



# REGENERATIVE AND SUSTAINABLE FUTURES FOR LATIN AMERICA AND THE CARIBBEAN

Collective action for a region  
with a better tomorrow

Edited by

Maria Alejandra Gonzalez-Perez

# **Regenerative and Sustainable Futures for Latin America and the Caribbean**

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# **Regenerative and Sustainable Futures for Latin America and the Caribbean: Collective Action for a Region with a Better Tomorrow**

EDITED BY

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*We're completing the journey. Ten thousand years ago as hunter gatherers,  
we lived a sustainable life because that was the only option.  
All these years later it's once again the only option.*

–David Attenborough

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# Foreword

It would be a lie to say that things were rosy before the pandemic. Some countries barely managed to overcome the disastrous impacts of the 2008 financial crisis. In Latin America and the Caribbean (LAC), we already had deep problems in terms of inequality, environmental degradation and dysfunctional political systems even before that.

Without a doubt, the bets are for a better future. For a nature positive and climate positive economy. For this reason, it is necessary to clarify that it is not a process of recovery but a process of regeneration and adaptation and reprioritisation of what is truly important. We are behind in identifying the factors that inhibit progress, defining what progress is and searching for mechanisms to nurture hope, sustain perennial solidarity and become aware that we need global collective action today more than ever.

The third decade of the twenty-first century will be a decade in which managers, policymakers, rulers, citizens and consumers will have to make seemingly contradictory decisions and prepare to balance loads ‘on the fly’, accelerate demand and promote savings. We need to nurture hope and simultaneously control expectations with the principle of reality, expand our radar for risks and threats, focus on maximising the materialisation of potential opportunities and strengthen cooperation between nations and protect the national product.

We began the third decade of the twenty-first century faced with an assortment of sustainability challenges. As defined in 1987 in the Our Common Future report (also known as the Brundtland Report), sustainability relates to the concept of sustainable development, which is ‘development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs’. Additionally, sustainability is understood as the contribution of people, organisations, communities and countries to the Sustainable Development Goals (SDGs), as the durability of corporate relevance and extracted/created value over time, or as sustainable development conditioned to environmental integrity, economic prosperity and social equity.

In 2021, the decade of action commences, which means we have less than 10 years to transform the world and achieve the goals we set for ourselves by 2030. We must act now!

This edited volume has contributions from researchers in seven different LAC countries, reflecting with primary data perspectives from government, business, academe and civil society leaders in each specific country.

This book offers reviews of past efforts to recover from global crises with post-COVID-19 recovery lessons. Furthermore, it provides an analysis of the sustainable development challenges of LAC. Moreover, the book summarises fields for future studies and introduces the methodology for the volume fieldwork. The book also answers how to build sustainable futures for LAC. It renders recommendations for policymakers and decision-makers to thrive sustainable futures for LAC. Finally, it reflects on the value of collective action for a region that deserves a better tomorrow.

# Acknowledgements

Anything that we can't do forever is by definition, unsustainable.

–David Attenborough

At the beginning of 2020, the Center for Sustainable Development Goals for Latin America (*Centro de los Objetivos de Desarrollo Sostenible*) (CODS) at Universidad de los Andes opened the fourth call for tenders to research sustainable development. That specific tender focused on SDG 13: Climate Action. CODS received proposals from 15 countries; a total of 50 higher education institutions sent project proposals. Our project 'Post-COVID-19 stakeholder recovery: How to rebuild society and business in Latin America to avoid the climate crisis' won the tender. The project was led by Maria Alejandra Gonzalez-Perez (and her research team Manuela Gomez-Valencia and Camila Vargas) from Universidad EAFIT, with the participation of Freddy Coronado from the Universidad de Chile (and Bruce Lezana, Javiera García and Yanniré Cid), Fabiola Monje-Cueto from the Universidad Privada Boliviana (and Johnny Davy Ruiz-Ayala), Karla Maria Nava-Aguirre from the University of Monterrey (and Itzel Zarate-Solis and Jose Luis Rojas-Vazquez), Cyntia Calixto from Leeds University and the Fundação Getulio Vargas (and Larissa Marchioni, Pablo Leão and Ana Julia Santiago), Miguel Cordova from the Pontificia Universidad Católica de Perú (and Fátima Huamán, Thais Liñan and Ruth Powosino) and Indianna Minto-Coy from the University of the West Indies in Jamaica (and Aaron Hoi-lett, Tameka Claudious and Latoya Lambert).

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## Chapter 1

# From Pre-crises to Global Recoveries and Why We Can Build Sustainable Futures for the World

*Carlos Felipe Múnera-Alzate, Arley Pino-Villegas  
and Andrés Marcelo Romero-Soto*

### Abstract

The coronavirus disease of 2019 (COVID-19) generated a crisis; however, it also gave us an opportunity to imagine the future and build a better world. Moreover, as we are convinced of the importance of understanding the lessons of history when facing both current and future challenges, this chapter seeks to present a concise overview of global crises since the end of the nineteenth century and to show crises for which we ignored the warning signs and wakeup calls, the consequences of said crises and how we managed to recover and thrive in several cases. Ultimately, we seek to justify the capacity of humanity to build a sustainable future – ideally, a regenerative future.

*Keywords:* Global crises; sustainable future; crisis recovery; economic crises; Long Depression; world wars; Great Depression; Cold War; oil crises; economic depression; Cuban missile crisis; economic recession; 2008 economic crisis; Bretton Woods system; gold standard; floating standard

### 1.1 Introduction

Currently, we find ourselves in a world wherein everything and everyone has changed, yet the promises that our politicians and public personalities make involve returning to 2019, the past or ‘the good times’. However, just as one cannot step into the same river twice, revisiting a society before the coronavirus disease of 2019 (COVID-19) is impossible. In the best scenario, we will live in an economic, social and political system that feels neither adequate nor modern or

made for us as we, as a society, have already outgrown it and have reconstructed our relationships with our institutions.

Some view crises as an intrinsic part of a flowing economic system, as argued by [Amin, Arrighi, Frank, and Wallerstein \(1982\)](#). However, we would like to go a step further and argue that crises constitute an intrinsic part of our nature as humans and that we have transported crises into the societies that we have created to serve as opportunities to grow and thus advance our creations one step further.

For example, [Schwab and Malleret \(2020\)](#) explained that the crisis generated by COVID-19 has affected the entire world, exacerbating problems that had existed prior to the pandemic, such as social inequality, political polarisation, public deficit and environmental degradation. However, the COVID-19 pandemic is also a window of opportunity to reimagine and reset our world and make it less divisive, toxic and destructive, as well as more inclusive, equitable and just than before ([Schwab & Malleret, 2020](#)).

We are in a historic moment for building a sustainable future that also allows us to face future crises; however, this is not the first time this happened. [Florida \(2010\)](#), in his book *The Great Reset: How the Post-Crash Economy Will Change the Way We Live and Work*, showed how some of the crises of the last 150 years had been times of true devastation and pain. However, the aforementioned periods had resulted in great ingenuity and inventiveness that allowed the crises to be viewed as opportunities to build lasting prosperity.

Unfortunately, history has also taught us that red flags have been ignored many times and that steps taken to end one crisis might create the conditions for other, even worse, crises. It is time to look backwards and learn for the future. Therefore, in this chapter, we analyse key moments of a series of crises since 1870 ([Table 1.1](#)) which were not only significant historical events but also instrumental in forging the world as we know it today.

## **1.2 Global Crises from the End of the Nineteenth Century Up to the Great Depression**

### ***1.2.1 The Panic of 1873 and the Ensuing Long Depression***

The financial panic of 1873, which was considered the ‘first truly international crisis’ ([Glasner, 2013](#), p. 132), was the beginning of a strong economic depression at the end of the nineteenth century, known as the Long Depression. In 1873, investors fled all risky assets, and a bank panic ensued as depositors, fearing losses, sought to convert their deposits into cash in such a hurry that banks could not respond ([Mixon, 2008](#)).

After examining the ex-ante market risks, [Mixon \(2008\)](#) concluded that options markets had shown growing concern about substantial price decline before the crisis. Although investors had barely contemplated a little chance of a significant collapse in mid-1873, they were growing increasingly pessimistic by the end of the year ([Mixon, 2008](#)).

Table 1.1. Significant Historical Events That Instrumental in Forging the World as We Know It Today.

Crisis	Dates and Duration of the Crisis	Brief Description	Early Signals and Wakeup Calls	Structural Changes
The Long Depression	The years between 1873 and 1896 marked the period of the Great Depression in Central Europe (Rosenberg, 1943), whereas this period is between 1873 and 1997 in the United States (Fels, 1949).	The Long Depression was a three-decade period that followed the Panic of 1873 and was characterised by lower industrial production and economic growth rates than before the crisis (Roberts, 2016).	<ul style="list-style-type: none"> <li>• Investors' pessimism owing to substantial price declines (Mixon, 2008).</li> <li>• The loss of interest by Europeans in investments in American railroads (Mixon, 2008).</li> <li>• The Franco–Prussian War in 1870, which hurt the French economy (Roberts, 2016).</li> </ul>	<p>According to Florida (2010), the principal changes of this crisis were as follows:</p> <ul style="list-style-type: none"> <li>• Technological innovations that revolutionised industry, transportation and electrical infrastructure;</li> <li>• Mass migration from the countryside to the city and</li> <li>• The strengthening of the public education system.</li> </ul>
World War I	World War I began in 1914 and ended in 1918 (Royde-Smith & Showalter, 2021).	The First World War was an international conflict that the Central Powers faced against the Allied Powers, with the result of substantial destruction and millions of dead	<ul style="list-style-type: none"> <li>• Profound social changes had led to a dangerously imbalanced political arena (Stokesbury, 2009, p. 7).</li> <li>• The incompatibility of Russian and</li> </ul>	<p>According to Cameron (2014), the main changes resulting from the war were as follows:</p> <ul style="list-style-type: none"> <li>• Mass production techniques spread to other industries;</li> </ul>

Table 1.1. (Continued)

Crisis	Dates and Duration of the Crisis	Brief Description	Early Signals and Wakeup Calls	Structural Changes
The Great Depression	<ul style="list-style-type: none"> <li>In most countries, the Great Depression started in 1929 and ended in the late 1930s (Romer, 1992, p. 757).</li> </ul>	<p>(Royde-Smith &amp; Showalter, 2021).</p> <p>The event known as the Great Depression describes a time that started in the late 1920s, where economies around the world suffered a generalised collapse (Romer, 1990, p. 598; Romer, 1992, p. 758).</p>	<p>Austro-Hungarian interests in the Balkans (Stokesbury, 2009, p. 16).</p> <ul style="list-style-type: none"> <li>The treaty that ended the Franco–Prussian War triggered tensions in Europe (Hughes &amp; Seligmann, 2002).</li> <li>Stock Market Crash of 1929 (Romer, 1990, p. 597).</li> <li>US Federal Reserve’s contractionary policies in late 1928 (Bernake, 2009, p. 10).</li> </ul>	<ul style="list-style-type: none"> <li>Advances in the emancipation of women;</li> <li>British and French drew the map of the Middle East, which remains the cause of current conflicts;</li> <li>The reconfiguration of the European map and</li> <li>The new position of the United States as the leading financial power in the world.</li> <li>The end of the gold standard (Bernake, 2009, p. 8).</li> </ul>

## The Second World War

- Invasion of Poland by the German Reich 1939 to the surrender of Japan in September 1945 (Zeiler & DuBois, 2012, p. 2).
- World War II was a war that was fought in all continents by two main groups of countries: The Allies (United Kingdom, its colonies and dominions, France and the USSR) and the Axis Powers (Germany, Japan, Italy and its conquered territories) (Zeiler & DuBois, 2012, pp. 2–7).
- The Versailles Treaty, in detail: (1) The allies' refusal to break up Germany (2) The large number of states between Germany and Russia created by the dissolution of both the Ottoman Empire and the Austro-Hungarian Empire (3) The refusal of the American and British envoys to detaching the Rhineland from Germany to secure France from future invasion by Germany (4) The refusal of the United States to ratify the peace treaty, weakening France's position against a possible rearmament of Germany (5) The strong reaction against the
- From the Nuremberg Trials onwards, individuals are judge for the crimes committed in war under their command, instead of being protected (Zeiler & DuBois, 2012, p. 930).
- The pressure of the United States, who wanted a world where free trade was the basis of diplomatic relationships, and the pressure of communism expanding all around the world would make decolonisation a priority for the newly created United Nations (Zeiler & DuBois, 2012, pp. 946–950).
- Creation of the Bretton Woods system, the

Table 1.1. (*Continued*)

Crisis	Dates and Duration of the Crisis	Brief Description	Early Signals and Wakeup Calls	Structural Changes
			<p>treaty by the German People (Zeiler &amp; DuBois, 2012, pp. 14–16).</p> <ul style="list-style-type: none"> <li>• Hitler’s ideas of enlarging the territory held by the Germans, so a demographic revolution, with the German race at its head, could happen (Zeiler &amp; DuBois, 2012, p. 15).</li> <li>• Germany’s chancellor violation of the peace treaty from 1933 onwards (Zeiler &amp; DuBois, 2012, p. 15).</li> <li>• Soviet Union weakness due to the five years plan and the military purge on the 1930s (Zeiler &amp; DuBois, 2012, p. 17).</li> </ul>	<p>International Monetary Fund and the World Bank Group (Zeiler &amp; DuBois, 2012, p. 952).</p> <ul style="list-style-type: none"> <li>• Creation of the United Nations and its adjacent institutions (Zeiler &amp; DuBois, 2012, p. 957).</li> </ul>

The End of the Bretton Woods System	1967–1971 (Garber, 1993, p. 461)	The collapse of the Bretton Woods system of the fixed exchange rate was an event in which the exchange system established at the end of the Second World War came to an end owing to the closure of the gold window by the US President Richard D. Nixon on 15 August 1971 (Bordo, 1993, p. 3).	<ul style="list-style-type: none"> <li>• The collapse of the Bretton Woods system was greatly predicted by academics, principally because of the steady growth of official and private liquid gold-dollar claims in the hands of foreigners and the reduction of official gold holdings (Garber, 1993, p. 461).</li> </ul>	<ul style="list-style-type: none"> <li>• The end of the fixed rate system and the beginning of the floating exchange rate (Garber, 1993, p. 461)</li> <li>• The International Monetary Fund, the predominant overseeing institution of the fixed exchange rate, evolved into an institution whose main objective is to provide financial assistance (Garber, 1993, p. 463).</li> </ul>
First Oil Crisis (1973–1974)	An oil embargo was proclaimed from October 1973 until March 1974. However, the recovery of the economy was not achieved until 1976 (Salameh, 2004).	The embargo by the members of the Organization of the Petroleum Exporting Countries caused oil prices to rise and was a consequence of US intervention in the Arab–Israeli conflict from 1973 to 1974 (Painter, 2014).	<ul style="list-style-type: none"> <li>• Intervention by US financial and military assistance to Israel in the Arab–Israeli dispute (Painter, 2014).</li> <li>• Increasing oil consumption and dependence on imports from the Middle East (Salameh, 2004).</li> </ul>	<ul style="list-style-type: none"> <li>• A displacement of oil imports; a search for oil reserves in the United States and initiatives for renewable energies (Venn, 2002).</li> <li>• Internal changes in domestic oil use.</li> </ul>

Table 1.1. (*Continued*)

Crisis	Dates and Duration of the Crisis	Brief Description	Early Signals and Wakeup Calls	Structural Changes
Second Oil Crisis (1978–1980)	<ul style="list-style-type: none"> <li>• After the January 1978 protest against the Shah government, oil exports from Iran were cut off in December 1978.</li> <li>• Maximum high prices in 1979.</li> </ul>	Internal political tension in Iran resulted in a revolution, hostages and a war with Iraq. This scenario altered the oil production and imports from an important producer country (Ditté & Roell, 2006).	<ul style="list-style-type: none"> <li>• High prices after the first oil crisis affected the economy of Iran (Venn, 2002).</li> <li>• Beginning of a revolution in Iran (Salameh, 2004).</li> </ul>	<ul style="list-style-type: none"> <li>• The diversification of energy consumption owing to a new oil crisis (Venn, 2002).</li> <li>• The regulation of oil production for a convenient price (Venn, 2002).</li> <li>• The regulation of production and establishment of a convenient oil price (Salameh, 2004; Venn, 2002).</li> </ul>
The Cold War	For Romero (2018), the Cold War began between 1946 and 1947, after the Second World War (pp. 32–38), and it ended in 1989, 1990 or 1991, years that correspond to the Fall of the Berlin Wall, the German reunification	The term Cold War generally refers to the ideological, geopolitical and economic international rivalry between the United States and the Soviet Union that characterised the period approximately from 1945	<ul style="list-style-type: none"> <li>• The Bolshevik Revolution and the incursion of the United States, the First World War in 1917 (Romero, 2018).</li> <li>• World War II reduced the European states to second-class powers</li> </ul>	According to Yilmaz (2008), the post-Cold War era was characterised by the following: <ul style="list-style-type: none"> <li>• The disintegration of the Soviet Union;</li> <li>• The disappearance of the bipolar</li> </ul>