# Al Governance in Latin America

### Towards a New "Brussels Effect" or a Distinct Regional Approach?

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### **Opinion** Piece

Keywords:

artificial intelligence governance, Latin America, artificial intelligence regulation, digital governance

#### SETTING THE SCENE

A global trend of drafting regulations or creating new frameworks for artificial intelligence (AI) technologies is underway. Latin American countries are part of this phenomenon and are actively engaging in debating how best to govern AI. Transitioning from an initial phase of crafting aspirational AI strategies, many nations in the region are now debating legislation in their national congresses and revising their AI strategies after the irruption of generative AI.

According to several global rankings and reports on AI governance, worldwide, the trajectory of the Latin American region in this field is medium-to-low, with heterogeneous results across countries. According to the Global Index on Responsible AI (Adams et al., 2024), out of 136 countries, only two scored above 75 points (out of 100). Central and South American countries generally rank below 50, with most at approximately 25 points. Similar findings emerged from the 2024 Government AI Readiness Index, in which the region averaged 43 points, whereas the leading country (the US) reached 87 points.

Against this background, this article explores three key issues:

- 1. The current trends in Al governance across Latin America.
- 2. A key question in academic and policy circles: To what extent is the EU's AI Act – as with the General Data Protection Regulation (GDPR) – shaping these incipient efforts?
- 3. The specific issues that emerge as priorities from a Latin American perspective on Al governance and whether

Latin American countries are forging a distinct regulatory approach tailored to their unique needs, goals, and resource constraints.

For this analysis, I will delve deeper into current developments in eight Latin American countries: Argentina. Brazil. Colombia. Chile. Ecuador. Mexico. Peru. and Uruguay. Together, they account for more than 80% of the region's territory and GDP. According to the 2024 Latin American Al Index (CENIA, 2024), out of eighteen Latin American countries, the first group of so-called "pioneers" includes Chile. Brazil. and Uruguay. The remaining five countries in our selection belong to the second group, referred to as "adopters", who have begun integrating AI into productive sectors, services, and public administration. None of the eight selected countries fall into the third group, "explorers", i.e., those who are still in the initial stages of AI development.

### A BROAD OVERVIEW OF RECENT DEVELOPMENTS IN AI GOVERNANCE IN THE LATIN AMERICAN REGION

The first wave of AI policies were crafted by the Executive Branch and began in 2018 with Mexico's AI Strategy, followed by Colombia (2019), Argentina (2019), Uruguay (2020), Chile (2021), Peru (2021), and Brazil (2021). In several cases, these strategies were largely aspirational (Aguerre, 2024) and led to few concrete action plans for implementation. In Mexico and Argentina, AI strategies were completed shortly before the end of the administration and never actually came into force. In Peru, the proposed AI Strategy for 2021–2026 has not been further developed. In Colombia, a change in government led to

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shifts in priorities and policies. Uruguay's initial strategy was heavily focused on the use of AI in the public sector. Ecuador, however, has been lagging behind and is only now beginning to focus on AI policy. Chile, Brazil, and Uruguay stood out in this first wave, as they continued shaping AI policies.

This first wave coincided with growing interest from multilateral organizations and their increasing involvement with several governments in the region, particularly the Inter-American Development BANK (IDB), the Development Bank of Latin America and the Caribbean (CAF), and, to a lesser extent, the World Bank. The United Nations Educational, Scientific and Cultural Organization (UNESCO) has also played a role, especially following the

development and adoption of the UNESCO Recommendation on the Ethics of AI by the 193 member states in November 2021, as well as the launch of a dedicated methodology to help countries prepare for its implementation - the Readiness Assessment Methodology (RAM). With the support of these organizations, initial steps towards regional coordination began to emerge. Furthermore, substantive dialogues within the Latin American technology (tech) and academic community took place, for example, the *Qhuipu initiative*. Although substantive, there were few of these dialogues because of the scarcity of resources.

A second wave of AI strategies is currently gaining momentum in the region. Brazil announced a new Al strategy in July 2024 (referred to as PBIA), leveraging its G20 presidency. Chile (May 2024), Uruguay (December 2024), and Colombia (January 2025) presented their revised strategies. Additionally, the Argentine government announced at the end of 2024 that they had started drafting an Al strategy, as are Ecuador and Peru. In Mexico, after several years of low government focus on AI policy, in October 2024, the new president, Claudia Sheinbaum, announced the creation of the Digital Transformation and Telecommunications Agency, a federal agency aimed at modernizing the government's technological infrastructure.

This renewed interest in the region and the trend of revising AI strategies aligns with global developments. According to the latest AI Readiness Report by Oxford Insights (2024), twelve new AI strategies have been published or announced – triple the number seen in 2023. Moreover, more than half of these strategies have come from lower-middle-income and low-income countries.

There is also growing interest from congresses in the region. However, in recent years, there has been a strong trend against incumbents, along with rising polarization and party fragmentation in Latin American congresses, which has made legislative processes volatile and uneven. In several countries, the parliamentary debates are not triggered or accompanied by the Executive Branch. There are legislative proposals on AI regulation being presented in the eight countries under study. Still, the first country to pass AI governance legislation was Peru, with a minimalist law that underwent a participatory consultation process for its regulation.

In Chile, the bill introduced by the government in May 2024 was inspired by the EU AI Act's risk-based approach, establishing proportional obligations for the actors involved in developing and implementing AI systems. The law could be enacted by the end of 2025. Additionally, the Chilean Congress is working on amending the Penal Code to criminalize the generation and dissemination of deepfakes, mirroring efforts in other countries. Chile has also recently updated its Personal Data Protection framework.

A closer look at the region's biggest actor, Brazil, is warranted here. After months of deliberation and intense involvement from academia, civil society, and private sector stakeholders in legislative debates, the Senate approved an AI law based on a 2023 bill. It was then passed to the lower chamber and is expected to be reviewed in 2025. Although it differs in several ways from the Chilean case, the Brazilian proposal also follows the EU AI Act. The legislative process drew significant public attention, particularly due to the involvement of acclaimed musicians and artists in discussions on property rights clauses. Additionally, the Chamber of Deputies approved legislation on the manipulation of digital images, which has now moved to the Senate. These legislative debates unfolded in parallel with Brazil's 2024 electoral process, which was marked by a highly publicized legal dispute with the social network X and its owner Elon Musk. Furthermore, before the start of the election year, the Federal Electoral Tribunal introduced new regulations on deepfakes and the use of AI in elections. further shaping the country's approach to Al governance.

### KEY TAKEAWAYS ON AI GOVERNANCE IN THE REGION

The landscape is fragmented, making it difficult to identify regional patterns due to the high heterogeneity among countries. However, despite their differences, five takeaways (outlined below) can be drawn from current developments in the eight Latin American countries explored.

### 1. In Search of a Place in the Al Value Chain: A Work in Progress

Amid intense geopolitical competition between the US and China, Latin American countries are searching for their place in the AI value chain. While the influence of the EU AI Act is evident in many legislative proposals across the region, a process of adaptation to local needs can be observed, as seen in the Brazilian debates. Strong resistance from private sector stakeholders to the European approach is often based on the argument that it could hin-

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der innovation. Although this is an open and significant debate in Europe (beyond the scope of this piece), the challenges of applying the European framework to the Latin American context go beyond concerns about innovation.

First, considering Latin America's current role and potential in the AI value chain, a more productive debate in the region should focus primarily on AI adoption and the development of applications rather than on the creation of foundation models, making the direct implementation of the European framework less relevant. Second, the European approach cannot simply be transplanted into the region without the institutional density of the EU, which is fundamentally different from Latin America.

The emergence of generative AI and the hype surrounding it often overshadow a much-needed debate in the region on how responsible innovation can unlock the potential productivity gains achievable through traditional AI, particularly machine learning algorithms. These approaches typically require fewer infrastructure resources – but significant technical human talent – and do not carry many

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of the risks associated with generative AI. A detailed analysis of the bills under consideration in the Argentine Congress, which was conducted with colleagues from Universidad Torcuato Di Tella (Guilera et al., 2025), showed that the promotion and development of AI-enabling factors are almost entirely absent from the legislative discussion so far. Similarly, fostering productive development through AI adoption receives minimal attention, as does the use of AI for environmental sustainability or the emphasis on environmental risks and impact assessments. Our analysis also indicates that there is still no clear consensus among Argentine legislators on whether to pursue a general AI law or to address specific issues, such as AI deepfakes or the use of AI in particular sectors, such as education.

#### 2. Al Strategies: Not Putting Their Money Where Their Mouth Is

A key feature of this stage of generative AI development is the vast amount of resources required, particularly the speed of private sector investments and advancements compared to those of the public sector and academia. According to the 2024 Stanford Index Report (p. 14), in 2023, the industry produced 53 notable machine learning models, while academia contributed only fifteen. The second Trump administration might witness a reinforcement of this trend. It was a strong statement that, on the second day of his new term in office. the US government announced the launch of Stargate, a new private joint venture, with an initial investment of US\$100 billion, with plans to reach up to US\$500 billion by 2029. If these figures are difficult for European countries to match, the contrast with investments in Latin America is even more striking. The largest investments in the region are likely to come from Brazil, which has announced a budget of US\$4 billion for its four-year Al strategy. Meanwhile, Colombia's Al policy, which was unveiled in early 2025, committed US\$110 million to a five-year initiative (2025-2030). The scarcity of resources underscores the need for a strong role in research and development (R&D) from the private sector in the region, as well as improved efficiency and coordination. Out of the three pillars (Government, Data, and Technology) of the Government AI Readiness Index 2024, conducted by Oxford Insights, the Technology pillar remains the most significant challenge in the region and demands greater investment. However. investments in education and the science and technology sectors are equally crucial, especially since they require sustained funding over time.

#### 3. The Public Sector and Al Adoption: A Mission Overlooked

Al can not only optimize the provision of public services, such as healthcare, ed-

ucation, and transportation, but can also enhance accountability by improving how governments explain their use of public funds and justify decision making. For instance, AI-powered tools that analyze large datasets can help detect irregularities, identify potential anomalies, and prevent corruption. Civil society organizations, investigative journalists, and researchers thus gain access to a powerful new tool.

Conversely, risks and potential misuse must also be addressed by setting restrictions and requirements, such as algorithmic transparency – e.g., ensuring that citizens know when they are interacting with AI, for what types of decisions the government is using AI, and how personal data are protected. In a context where illiberal regimes are on the rise, it would be naïve to underestimate the fact that AI tools can become a powerful weapon for surveillance, privacy violations, and restrictions on freedom. Without nealectina the potential for misuse and the need for responsible adoption, the integration of Al into public administration in the region could enhance public service delivery and boost trust in governments. However, it is still in its early stages. A pioneering study on Chile (CENIA, 2024), which analyzed the potential labor market impacts of AI, found that one of the jobs most likely to be accelerated by generative AI is that of public sector employees.

### 4. Participatory Al Governance: An Antidote to Policy Discontinuity?

Given that one of the main challenges of AI policy in the region is long-term stability, especially amid government transitions, a crucial task is developing broader support and buy-in from the AI ecosystem (beyond government actors). While legislation may provide more stability than executive regulations, it is not sufficient on its own. Chile and Uruguay offer interesting cases, as their AI strategies were adjusted but ultimately maintained after a change in government. Notably, in both instances, these strategies emerged from lengthy and diverse consultations. Such consultations may have been instrumental in ensuring policy continuity despite political shifts.

## 5. Challenging but Promising Efforts in Regional Coordination

The first regional statement on AI did not come from governments but rather from the tech and academic community. The KHIPU initiative – which mirrored the African experience –released a call for the responsible adoption of AI, known as the Santiago Declaration (2023). This was followed by the Montevideo Declaration (2024), which emerged from a series of ministerial meetings that were strongly

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In a context of intense global geopolitical competition, regional coordination might be the best way for Latin America to carve out a role in the AI landscape. For instance, it appears to be the most effective strategy for addressing the lack of AI models in Spanish, a challenge that the Chilean Center for Artificial Intelligence (CENIA) has begun to tackle. While we know regional cooperation is a difficult task – Mercosur's crisis being a clear sign of the region's challenges in advancing integration - it is likely to be the only viable path to securing a voice in the increasingly asymmetrical distribution of power in AI development and governance.

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