

## COVID-19 in Latin America: What does it take to go from a highlyvulnerable region to a pandemic-ready region?

Series | COVID-19 & response strategy

**SGlobal** Barcelona Institute for Global Health

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[This is the eighteenth document in a series of discussion notes addressing fundamental questions about COVID-19 and response strategies. These documents are based on the best scientific information available and may be updated as new information comes to light.]

#### 31 July 2020

Photo: Secretaria Especial de Saúde Indígena (Sesai). Palmeirasdo Javari (Brasil) We are the victims and the witnesses of the unprecedented impact of the COV-ID-19 pandemic across the globe. Countries with robust health systems and social protection mechanisms have seen their structures collapse trying to cope with **overwhelming numbers of infected cases and deaths**. Since the World Health Organisation (WHO) declared the pandemic in March 11, the virus has spread to countries in every continent and by July 22 close to 15 million cases had been reported worldwide and more than 616,000 people had lost their lives due to COVID-19.

But the situation has disproportionately affected **regions with weaker health systems**, large pockets of **vulnerable populations** and **socioeconomic conditions that make confinement measures more difficult**. This is the case of Latin America, a region of 650 million people where coronavirus is exacerbating existing inequalities and punishing individuals and communities with a long history of vulnerabilities, such as women, migrants and indigenous populations.

Until effective vaccines and treatments are developed and made available to all who need them, the epidemiological risk will persist. However, there are actions that can be taken in the meantime to mitigate the impact of the coronavirus on the region's health and socioeconomic systems, as the successful example of some Latin American countries has shown. This policy brief offers a brief overview of the current impact of the crisis in the region, comments on some positive examples, goes on to highlight five specific weaknesses and makes recommendations on ways to reduce these vulnerabilities

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# Social, Economic and Health Impact of COVID-19 in Latin America

"COVID-19 has exposed the inequalities and weaknesses of Latin American health systems caused by a chronic lack of investment."

#### **1.1. Statistics of an Epidemic**

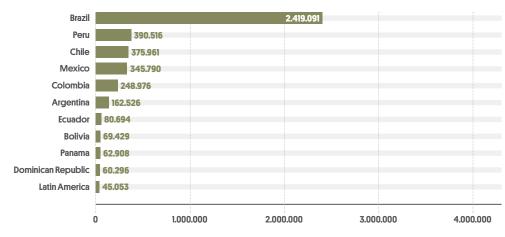
According to the United Nations Development Programme (UNDP), about 142 million people, almost one-quarter of the population of the Latin American region, are currently at risk of contracting COVID-19<sup>1</sup>. The region has seen an exponential increase in cases since the first imported case was detected in Brazil on February 26 and the first death was reported in Argentina on March 7. In early June, the WHO declared Latin America the new epicentre of the pandemic. With more than 3.5 million infected people and nearly 152,000 deaths, the region now accounts for one in every four COV-ID-19 cases worldwide<sup>2</sup>.

#### The Countries Most Affected as of the Third Week of July 2020 Are as Follows:

Brazil: more than 2.2 million reported cases (1,063 per 100,000 inhabitants) Peru: over 367,000 cases (1,146 per 100,000 inhabitants) Chile: 335,000 cases (1,787 per 100,000 inhabitants) Mexico: 362,000 cases (287 per 100,000 inhabitants) Source: Johns Hopkins University.

Together, these four countries have reported over 2.8 million cases. Other countries in the region, such as Colombia, Argentina and Ecuador, are also struggling to contain major outbreaks.

#### Figure 1. COVID-19 Cases in Latin America.

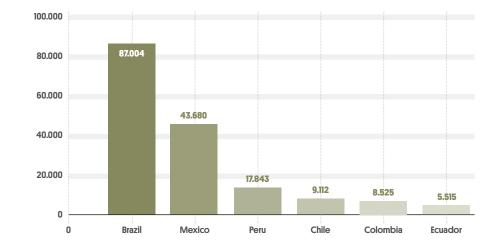


Source: Johns Hopkins University, July 27. 2020.

 $^{1}$  Covid-19 and the SDGs. How the 'roadmap for humanity' could be changed by a pandemic. United Nations Development Programme (UNDP).

<sup>2</sup> <u>COVID-19 World Map</u>. Johns Hopkins University.

#### Figure 2. COVID Deaths. Most Affected Latin American Countries.



Source: Johns Hopkins University, July 27. 2020.

#### **1.2. Economic and Social Impact**

The COVID-19 pandemic hit Latin America after a long period of low growth and at a conjuncture characterised by significant political, social and economic instabilities and growing social unrest. The ensuing crisis has exposed the flaws of the region's development model. Despite the recent implementation in some countries of inclusive social policies, Latin America remains **the most unequal region in the world**<sup>3</sup>.

The real impact of COVID-19 on local economies has yet to be seen, but preliminary analysis points to the likelihood of **a major depression**. One report from the Spanish think tank Real Instituto Elcano predicts that "the economic impact will be uneven across the region, as Latin America faces a recession with few precedents (...) and the potential to negatively impact macroeconomic variables and productive capacity. The projections range from -2.1% (Inter-American Development Bank, IDB) to -5.3% (Economic Commission for Latin America and the Caribbean, ECLAC)"<sup>4</sup>.

Lower demand in the tourism sector and a decrease in commodities exports are expected to have a negative impact in the region, especially in countries that rely heavily on these sectors. Recurrent natural disasters and structural vulnerabilities have already placed some of these countries among the world's most indebted economies and any **exacerbation of this debt** by the COVID-19 pandemic could trigger **an unprecedented financial crisis**.

Such an outcome would represent a major setback for families. ECLAC points out that the economic downturn will add 12 million people to the ranks of the unemployed (bringing the total to 37.7 million), and push some 28.7 million people into poverty (bringing the total to 215 million) and 15.9 million people into extreme poverty (bringing the total to 87 million)<sup>5</sup>. The resulting lack of housing and food security will in turn be critical in determining the outcomes of the epidemic. Following an intense and unplanned urbanisation process, urban slums (or favelas) are common in many Latin American cities. One in every five urban residents lives in a slum. The residents of these "poverty belts" lack access to adequate sanitation and basic healthcare<sup>6</sup>. According to UNICEF, more than 65 million people do not have regular access to drinking water or soap. These circumstances hinder tasks such as hand washing and social distancing.

**Food security** will also be a major concern for the poorest Latin Americans. A recent report by the Food and Agricul-

<sup>&</sup>lt;sup>3</sup> Report on the economic impact of coronavirus disease (COVID-19) on Latin America and the Caribbean. Economic Commission for Latin America and the Caribbean. ECLAC.

<sup>&</sup>lt;sup>4</sup> El impacto económico de la crisis del coronavirus en América Latina: canales de transmisión, mitigantes y respuestas de políticas públicas. Real Instituto Elcano. May, 19. 2020.

<sup>&</sup>lt;sup>5</sup> Los efectos económicos y sociales del COVID-19 en América Latina y el Caribe. CEPAL. June, 5. 2020.

Stagnant Poverty Reduction in Latin America: World Bank Group. June, 14. 2020.

ture Organization (FAO) draws attention to the risk of **a major food crisis** in the region triggered by a significant decline in gross domestic product, rising unemployment, increased poverty and rising in food prices<sup>7</sup>.

#### 1.3. Health Impact

COVID-19 has exposed the inequalities and weaknesses of Latin American health systems caused by a chronic lack of investment. Barriers to services are multidimensional. According to PAHO (Pan American Health Organization, the regional division of the WHO), 30% of the population cannot afford healthcare and 21% are excluded due to geographic factors<sup>8</sup>. This means that many of the region's most vulnerable populations are trapped in a vicious cycle of poverty, exclusion and disease.

Health systems in the region are inadequately funded. The **average public health expenditure is around 4% of GDP**, a figure below the 6% minimum threshold recommended by PAHO. Regional differences are significant, ranging from 0.7% in Haiti and 1.5% in Venezuela to 6.4% in Uruguay. High out-of-pocket expenditure by households in Latin America accounts for 28.6% of the total health spending. Health personnel and hospital bed capacities are unevenly distributed between and within countries, according to the same PAHO 2018 report<sup>9</sup>.

The situation is particularly worrying when you consider that **the burden of non-communicable diseases (NCDs) is growing** in Latin America to the extent that it is overloading local health systems<sup>10</sup>. As in many different parts of the world, services for NCDs have been severely disrupted since the beginning of the COVID pandemic, exposing individuals to greater risks of long-term complications. Before the coronavirus pandemic hit Latin America, most of the national health systems in the region were dealing with **outbreaks of vector-borne diseases**, especially dengue, while still struggling to address the long-term effects of the chikungunya and Zika epidemics. According to PAHO, over 3 million cases of dengue were reported in the Americas in 2019<sup>11</sup>. Local health systems require adaptation and effective resource allocation to meet the growing needs imposed by the COV-ID crisis.

Traditionally, vaccination coverage has been high in Latin America, although a decrease has been observed in recent years<sup>12</sup>, making the region more vulnerable to preventable diseases. Forced migration from Venezuela to neighbouring countries has led to the re-emergence of certain diseases, for example measles, as reported in Brazil and Colombia<sup>13</sup>. There is a need to strengthen multi-country collaboration and to **increase vaccination coverage**, including for **people on the move** •

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<sup>&</sup>lt;sup>8</sup> <u>Health Financing in the Americas</u>. PAHO/WHO.

Core Indicators. Health Situation in the Americas. PAHO/WHO. 2018.

<sup>&</sup>lt;sup>10</sup> Economic Dimensions of Noncommunicable Diseases in Latin America and the Caribbean. PAHO/WHO. 2016.

<sup>&</sup>lt;sup>11</sup> <u>Cases of dengue in the Americas exceeded 3 million in 2019</u>. News. February, 12. 2020. PAHO/WHO.

<sup>&</sup>lt;sup>12</sup> <u>Immunization coverage. Are we losing ground?</u>. UNICEF. July 2020.

<sup>&</sup>lt;sup>13</sup> A.J. Rodriguez-Morales, J.A. Suarez, A. Risquez, L. Delgado-Noguera, A. Paniz-Mondolfi. The current syndemic in Venezuela: measles, malaria and more co-infections coupled with a breakdown of social and healthcare infrastructure. Quo vadis?. *Travel Med Infect Dis*, 27 (2019), pp. 5-8.



"The COVID-19 pandemic is shining a light on underlying vulnerabilities and limitations that will hamper the response to the epidemic in the region and the subsequent recovery." The COVID-19 pandemic is shining a light on underlying vulnerabilities and limitations that will hamper the response to the epidemic in the region and the subsequent recovery. The following are **five major challenges**.

### 1. Lack of Political Leadership and Misalignment of Public Health Recommendations

A lack of strong and consistent political resolve has fuelled the inadequacy of the response in some countries. The situation in the two largest countries in the region-Brazil and Mexico, whose presidents have been accused of downplaying the epidemic for weeks-illustrates the risks of issuing inconsistent messages on mitigation strategies and easing of restrictions from different levels of government. These errors have contributed to misconceptions, led to inadequate responses and increased the incidence of the disease. Contradictory messages and a lack of scientific rigour have occasionally given rise to controversies concerning the use of certain treatments, posing major threats to public health in the region. A case in point was the demand for **ivermectin** in several countries. This antiparasitic drug, which has no proven effects on COVID-19 and poses numerous risks for patients, was recommended in a white paper issued by the Peruvian authorities and even distributed in Bolivia (350,000 doses in the city of Trinidad). Paraguay had to restrict sales of the drug following a surge in demand<sup>14</sup>.

#### 2. Labour Informality

According to the International Labor Organization, approximately 54% of workers in Latin America work in the informal sector<sup>15</sup>. Undeclared workers are particularly vulnerable because they rely on day-to-day work to ensure a basic income to supply their families' needs. They cannot comply with social distancing or lockdown measures, have limited cash reserves and no access to social safety nets. On the other hand, only 26% of workers in formal employment can work remotely and only 20% of the 154 million children and youngsters living in the region have access to the technologies they need to support remote education.

#### **3. Gender Inequality**

The COVID-19 pandemic has had a particular impact on gender inequality, putting many women in a more vulnerable and precarious situation<sup>16</sup>, an effect that could hamper both the response and the recovery. Women are overrepresented in the sectors most affected by the crisis (representing 70% of the human resources in the health system), rely heavily on the informal economy, and bear the burden of the additional care caused by confinement measures. Consequently, the crisis has had a greater impact on unemployment among women while also reducing social protection and increasing stress and exposure to gender-based violence. A UN Women report highlights that irregular migration of women and girls is associated with risk, including exposure to gender-based violence and trafficking. As ECLAC has stated, "there will be no effective response to COVID-19 if impacts on women are not addressed and gender dynamics are not integrated into the response"17.

#### 4. The 'Curse' of Being a Middle-income Country and the Global Response

Most of the region still falls into the category of middle or low-middle income countries. In a context in which the richest economies are already making their own arrangements and the poorest ones may

<sup>14</sup> Ivermectin and COVID-19: How a Flawed Database Shaped the Pandemic Response of Several Latin-American Countries. ISGlobal, May, 29. 2020.

<sup>&</sup>lt;sup>15</sup> Employment Situation in Latin America and the Caribbean. Work in times of pandemic: the challenges of the coronavirus disease (COVID-19). ECLAC. May, 2020.

<sup>&</sup>lt;sup>16</sup> What Do We Know About the Impact of Gender on the COVID-19 Pandemic?, Series COVID-19 & response strategy, number 16. ISGlobal. July, 1. 2020.

<sup>&</sup>lt;sup>17</sup> Género y el COVID-19 en América Latina y el Caribe: dimensiones de género en la respuesta. UN Women.

benefit from enhanced aid schemes, large sections of the planet's population living in middle-income countries could be left behind. The risk is particularly high in the design of certain responses to the COVID crisis, such as debt relief operations and guaranteeing an effective, accessible and affordable vaccine<sup>18</sup>.

## 5. The Greater Vulnerability of Certain Social Groups

Indigenous people and afro-descendants are among the most vulnerable groups in Latin America. A World Bank report highlights the anomaly that, despite accounting for only 8% of the region's population, indigenous people account for around 14% of the poor and 17% of those living in extreme poverty. They also face considerable barriers in accessing adequate health services, leading to higher morbidity and mortality. In the indigenous population in Brazil, infant mortality is 5 times higher and the average life expectancy 20 years lower than among non-indigenous people. Afro-descendants are 2.5 times more likely to be poor than non-blacks in Latin America. Their poor health, lower socioeconomic status, scant access to social safety nets and lower employment rates put them at greater risk during the COV-ID-19 pandemic<sup>19,20</sup>.

Finally, Latin America is witnessing the largest forced displacement in its recent history. Close to 4.5 million Venezuelans have fled the country since 2016, while massive numbers have fled the Northern Triangle in Central America to go to Mexico and the USA. Migrants are particularly affected by the pandemic, as many of them live in precarious housing with poor sanitary conditions and have no access to basic services or social protection<sup>21</sup>

<sup>18</sup> What Are the Barriers to Achieving Universal Immunisation Against COVID-19? Series COVID-19 & response strategy, number 12. ISGlobal, June, 4. 2020.

<sup>19</sup> Indígenas: os mais vulneráveis ao avanço do coronavírus na América Latina. Diálogo Chino. March, 27. 2020.

<sup>21</sup> Facing an Unprecedented Migration Crisis in Latin America and the Caribbean. The World Bank opinion. March, 2019.

<sup>&</sup>lt;sup>20</sup> Eliminating Afro-descendant Exclusion in Latin America is Vital for Development. The World Bank press release. August, 2018

### Success Stories in Latin America: From Government-led Responses to Strong Community Engagement

"Paraguay, Uruguay and Cuba, for instance, have kept the number of cases and deaths significantly lower in those countries." Although the pandemic is posing enormous challenges throughout the region, **some countries are emerging as leaders in driving successful responses**. Measures implemented in Paraguay, Uruguay and Cuba, for instance, have kept the number of cases and deaths significantly lower in those countries than elsewhere in the region. International groups have ranked those three countries as deploying some of the 45 best practices for COVID-19 prevention and control. According to Johns Hopkins University, by mid-July the number of reported cases was just over 3,200 in Paraguay and 1,000 in Uruguay, and the two countries had reported only 56 COVID-related deaths—a result that stands out in contrast to the very high numbers reported in the region as a whole. Mathematical models suggest that, in Paraguay alone, the national COVID-19 response has averted around 15,000 deaths<sup>22</sup>.

The box below offers further details of these and other cases and lists the key components of the response strategies used in different countries.

Country	Key policies	Outcomes
Paraguay & Uruguay	Mass Testing Early quarantine Contact tracing Human resources training Effective surveillance	Despite significant differences in geographical and socioeconomic makeup and health system investment, Paraguay and Uruguay have both adopted successful approaches that include early introduction of voluntary quarantine, widespread monitoring and tracking of infections, mass testing, nationwide training for health personnel. In addition, they both used modelling exercises to predict outbreak progression to better tailor the response.
	Alignment with international and scientific recommendations Everyone on the same page	The consistency and alignment of national recommendations with international WHO/PAHO guidelines, and the active participation of civil society groups, politicians, and leaders contributed to the population's compliance with the measures imposed.
	Gender responsiveness Equity	At the end of March, Uruguay announced strategies to address the rise in gender violence during quarantine, including a nationwide campaign and accessible victim hotlines, clearly demonstrating a political commitment to addressing the needs of the most vulnerable.
Cuba	Mass testing Contact tracing Multidisciplinary approach	With only 2,348 cases and 86 deaths reported, Cuba's model is based on active surveillance, mass testing, contact tracing, early clinical management and a multidisciplinary approach that taps into the network of family medicine teams, who play a key role in their successful approach.

<sup>22</sup> endcoronavirus.org.

Country	Key policies	Outcomes
Dominica	Multilateral international cooperation Alignment with international recommendations Good practices	The Caribbean island of Dominica took early preventive measures and, with the support of UNDP and ISGlobal, planned a careful reopening of the economy, implementing a stepwise approach to easing confinement and establishing a "new normality".
Colombia	Social protection Inclusion Equity	The Colombian government is financing a 50% bonus on the monthly income <i>(prima de trabajo)</i> for minimum wage workers. The Ministry of Finance is paying 40% of the wage bill of companies that demonstrate a decrease of 20% or more in revenues.
Brazil	Community ownership	Communities in Brazilian favelas have taken ownership of their response and designed initiatives based on solidarity that tap into existing social structures. These have been much more successful than government-led responses.

## The Way Forward: Opportunities to Build a More Resilient and Inclusive Post-COVID Region

"Despite the recent shock—or perhaps because of it—the region's commitment to the 2030 Agenda is more important than ever." The crisis triggered by COVID-19 demands a swift, ambitious and equitable response from the Latin American countries and the international community supporting them. But it also represents an **opportunity to reassess some of the economic, social and environmental policies** that have increased the vulnerability of Latin Americans during this crisis. Despite the recent shock—or perhaps because of it—the region's commitment to the 2030 Agenda is more important than ever. Latin American leaders can choose whether this crisis will jeopardise progress towards sustainable development or whether it will serve as a catalyst for reducing underlying inequalities and bringing about far-reaching transformations.

The next section offers a concise road map that describes the key actions that national and regional authorities could take in response to COVID-19, as recommended by international bodies such as PAHO<sup>23</sup>, UNDP<sup>24</sup>, ECLAC<sup>25</sup>, and OECD<sup>26</sup>. Many of these recommendation have already been included in the current national strategies and some depend on the commitment of the international community.

<sup>&</sup>lt;sup>23</sup> <u>COVID-19 - PAHO/WHO Response, Report</u> 16. July, 13 2020.

<sup>&</sup>lt;sup>24</sup> <u>Policy Brief: The Impact of COVID-19 on Latin America and the Caribbean</u>. United Nations. July, 2020.

<sup>&</sup>lt;sup>25</sup> <u>COVID-19 Special Report No.4: Sectors and businesses facing COVID-19: emergency and reactivation</u>. ECLAC. July, 2. 2020.

<sup>&</sup>lt;sup>26</sup> <u>COVID-19 in Latin America and the Caribbean: An overview of government responses to the crisis</u>. OCDE. May, 4. 2020.

#### Policy Recommendations Health Dimension - Immediate Priorities and Recommendations

• Scale up access to testing and care for all who need it, with special attention to the most vulnerable populations.

• Build isolation sites and boost ICU bed capacity.

• Improve countries' contact tracing capacity.

• Ensure PPE supply, in particular for all health personnel

• Ensure access to and sustained supply of essential medical materials, equipment (i.e. ventilators) and diagnostic tools as well as the drugs needed to manage COV-ID-19 cases in line with evidence-based recommendations.

• Mobilise and allocate healthcare workers to remote/rural areas to ensure coverage for those who need it.

• Establish appropriate services to respond to an increase in gender-based violence cases.

• Ensure access to healthcare for patients with chronic conditions and pre-existing illnesses through the normal services.

• Share data transparently and disseminate good practices in real-time to help other countries adapt their response to the changing context.

• Ensure that the most vulnerable groups have access to clean water and soap.

• Tailor culturally-adapted health messages to target specific groups, for example indigenous populations.

• Ensure access to basic healthcare and additional support to migrants; collaborate with different groups to implement specific measures to avoid contagion in shelters.

• Engage communities in co-designed responses.

#### Socioeconomic & Political Dimension - Immediate Priorities and Recommendations <sup>27</sup>

• Ensure access to basic humanitarian aid to those living in extreme poverty and to the most vulnerable groups.

• Create a specific emergency basic income equivalent to one poverty line for six months, available to all those living in poverty in 2020 (215 million, 34.7% of the population). • Provide anti-hunger grants for those living in extreme poverty.

Ensure income and employment protection for those in formal employment.
Extend access to unemployment bene-

fits to low-skilled and informal workers.

• Launch transparent information campaigns and strengthen public communication to enhance credibility and build trust.

• Provide economic and social support to alleviate the heavy burden of unpaid care work by women in the home.

• Implement measures to safeguard productivity, fostering partnerships whose aim is to increase access to technology and communication platforms that enable remote work and continued education.

• Design specific plans to address gender violence, which should include the guarantee of safe routes/pathways for those affected.

• Provide fiscal stimulus sufficient to support essential health services and safeguard basic income and jobs.

#### Mid-term & Recovery Recommendations

Tap into existing multilateral platforms to ensure that Latin American and Caribbean middle-income countries are included in ongoing multilateral emergency responses.
Approve tax moratoriums in LAC countries.

• Design and implement public policies to address stigma and protect marginalised groups from discrimination.

• Incorporate a gender perspective in response plans by ensuring the meaningful participation of women to avoid gender bias.

• Build a development recovery plan with a specific focus on indigenous communities and marginalised groups in urban areas.

• Strengthen cooperation to boost regional R&D and ensure sustainable regional production and supply of medical materials.

• Increase public investment in health infrastructure to expand services and ensure health care for all.

• Ensure timely and universal access to new vaccines and treatments once these become available.

• Strengthen social safety nets for informal workers.

<sup>27</sup> Report on the economic impact of coronavirus disease (COVID-19) on Latin America and the Caribbean. CEPAL. May, 2020."

• Latin American countries should expand social protection systems to provide coverage that can protect the most vulnerable populations and increase their capacity to effectively respond to future crises.

• Use the Sustainable Development Goals as a framework to guide the recovery process and to create a more resilient and sustainable society •

#### **TO LEARN MORE:**

• <u>Report on the economic impact of coronavirus disease (COVID-19) on Latin</u> <u>America and the Caribbean</u>. CEPAL. May, 2020.

• <u>El impacto del COVID-19 en América Latina y el Caribe</u>. United Nations. July, 2020.

• Extreme Outlier: The Pandemic's Unprecedented Shock to Tourism in Latin America and the Caribbean. Inter-American Development Bank. June, 2020

