

Policy Brief:  
**The Impact of  
COVID-19 on  
Latin America  
and the Caribbean**

JULY 2020



# Executive summary

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Parts of Latin America and the Caribbean have become hotspots of the coronavirus (COVID-19) pandemic, exacerbated by weak social protection, fragmented health systems and profound inequalities. COVID-19 will result in the worst recession in the region in a century,

recognized, supported and leveraged, as close to 17% of the Latin American and Caribbean population is between the ages of 15 and 24.<sup>2</sup> In the economic recovery, equality is crucial to boost access to education, food, health and opportunities. It is also crucial to address the concentration of economic and political power that constrains, captures and distorts public policies.

**In Latin America and the Caribbean, building back better implies building back with equality.**

**Gender equality and the empowerment of women needs to be at the core of the response:**

Women have been disproportionately impacted by the pandemic; largely employed in the informal and hardest-hit sectors, their ability to work has been severely affected. They are also well as being more exposed to increased violence in a region with high rates of gender-based violence already. Every effort should be made to ensure that women, including lesbian, gay, bisexual, transgender and intersex people, are free of violence, exploitation and discrimination, the right to health and education, employment, wages and social protection, the promotion of economic autonomy and political participation.

The policy response to COVID-19 should get the gender equality agenda back on track for Sustainable Development across four dimensions:

- > Consider implementing measures to preserve skills and managerial and productive capabilities to allow production to respond when demand recovers, including emergency subsidies to micro, small and medium-sized

- > **Strengthening democratic governance, the rule of law, accountability and transparency,** sustained by a social compact to ensure the legitimacy, inclusivity and effectiveness of public policy, as well the involvement of local communities and civil society, including women’s organizations and youth.
- > **Environmental sustainability, underpinned by the 2030 Agenda, should be the basis for relaunching multilateral cooperation, particularly in developing countries.**

Economic recovery will require a strong multilateralism and international cooperation. Climate change, human mobility, pandemics demand new forms of governance. A just transition to a zero-carbon economy, that in many cases will require investments to promote environmentally friendly technologies and economic sectors, should be a critical component of the recovery.









## Policy recommendations to address the health crisis

- > Ensure access to testing and care for all in need. The protection of populations with vulnerabilities, including persons with disabilities, people on the move, indigenous communities and older persons, should be afforded special attention, as laid out in the series of UN [policy briefs](#). Health care for pre-existing conditions such as diabetes, high blood pressure and HIV/AIDS, among others, should remain accessible.
- > Ensure that health services essential for responding to the needs of survivors of violence against women and girls, including sexual and reproductive health services, are prioritized with adequate resources.
- > Consider removing trade restrictions, including tariffs, sanctions, quotas and non-tariff measures, that affect the deployment of medical equipment, medicines, inputs for food manufacturing and other direct impacts on health and well-being, [as requested of leaders of the G20](#).
- > In the recovery, increased investment in health systems will be vital. Achieving



## 2. ECONOMIC RESPONSES

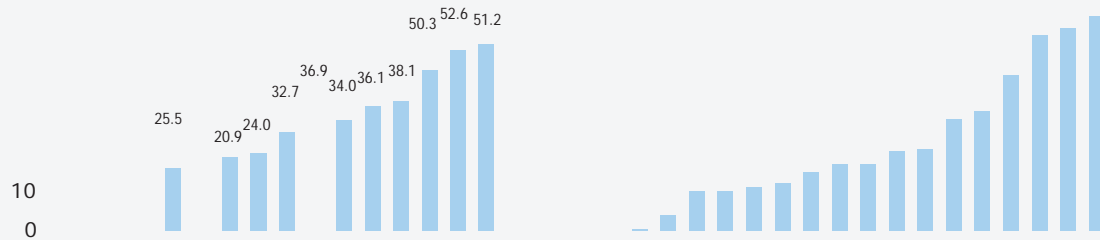
National policy responses have sought to increase public resources for the health sector, expand health services, and improve health care capacity and employment, and stave off a

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contribute to attaining these objectives.  
The historically low prices of oil offer an  
opportunity to withdraw fossil fuel subsi-  
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ures to cushion the impact on the poor.

- > Consider investing in local infrastructure and services and expanding the coverage and quality of non-motorized transport infra-

structure and mass-s tou 0)11.23 2.1 0)2 0)9.14.9 0)11.5 0)4.7 0)8 0)9.4 0)m)4.9 0)0.9c 0)2.1 0)9.8 2C11.5 0)4t)3 8u20ug ttgc

**FIGURE 2: POPULATION LIVING IN POVERTY AND EXTREME POVERTY, 2019 AND 2020 (%)<sup>20</sup>**



<sup>20</sup> Hdj gZ/: 8A68! = dj hZ] da' Hj gZn'9ViV'7Vc` #: ^j g'h[dg` % %VgZ`egd\_ZXi`tdch# ] Z`ediZci`VaZ[[ZXi'h'd[i] Z`b ZVhj`g'hVccdj`cXZYid` b 4^ViZ[i] Z`b eVXi`d[8DK-9"& `VgZ`cdi`cXj`YZY# ] Z`g'hj`ah'dca'gZ` ZXi`i] Z`b eVXi'h'd[áVWj`gb Vg`Zi`YZiZg'dgvi`dc#-i] Z`b eVXi`d[i] Z` fall in remittances is considered, the effects are much worse.

<sup>21</sup> Hdj gZ/: 8A68!dc[i] Z`VWh'h'd[L`dg'7Vc` /]ie/SS/ViVide`Xh#`dg'VWc`#dg`\$`dg'YZkZaleb`Zci`cY`XVidgh.





Homeless people are overexposed to COVID-19 in Latin America and the Caribbean, are at high risk of infection, and have limited access to diagnosis and treatment, owing to overcrowding and poor accessibility to health facilities.<sup>29</sup>

Homeless people are overexposed to COVID-19 and have limited access to health-care services.

Overexposure is also a concern for persons deprived of their freedom, owing to the high density and overcrowding in detention centres, characterized by alarming high overcrowding and limited access to health services. Despite some efforts of governments to reduce the incidence of the virus in detention centres, and to implement early release measures, thousands of detainees have been infected.







## D. Environmental impacts

### 1. THE ENVIRONMENTAL CHALLENGE REMAINS A

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has increased. As deregulation exposes new territories and communities to deforestation, forced displacements, extraction of natural

The COVID-19 crisis has brought home the Xdhih°d[°a/X °d[°egZeVgZcZhh°VcY°[V°g°id° ] ZZY°i] Z°hX°Zci^ X°Xdb b j c°n°zhhdch°l ° 1] ° ZkZc°\g°ViZghiV° Zh°°c°i] Z°Xdc°iZm°°d[°Xab° ViZ° X] Vc°\Z°#B dg°ZdkZg°g°XdkZgn°[gdb °i] Z°eVc°Yzb °X° is a unique opportunity to transition to a more sustainable relationship between humans and nature. Latin America and the Caribbean is one of the most megadiverse regions of the world and possesses a vast natural heritage. In addition to being home to 8 of the world's 17 megadiverse countries, located in the 6c°YZh°°6b Vodc°°Wh°c°°Vc°Y°°c°°B° Zhd°Vb° Zg°XV!°°↑° has unique ecosystems, marine biodiversity and two primary regions of crop diversity.

The Living Planet Index<sup>36</sup> for Latin America and the Caribbean shows a decrease of 89% in the abundance of species populations since 1970, the most dramatic loss in any biogeographical I dg°V°g°ZV°#9Z[dg°Zhi°Vi°°dc°°h°V°° Zn°°hdj° g°Z°°d[° i] Z°g°\°dc°h°XVg°Wc°°Y°°dm°YZ°°B°D°2°f°Zb°°hh°°dch°O in April 2020, deforestation in the Amazon had °Xg°ZVh°ZY°°Wh°+°)/ °Xdb°eVg°Z°Y°°id°°6eg°a°°%&°°#°7° Unsustainable deforestation, mining, and over- h] °c°\°h°°YZeg°k°c°\°°YZe°Zc°YZci°°Vc°Y°°kj° °Zg°W°Z°° communities of their livelihoods. The costs d[°°chj °X°Zci°°Xab°°ViZ°°VXi°°dc°°Vg°°dc°°i] Z°°gh°Zi°° especially for small island developing states.

Legislation to protect the environment is being relaxed, and violence against environmental defenders, including those defending indigenous peoples, lands, territories and resources,

36 <https://livingplanetindex.org/home/index>.

37 C°Vi°°dc°°Vá°°chi°°4°j°°i°Z°[dg°He°VXZ°GZh°ZVg°X] °°CE: °!°B° °c°°hi°gn°d[°HX°Zc°XZ!°°1°°ZX] cda°\n°Vc°Y°°°c°cdk°Vi°°dc°°d[°7°g°o°°#

38 Global Witness, *Enemies of the State?: How governments and business silence land and environmental defenders*, London, 2019.

39 <https://www.cepal.org/en/escazuagreement>.

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Investments in the recovery should focus on public infrastructure, such as smart electrical grids, sustainable transport, sanitation, smart cities and smart buildings, which are both more inclusive and more environmentally friendly. These policies will be the core of the big push for sustainability. Special consideration could be given to productive capacity that is idle as

The pandemic reminded us of the importance of basic necessities and services. Efforts should be made to strengthen regulations and effectively

clean air, sanitation and adequate housing. These are investments in a meaningful recovery. In the short term, mitigating measures should be adopted to shore up these basic rights.

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## **A. More space for innovation in economic thinking and policy**

Greater equality, respect for nature and the environment, and the defence of democracy and human rights. The state has a critical role in shaping the response and moving towards a new model of sustainable development but all of society must be part of the effort. There is no place for marginalization and discrimination; recovery will be effective only if it adopts a human rights-based approach and is participatory, inclusive and transparent.

## **B. The need to protect and strengthen democracy, transparency and open debate in public policy**

Democracy is relatively recent and hard-won in Latin America and the Caribbean, with many successful transitions from authoritarian rule. However, in recent years, citizens have grown distrustful of political representatives and institutions and have increasingly demanded that governments deliver solutions. High



Greater multilateral support and international cooperation are needed for an adequate response to the pandemic, which so far has

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America and the Caribbean. As middle-income  
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large gaps in their capacity to respond to the  
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become increasingly strained as non-resident  
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address more structural economic problems.

In what will probably be a less globalized world  
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ening regional economic integration, includ-  
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America and the Caribbean in the years to come.  
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providers of goods and services, focusing on the  
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producers, could be part of successful socioec-  
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