

Thirty Years of Latin America in the OECD

*Treinta años de América Latina
en la OCDE*

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Abstract

The thirty years during which Mexico has been a member of the OECD are also thirty years during which Latin America has gradually become more involved and strengthened its presence in the Organisation. This article examines the path traveled, with an emphasis on milestones like the establishment of the OECD Centre in Mexico, the creation of the Latin America and the Caribbean Regional Programme, the accession of Chile, Colombia and Costa Rica, along with Argentina, Brazil and Peru, which are currently in the process of becoming members, and concludes with the prospect of a more Latin-American OECD and a more integrated region as a result of the regulatory harmonization that has been taking place and that could gather further momentum.

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Resumen

Los treinta años de México en la OCDE son también treinta años de un proceso gradual de involucramiento y creciente presencia de América Latina en la Organización. En este artículo se examina el camino recorrido destacando hitos como el establecimiento del Centro de la OCDE en México, la creación del Programa Regional para América Latina y el Caribe y las adhesiones de Chile, Colombia y Costa Rica, a los que se unen los procesos actuales de adhesión de Argentina, Brasil y Perú. Concluye con perspectivas a futuro de una OCDE más latinoamericana y una región más integrada gracias a la armonización regulatoria que se ha venido dando y que podría potenciarse.

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Keywords

Mexico, Latin America, OECD, Latin America and the Caribbean Regional Programme

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Palabras Clave

México, América Latina, OCDE, Programa Regional para América Latina y el Caribe

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Introduction

On 18 May 2024, Mexico celebrated thirty years as a member of the Organisation for Economic Co-operation and Development (OECD). Over these three decades, Latin America has become increasingly involved and strengthened its presence in the Organisation. Mexico has played a major role opening doors and building bridges in the region.

This article examines the path traveled, with an emphasis on milestones like the establishment of the OECD Centre in Mexico, the creation of the Latin America and the Caribbean Regional Programme, the accession of Chile, Colombia and Costa Rica, and the current accession processes of Argentina, Brazil and Peru. Various government administrations in Mexico and many Mexicans, both within and outside the Secretariat, have contributed to this process, which has gradually strengthened the region's public policies and, at the same time, transformed the OECD. I am privileged to be one of them and to be able to share this story in which Mexico is a main character, attempting as it has to encourage the region to continue capitalizing on the unique capacity of the OECD to promote better policies through evidence-based dialogue between peers.

Mexico's accession, a watershed

In the 1980s, the OECD began taking an interest in the emerging countries of Asia and Latin America, and started inviting them to participate in certain committees. Some will be surprised to learn that Brazil has participated in the Steel Committee as an observer since 1975, and that Argentina joined OECD Seed Schemes for the certification and control of seeds in international trade as far back as 1982.

Prior to Mexico's accession, the OECD had undergone only two expansion processes.¹ Mexico's admission in 1994 was indubitably a watershed, both in the life of the country and the history of the Organisation. The coming into force of the North American Free Trade Agreement (NAFTA) that same year was no coincidence. Mexico took the brave decision, accompanied and supported by its North American partners, to craft itself a new place in the world and become the diversified economy it is today. Mexico was also instrumental—more so than any other country—in debunking the view that the OECD was a “club of the rich,” opening the door to new accession processes, namely those of Republic of Korea in 1996, Poland, Hungary, the Czech Republic and Slovakia, not forgetting Chile, Colombia and Costa Rica.

From the very outset, Mexico saw its calling as a bridge to Latin America. So clear was Mexico as to its vocation that, just two years after joining, when Ángel Gurría was Foreign Minister, it had the audacity to propose the creation of the OECD Centre in Mexico, something that only existed in Washington, Berlin and Tokyo at the time.

The OECD Centre in Mexico... for Latin America... and the Caribbean²

The establishment of the OECD Centre in Mexico in 1996 has facilitated relations between the OECD and the LAC region. In 2009, I arrived from the

¹ In the 1960s: Japan (1969) and Finland (1969), and in the 1970s, Australia (1971) and New Zealand (1973).

² See Mario López-Roldán, “Thirty Years and Countless Achievements. The OECD and Mexico from the Perspective of the OECD Centre for Latin America and the Caribbean” in this issue of the RMPE.

Secretariat in Paris to assume the position of first director of the Centre and was well aware of two barriers that limited the OECD's capacity to influence the reform agenda in Latin America: the language and a lack of familiarity with the OECD in the region. We subsequently focused our efforts on making the OECD more accessible to the region and incorporating it into the Spanish-speaking digital world. Between 2008 and 2013, the number of Spanish-language publications grew from seven to twenty-five a year, while the number of documents translated by the Centre increased from five to twenty-five. In 2009, the Centre opened its Twitter account (today X) @OCDEenespanol and Facebook account (OCDEenEspanol), which had 18 930 and 1500 followers in 2012 and now boast close to 150 000 and 60 000, respectively. In the 2002-2012 period, the number of mentions of the OECD in digital media in Latin America and the number of visits to the Centre's website, which came to be known as the website for "the OECD in Spanish," increased more than 200%. All this resulted in greater acceptance of OECD recommendations by the public and a more visible contribution to public debate by the Organisation.

The enlargement of its facilities in 2013 made it possible for experts in education, competition and regulatory improvement to work from the Centre and directly support the implementation of reforms in Mexico and the region.³ I had the privilege of submitting to the Senate a study on telecommunications in Mexico that was key to the reform of the sector in 2013, and which met with multiparty approval. The benefits for consumers have been tangible: ten years down the line, mobile telephone rates in Mexico have fallen 84% and the number of mobile Internet subscribers rose from 34 million to 112 million between 2013 and 2022.⁴

³ See, for example, OECD, "Acuerdo de cooperación México-OCDE para mejorar la calidad de la educación de las escuelas mexicanas," at <https://www.oecd.org/education/school/46216786.pdf> (date of access: December 2, 2024); OECD, "Regulatory Policy: Mexico," at <https://web-archiv.e.oecd.org/2022-02-21/58255-regulatory-policy-mexico.htm> (date of access: December 2, 2024); and OECD, "Mexico: Competition Assessment Project," at <https://web-archiv.e.oecd.org/2024-01-18/443341-mexico-competition-assessment-project.htm> (date of access: December 2, 2024).

⁴ OECD, "Broadband Statistics," at <https://www.oecd.org/en/topics/sub-issues/broadband-statistics.html> (date of access: December 2, 2024).

In 2024, the Centre for Latin America and the Caribbean, as it is now called, was incorporated into the Global Relations and Cooperation Directorate, and today functions as a hub for other specialized centers that have been set up recently, like the Lima-based Regional Centre for Competition in Latin America, the Centre for Fiscal Affairs in Mexico and the Tax Academy in Buenos Aires.

Chile, the second member country in the region

In 2010, with the decisive support of Mexico (represented at the time by Agustín García-López Loaeza⁵), Chile joined the OECD, after having made some very significant changes to its laws, like eliminating bank secrecy, setting up an environment ministry and reforming the corporate governance of its public enterprises (particularly CODELCO) to limit the presence and influence of ministers on its board,⁶ which is common practice in Latin-American countries. The OECD recommends that public enterprises focus on procuring the greatest value for the State as a stockholder, and that policymaking remain independent of the management of such enterprises.

Chile excelled in another aspect that continues to set it apart from its Latin-American counterparts, whose alternating left- and right-wing governments have resulted in short-term policies, preventing them from progressing toward greater economic and social development with a long-term outlook. Chile, perhaps more than any other country, has experienced left-right democratic transitions; in fact, its OECD accession process took place during the double terms of former presidents Michelle Bachelet and Sebastián Piñera, who shared the goal of making Chile the first developed country in Latin America and who both benefited greatly from working with the OECD. This smashes yet another myth about the OECD in the region

⁵ Representative of Mexico to the OECD from 2007 to 2013.

⁶ See Permanent Mission of Chile to the OECD, *Primera década de Chile en la OCDE*, Paris, Permanent Mission of Chile to the OECD, December 2020, at https://www.chile.gob.cl/ocde/site/docs/20211116/20211116164030/2020__10_a__os.pdf (date of access: December 2, 2024).

regarding its relationship with the left and right. The reality is that, of the OECD's thirty-eight member countries, half have right-wing or center-right-wing governments and the other half left- or center-left ones.⁷

A Latin-American secretary-general and the opening of a niche in the “Ibersphere” for the OECD

In 2023, current OECD Secretary-General Mathias Cormann, speaking on the occasion of the anniversary of the Independence of Mexico, noted that for fifteen of the thirty years Mexico has been a member, the OECD was led by a Mexican⁸ and, for purposes of this article, one with a marked Latin-American mindset.

One of Ángel Gurría's greatest legacies was precisely the forging of closer ties between the OECD and Latin America and the Caribbean, as illustrated by the uninterrupted participation of the OECD in Latin-American summits ever since his tenure. It was these summits that gave rise to the OECD Latin American Economic Outlook, the flagship publication of the OECD Development Centre for the region.⁹ I have attended several of these summits over the course of almost two decades, and witnessed a very favorable evolution of the perception of the OECD by the countries of the region and their leaders. Once again, Mexico made a decisive contribution: at the 2014 Ibero-American Summit in Veracruz, the OECD was, in a manner of speaking, extended a naturalization certificate. And it wasn't just the leaders of Mexico and Chile, but those of Colombia, Costa Rica, Peru

⁷ Naturally, this classification is open to interpretation. In this case, it is based on Google responses to the question “Is the government of X country left or right wing?” for the thirty-eight countries, which, backed by multiple sources, usually confirms one of the four classifications mentioned.

⁸ Ángel Gurría served as secretary-general of the OECD for three consecutive five-year terms: 2006-2011, 2011-2016 and 2016-2021.

⁹ Co-produced by ECLAC, CAF and the European Commission, more than fifteen editions of the report have been published to date. See OECD, “Latin American Economic Outlook,” at https://www.oecd.org/en/publications/latin-american-economic-outlook_20725140.html (date of access: December 2, 2024).

and other nations that sought to meet with the secretary-general, pointing to the increasingly accepted and significant presence of the OECD. I have had occasion to promote a similar process within the framework of the Summit of the Americas.¹⁰

The accession processes of Colombia and Costa Rica

Accession processes are indubitably the most effective and efficient means by which the OECD has spread its standards worldwide. With Dionisio Pérez-Jácome (2013-2017) and Mónica Aspe Bernal (2017-2018) as permanent representatives, Mexico backed, approved and followed up on a new round of accessions, half Latin-American and half Baltic.¹¹

Written off by many as a failed State that had lost control of its territory to cartels and guerrillas, few countries have experienced the transformation Colombia has undergone since the turn of the millennium. The OECD accession process, which culminated in 2020, was deeply transformative and was conducted parallel to the peace process. Among the most noteworthy changes Colombia made during its accession process were labor reforms. In the 2007-2017 period, of the nine emerging countries that were members and partners of the OECD, Colombia was the country where the greatest reduction in informality was seen.¹² The number of non-standard labor contracts also fell substantially, while the number of unionized workers increased significantly. This confirms that the OECD is not, as is sometimes erroneously believed or misconstrued, a bastion of neoliberalism, but that the social agenda and the promotion of quality jobs are among its other strengths.

¹⁰ The OECD has been a member of the Joint Summit Working Group (JSWG) since 2021, along with twelve other bodies.

¹¹ Lithuania accompanied Colombia in 2013 and Latvia accompanied Costa Rica in 2015.

¹² OECD, *OECD Economic Surveys: Colombia 2019*, Paris, OECD Publishing, 2019, pp. 131-141, at <https://doi.org/10.1787/e4c64889-en> (date of access: December 2, 2024).

Costa Rica completed the accession process between 2015 and 2022 to become the first Central American member of the Organisation. One interesting facet was the transparency Costa Rica encouraged vis-à-vis the various recommendations proposed by the OECD,¹³ which enabled it to garner consensus on difficult subjects, like fiscal reform and the strengthening of its competition authority. As a result of the 2018 fiscal reform and the new fiscal plan of 2021, the country has managed to reduce its debt-to-GDP ratio from 68% to 59%, and debt financing from 54% to 38% of its budget, leading to a complete turnaround in the outlook and sustainability of its public finances. In the area of competition, the 2019 reform was definitely key, although this remains a recurring issue in OECD Economic Surveys in the period after its accession,¹⁴ serving as a reminder that entry to the Organisation is not an end, but the beginning of a long-term process of improvement, in which peer reviews play a major role. All countries, including Mexico, even after thirty years of membership, face serious challenges and have room for improvement in certain areas of their public policies.

The OECD Latin America Regional Programme

When I joined the newly-created Global Relations Directorate in 2013 as director for Latin America and the Caribbean, aside from accompanying new accession processes, I was entrusted with several objectives. The most ambitious of these was the launch of the Latin America and the Caribbean Regional Programme (LACRP), similar to the South-East Asia one launched in 2014.

¹³ See, for example, Academia de Centroamérica, *El proceso de ingreso de Costa Rica a la OCDE*, San José, Academia de Centroamérica (Visión Costa Rica), at <https://www.academiaca.cr/wp-content/uploads/2019/01/PV-04-18-El-proceso-de-ingreso-de-Costa-Rica-a-la-OCDE.pdf> (date of access: December 2, 2024).

¹⁴ See, for example, Ministry of Foreign Trade of Costa Rica, “Hoja de ruta de compromisos de Costa Rica como miembro de la OCDE,” September 2021, at <https://www.comex.go.cr/media/8902/hoja-de-ruta-de-compromisos-de-costa-rica-como-miembro-de-la-ocde-2021-09-16-vf.pdf> (date of access: December 2, 2024).

Several networks and publications focused on Latin America and the Caribbean were available at the time, but otherwise, the OECD's relationship with the region was extremely disperse and disorganized. Mexico played a key role, along with Spain, Portugal and Chile, in negotiating the creation of the Programme within the Council and the defining of its thematic priorities: productivity, social inclusion and governance. In 2016, the LACRP was approved by the Council, providing the Organisation with an effective platform for dialogue with all countries in the region and coordination among international agencies.¹⁵ Today, the Programme's Steering Group is comprised of fifteen countries from the region¹⁶ and fourteen international and regional organizations.¹⁷

Mexico has also played a major role in its implementation, most notably during its co-chairmanship with Brazil during the second cycle (2019-2022) under the leadership of Sybel Galván¹⁸ as permanent representative. Mexico's main legacies in this period include: the consolidation of the Programme and its focus, the creation of a fourth environmental sustainability priority in 2021, thanks to the efforts of Costa Rica; and the expansion of Mexico's NiñaSTEM initiative to other countries in the region to foster competencies and careers in Science, Technology, Engineering and Mathematics.¹⁹

¹⁵ OECD, *OECD Latin America & the Caribbean Regional Programme*, Paris, OECD Publishing, March 2022, at https://issuu.com/oecd.publishing/docs/lacrp_brochure_march_2022_eng (date of access: December 2, 2024).

¹⁶ Argentina, Brazil, Colombia, Costa Rica, Chile, Ecuador, El Salvador, Honduras, Guatemala, Mexico, Panama, Paraguay, Peru, the Dominican Republic and Uruguay.

¹⁷ ECLAC, IDB, CAF, SEGIB, OAS, ILO, UNDP, FLACSO, OEI, OIJ, World Bank, OISS, SELA and the European Union.

¹⁸ Helena Sybel Galván Gómez has been the permanent representative of Mexico since 2019, under the presidency of Andrés Manuel López Obrador. She is currently dean of the OECD Council.

¹⁹ See OECD, *NiñaSTEM: For more Girls and Women in Science, Technology, Engineering and Mathematics*, Paris, OECD Publishing, 2023, at https://issuu.com/oecd.publishing/docs/oecd_nin_astem_lac_flyer_2023?ff (date of access: December 2, 2024).

Cooperation with Brazil, Peru and Argentina, and the impact on regional integration mechanisms

The other two objectives I was entrusted with were to strengthen relations with Brazil and kickstart the Country Programme with Peru. In 2007, Brazil was named a key partner, along with China, India, Indonesia and South Africa. The logic—clearly promoted by Mexico and Secretary-General Gurría—was that the continued relevance of the OECD in a world in which emerging countries were gaining increasing clout depended of its ability to dialogue with these countries and open up to them. As an article published in *Foreign Affairs* in 2015 notes,²⁰ the key partners idea “hit the nail on the head,” the most compelling evidence of this being the fact that Brazil and Indonesia have already initiated their accession processes.

The rapprochement with Brazil has been a gradual process, from the first administration of President *Lula*, the launch of the Brazil-OECD cooperation programme in 2015 under the presidency of Dilma Rousseff, which was a major milestone, to 2017, when it formally applied for membership under the presidency of Michel Temer, following an in-depth review of the OECD’s legal instruments by Brazil’s Foreign Affairs Ministry, which clearly evidenced compatibility with Brazilian legislation.

Peru has undergone a similar process, having requested to join the Organisation in 2012. In 2015, it became one of the first to initiate a Country Programme, which is a made-to-measure toolkit in support of the country’s reforms and alignment with OECD policies and standards. For Mexico, Chile and Colombia, bringing Peru into the fold was key to strengthening synergies within the Pacific Alliance created by these four countries. Here again, Mexico has played an essential role during the *pro tempore* presidencies it has led. Significantly, it was at the 2014 summit in Punta Mita, Nayarit, that the OECD received its first mandate to support the SME

²⁰ See Stewart Patrick and Naomi Egel, “Economic Coalition of the Willing: The OECD Re-invents Itself,” in *Foreign Affairs*, March 11, 2015, at <https://www.foreignaffairs.com/articles/2015-03-11/economic-coalition-willing> (date of access: December 2, 2024).

Technical Group, from which an adaptation of the SME Policy Index for Latin America was derived²¹—the same index used by the Alliance as a basis for the Public-Private Roadmap for the Development of MSMES and Entrepreneurship in the Pacific Alliance.²²

As regards Mercosur, cooperation has also improved over time, both between the countries that make up the bloc and in terms of its institutions. Of note is the Action Plan launched by Argentina between 2016 and 2019, accompanied by a request for membership presented by President Mauricio Macri. The Plan drew on Costa Rica's experience of moving toward alignment with OECD standards until such time as a definitive invitation was extended. Consensus on a new round of accessions²³ was not reached until January 2022, this time under the leadership and largely to the credit of Secretary-General Cormann. The process kicked off with the delivery of the Roadmap in June 2023 and Cormann's visit to Buenos Aires in August. The other relevant Mercosur actor to take a step forward in 2024 was Paraguay, which has been invited to initiate a Country Programme that is currently being drawn up.

Some relevant conclusions and future outlook

Mexico opened the door of the OECD to Latin America and the Caribbean thirty years ago and has since helped build a solid bridge for cooperation with the region, reinforced with concrete initiatives, such as the establishment of the OECD Centre in Mexico, the creation of the LACRP, and the promotion of successive accessions by Latin-American coun-

²¹ See OCDE/CAF/SELA, *SME Policy Index: Latin America and the Caribbean 2024. Towards an Inclusive, Resilient, and Sustainable Recovery*, Paris, OECD Publishing, 2024, at <https://doi.org/10.1787/ba028c1d-en> (date of access: December 2, 2024).

²² See "Pacific Alliance Holds Public-private Discussion on the Roadmap for MSMES and Entrepreneurship," in Pacific Alliance, June 27, 2024, at <https://alianzapacifico.net/en/pacific-alliance-holds-public-private-discussion-on-the-roadmap-for-msmes-and-entrepreneurship/> (date of access: December 2, 2024).

²³ For Argentina, Brazil, Peru, Croatia, Bulgaria and Rumania.

tries. In today's complex international context, this bridge role, which Mexico has resolutely propitiated since 1994 and that is comparable to the one played by other OECD countries like Republic of Korea, Poland and Türkiye, and candidate countries like Brazil, is vital to better understanding between advanced, emerging and developing countries (although this categorization has fallen into disuse), effective multilateralism and global governance.

The Latin-American accession processes currently underway, all strongly backed by Mexico, are relevant in that they are pivotal to the consolidation of better policies in Latin America, both in the present and the future. Suffice to say that the seven countries that will eventually comprise the Latin-American component of OECD membership represent 76% of the region's population and 83% of its total GDP.²⁴

This will have a significant impact on the OECD itself, with Latin America becoming the second-most-represented group of countries after Europe and Spanish the language most spoken by its member countries. Mexico has spearheaded recent talks within the OECD Council as to the possibility of appointing a deputy secretary-general from the region in the near future to facilitate high-level dialogue with the Spanish- and Portuguese-speaking worlds.

But it will also have a major impact on the region. For better or for worse, Latin America does not have a driver of integration and regulatory harmonization as occurred in the European Union. That said, the inevitable and increasing alignment of policies around OECD standards by member countries, and the ever-greater number of countries that actively participate in the LACRP has been conducive to a strategic harmonization of regulations and public policies. All this holds enormous potential when it comes to addressing the region's structural challenges, like boosting productivity, fostering social inclusion, strengthening institutions and democratic governance, and assuring environmental sustainability. In this regard, the OECD and the LACRP are key regional integration assets.

The region faces challenges and opportunities that could determine its course for the rest of the century. Whether it progresses or reaches

²⁴ Data for 2022, according to World Development Indicators published by the World Bank.

an impasse will depend on its ability to deal with an already declining demographic dividend, record-high intra- and extra-regional migration, the reconfiguration of value chains and nearshoring, digitalization and the artificial intelligence revolution, climate change, growing insecurity and the spread of organized crime, the consolidation of democracies or, in some cases, democratic backsliding, among other factors. As the tenth anniversary of the Latin America and the Caribbean Regional Programme approaches, the OECD will surely see fit to take stock of what has been achieved so far and the strategic nature of its relationship with the region at this time of heightened global tensions. Mexico, once again, has a great deal to contribute.