange rate, they analyze the role of speculative positions and fundamentals in determining the exchange rate, and confirm that these are two channels that help to explain the behavior in the short and long term. The exchange rate analysis is done two ways, with the macroeconomic or monetary and the microstructure approaches, using the SVAR model, with which the authors find that both approaches are consistent with one another. The article also includes a literature review of the two approaches used to analyze the exchange rate; the analysis of the approaches of the net positions of speculators and the monetary paradigm in determining the exchange rate; the structural VAR model used in the research; empirical scrutiny of the net positions of speculators and the real exchange rate in Brazil, and conclusions, explaining the effect that the net positions held by speculators have on the exchange rate.

The reviews section recommends the following books: *In Pursuit of Regional Development in Mexico,* by Isaac Leobardo Sánchez Juárez, reviewed by Carlos García Samaniego, and *Credit and Currency: Transitions in the Twenty-First Century,* coordinated by Alicia Girón, Eugenia Correa, and Patricia Rodríguez, and reviewed by Marco Antonio Vargas.

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