

# Latin America and the Caribbean and COVID-19: The socioeconomic situation and social protection measures

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Virtual meeting on the role of social development ministries in response to the COVID-19 pandemic

**Regional Conference on Social Development  
in Latin America and the Caribbean**

# Five characteristics of the COVID-19 crisis

- 🌍 The world is facing a health and humanitarian crisis without precedent in the past century, in what is an already adverse economic context; unlike in 2008, **this is not a financial crisis but a crisis affecting people, health and well-being.**
- 🌍 A situation of “war-like economy” is too important to be left to the market. **States are therefore taking on a key role to contain the virus and the risks** that affect the economy and social cohesion.
- 🌍 To **flatten the curve of infection** will take measures to reduce interpersonal contact, which will cause **economic contraction**, paralyse production activity and destroy sectoral and aggregate demand.
- 🌍 **How not to flatten the economy:** strict and effective observance of quarantines and public health measures will be the fastest and most efficient way to reduce the economic costs.
- 🌍 **International cooperation:** the way out of the crisis will depend on the economic strengths of each country. Given the **asymmetries between developed and developing countries**, the role of the United Nations, the International Monetary Fund and the World Bank will be essential to ensure access to financing, safeguard social spending and support economic activities with out-of-the-box measures.

	Confirmed COVID cases (12 April 2020)		Deaths
	Total	% of total population	
Anguilla	3	0.02	0
Antigua and Barbuda	21	0.02	2
Aruba	92	0.09	0
The Bahamas	46	0.01	8
Barbados	71	0.02	4
Belize	14	0.00	2
Bermuda	57	0.09	4
British Virgin Islands	3	0.01	0
Cayman Islands	53	0.09	1
Cuba	669	0.01	18
Curacao	14	0.01	1
Dominica	16	0.02	0
Dominican Republic	2967	0.03	163
French Guiana	86	0.03	0
Grenada	14	0.01	0
Guadeloupe	143	0.04	8
Guyana	45	0.01	6
Haiti	33	0.00	3
Jamaica	69	0.00	4
Martinique	155	0.04	6
Montserrat	9	0.18	0
Puerto Rico	897	0.03	44
Saint Kitts and Nevis	12	0.02	0
Saint Lucia	15	0.01	0
Saint Vincent and the Grenadines	12	0.01	0
Sint Maarten	50	0.12	9
Suriname	10	0.00	1
Trinidad and Tobago	113	0.01	8
Turks and Caicos Islands	9	0.02	1
United States Virgin Islands	51	0.05	1
<b>TOTAL (30 Caribbean countries)</b>	<b>5749</b>		<b>294</b>

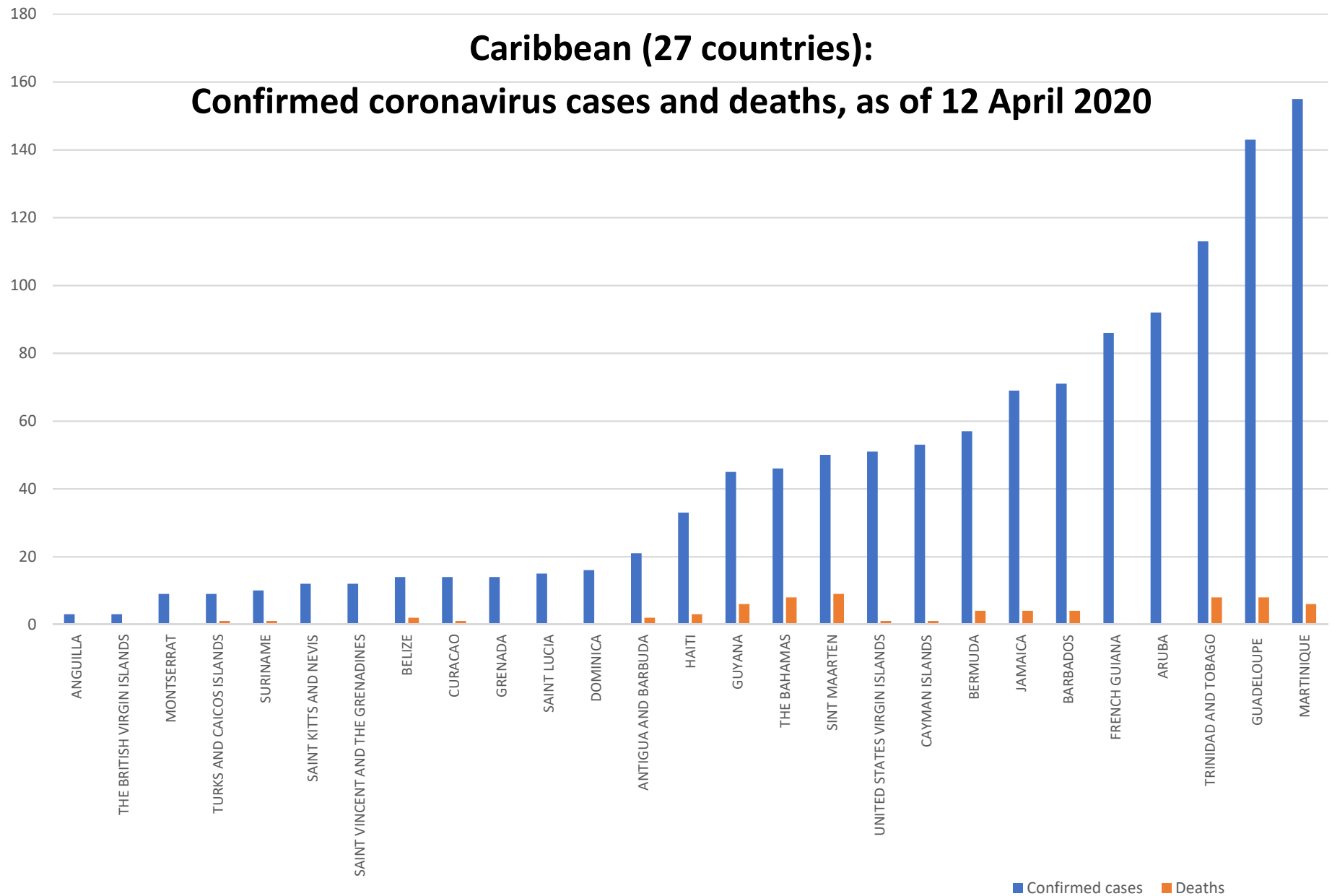
## The response to the COVID-19 pandemic must halt transmission of the virus and mitigate the impact

**5749 cases in total in the Caribbean**

- 294 deaths in 30 countries in the Caribbean, at 12 April.
- The first cases in the Caribbean were reported on February 29 (Saint Martin and St. Barth) and March 2 (Dominica).
- **Diagnosis, tracking and management of cases, quarantines and social distancing are needed to save lives.**

Source: ECLAC, on the basis of Global Cases by the Center for Systems Science and Engineering (CSSE) at Johns Hopkins

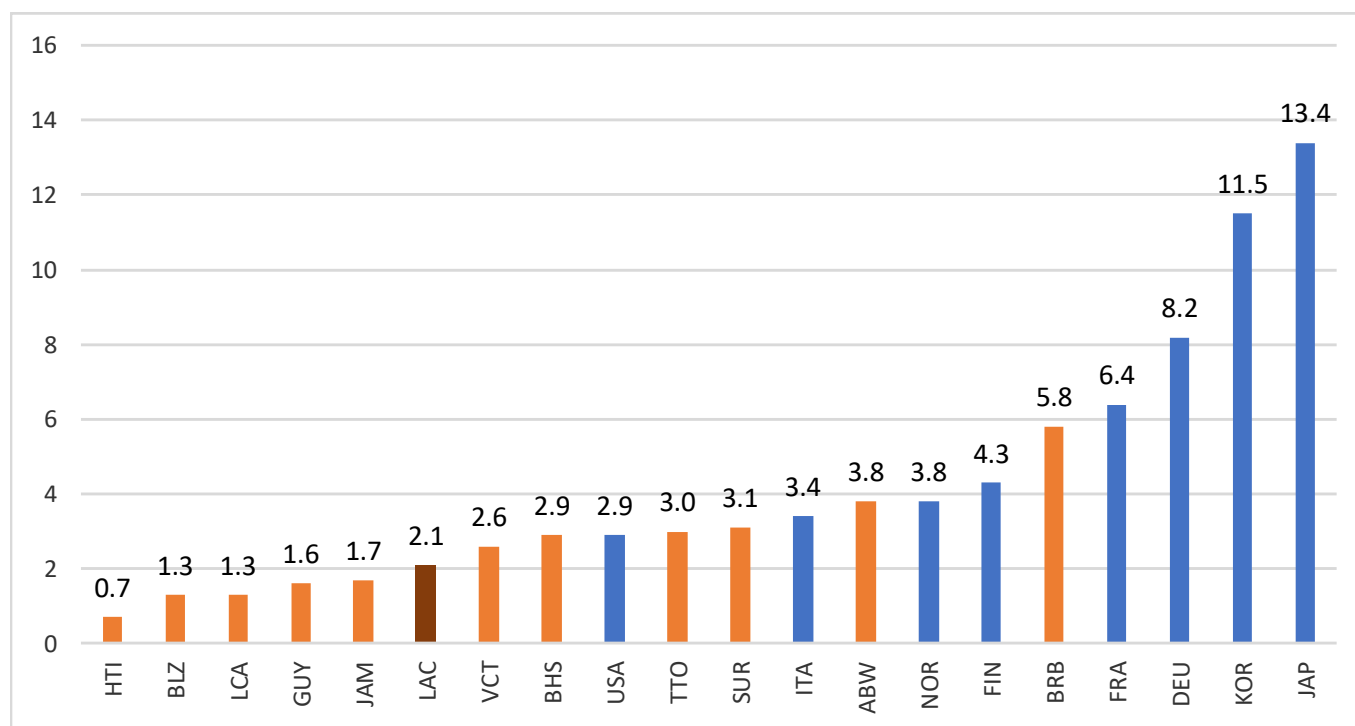
## Caribbean (27 countries): Confirmed coronavirus cases and deaths, as of 12 April 2020



Source: ECLAC, on the basis of Global Cases by the Center for Systems Science and Engineering (CSSE) at Johns Hopkins

# The region's health-care sector is not well-prepared to address the COVID-19 pandemic

Selected countries: hospital beds, 2014<sup>a</sup>  
(Per thousand inhabitants)



- **Shortages** of doctors, nurses and hospital beds (especially intensive care beds, with ventilators)
- **Health-care systems are fragmented** between the public sector, social insurance and the private sector

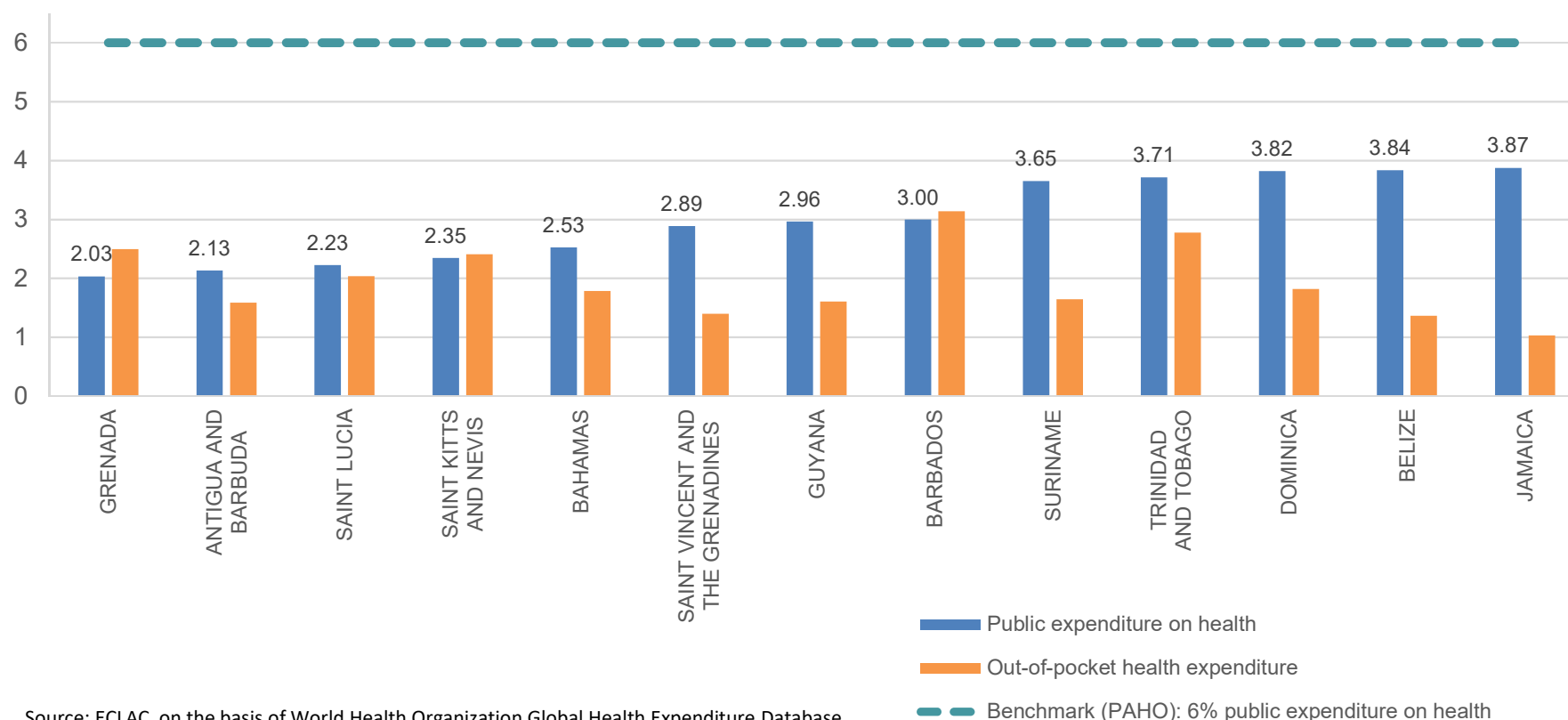
Source: ECLAC, on the basis of World Health Organization Global Health Observatory.

<sup>a</sup> Regional simple average of 29 countries. LAC = Latin America and the Caribbean

# In addition, there are considerable inequalities in access to health systems

- **Social expenditure on health** in the Caribbean is 2.9% of GDP, well below the 6% suggested by the Pan American Health Organization and the World Health Organization

Public and out-of-pocket health expenditure, 2017  
(Percentages of GDP)



Source: ECLAC, on the basis of World Health Organization Global Health Expenditure Database.

# Five external transmission channels will affect the regional economy

A drop in trade with key trading partners

A fall in commodity prices

Disruption of global value chains

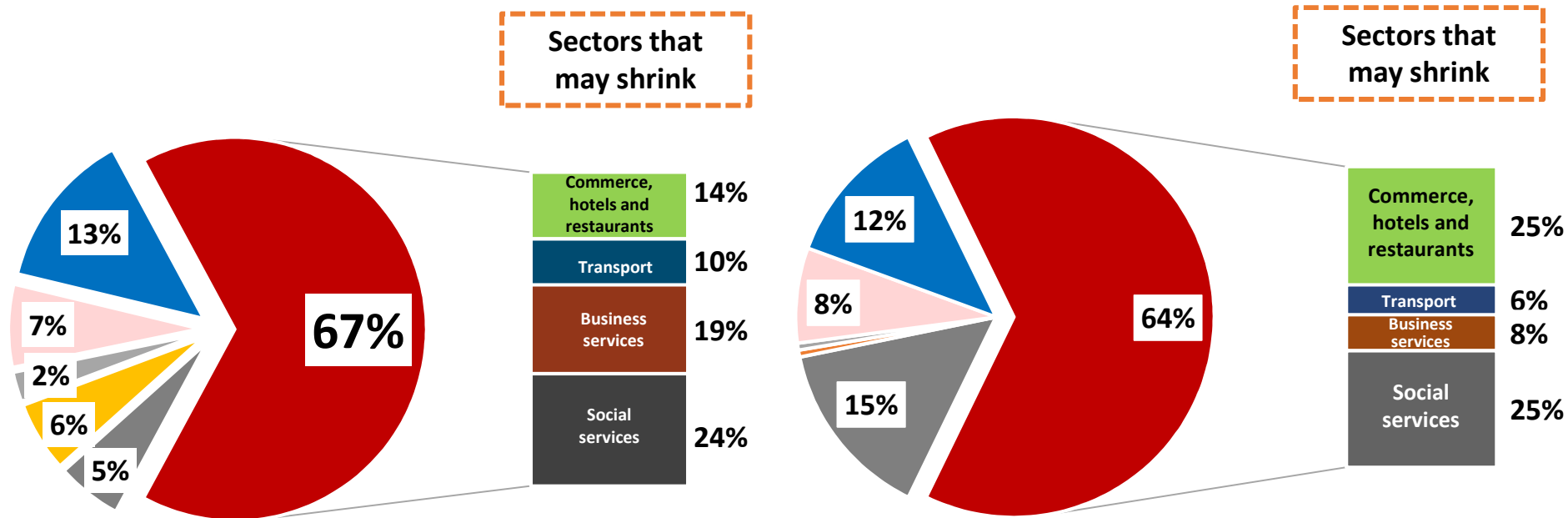
Less demand for tourism services

Heightened risk aversion and worse global financial conditions

# Containment measures will carry a cost in terms of the output of sectors that account for 67% of GDP and employ 64% of formal workers

Latin America and the Caribbean: 2018 GDP by sectors of economic activity  
(Percentages)

Latin America and the Caribbean: 2018 formal employment by sectors of economic activity  
(Percentages)




- Agriculture
- Mining
- Electricity
- Construction
- Manufacturing
- Wholesale, retail, restaurants and hotels
- Transport, storage and communications
- Business services
- Social services




## The region's countries have taken immediate measures to contain the virus and protect the workforce and household income


- 🌍 **Restriction and monitoring measures for travellers** from areas affected by COVID-19.
- 🌍 **Flight bans** (to and from specific countries) **and border closures.**
- 🌍 **Temporary school closures , distance learning and homeschooling** with asymmetries in connectivity.
- 🌍 **Social distancing**, with the closure of restaurants, bars, cinemas, the encouragement of teleworking and reduced office hours.
- 🌍 **Health infrastructure** in the region is fragmented (2.5 beds / 1,000 people).
- 🌍 **Strengthening of the capacity of the health sector:** beds, mobile hospitals, medical supplies.
- 🌍 **Total quarantine with working arrangements:** legal measures for teleworking, reduced working hours, introduction of flexible hours, advance leave, and protection of workers from dismissal.
- 🌍 **Protection of the workforce and income:** wage support to offset loss of income through advance payments, wage subsidies or the strengthening of unemployment insurance and the suspension or reduction of payments of contributions for water, gas and electricity services and to private pension funds.
- 🌍 **Social protection to reduce the social impact on those with the lowest incomes** through subsidies, cash transfers or advance payments through ongoing social programmes and social protection schemes.
- 🌍 **SMEs and other companies:** financial support for SMEs and the informal sector, in order for banks to renegotiate or improve lending conditions for SMEs and the informal sector.


## Monetary, fiscal and social measures to prevent a collapse of the economic system

 **Monetary and financial sector:** preserving bank liquidity and trade, addressing public and private debt, central bank interest rate cuts, special credit lines and additional loans, extending repayment deadlines (for consumers and companies) or mortgages, and renegotiation of loans and credit by banks and businesses.

 **Fiscal:** flexibility to redirect State budgets, tax relief, postponement of deadlines for filing tax returns or tax exemptions for certain economic sectors. Ministries of finance will have to reorganize budgets and seek additional financing to channel resources towards urgent short-term measures.

Examples of large fiscal packages: Argentina, the Bahamas, Barbados, Belize, Brazil, Chile, Guatemala, Honduras, Jamaica, Paraguay, Peru, Trinidad and Tobago and Uruguay have rolled out packages ranging from 0.2% to 4.7% of GDP.

 **Preserving productive capacity** and creating conditions for the revival of economic activity through liquidity mechanisms for companies, particularly SMEs.

 **Expanding social protection systems** to ensure that they cover underemployed or self-employed workers, refugees and migrants, young people, women, children and older persons.

## Women and the most disadvantaged populations will suffer a heavier socioeconomic impact from COVID-19

- **Informal workers:** loss of sources of income
- **Refugees and migrants:** travel bans, closed borders and discrimination in access to services could exacerbate vulnerabilities
- **Women:** higher proportion in informal work than men, increased unpaid care burden
- **Children and adolescents:** the poorest age group, affected by school closures and probable increase in education gap, dropout, child labour and undernutrition
- **Youth:** high informal labour rates
- **Older persons:** more likely to fall ill, greater risk of isolation
- **Persons with disabilities:** highly vulnerable, dependence on others
- **Indigenous populations:** limited access to health care and basic services (drinking water and sanitation)

# Social protection is key to addressing the health crisis and its socioeconomic impact

- An exceptional situation requires an exceptional response
- Ensure universal access to COVID-19 testing and medical care
- Maintain universal access to basic services (water, energy, telephone and Internet), food and medication
- Support consumption by broad strata of the population that are very vulnerable to falling into poverty
- Guarantee temporary cash transfers, which must be as universal as possible to meet basic needs
- Protect formal employment: the role of social security is key at this time

# Adoption of different social protection measures to respond to the COVID-19 pandemic

- **Non-contributory:**
  - Cash transfers: (i) increase amounts; (ii) increase coverage; (iii) early disbursement; (iv) new transfers
  - Transfers in kind (distribute food and hygiene products)
  - Subsidies or moratorium on payment of essential amenities (rent, mortgages and utilities)
- **Contributory** (such as unemployment insurance, leave)
- **Labour market regulation** (employment protection)
- Other economic measures to **directly support individuals and families** (such as temporary debt relief)

# By 9 April 2020, 38 non-contributory social protection measures had been announced by Caribbean countries, primarily comprising cash transfers

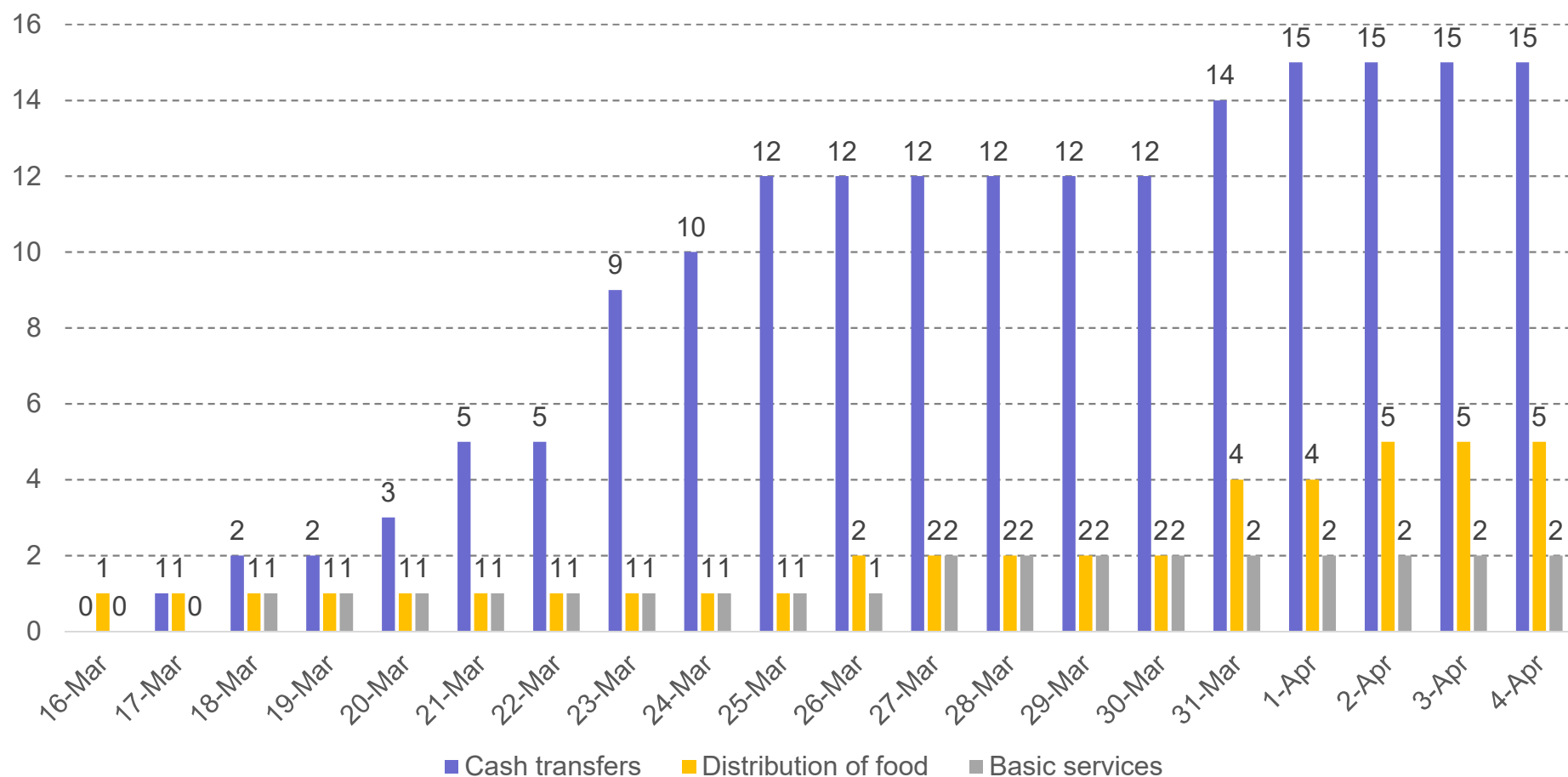
The Caribbean (16 countries): number of non-contributory social protection measures announced in response to the COVID-19 pandemic, by country, at 9 April 2020

Measures	ABW	ATG	BHS	BLZ	BRB	CUW	CYM	GLP	GRD	HTI	JAM	KNA	LCA	MTQ	TTO	VCT	Total
Non-contributory	2	2	4	1	2	1	3	1	1	3	9	1	7	1	6	1	<b>38</b>
Cash transfers	2	0	2	1	2	1	2	1	1	2	8	1	4	1	4	1	<b>28</b>
Distribution of food	0	1	1	0	0	0	1	0	0	1	1	0	2	0	2	0	<b>7</b>
Basic services	0	1	1	0	0	0	0	0	0	0	0	0	1	0	0	0	<b>3</b>

Source: ECLAC, on the basis of official data

# Almost every day, the countries have announced new non-contributory social protection measures in response to COVID-19

The Caribbean (10 countries): cumulative number of non-contributory social protection measures announced in response to the COVID-19 pandemic, by day, from 16 March to 4 April 2020



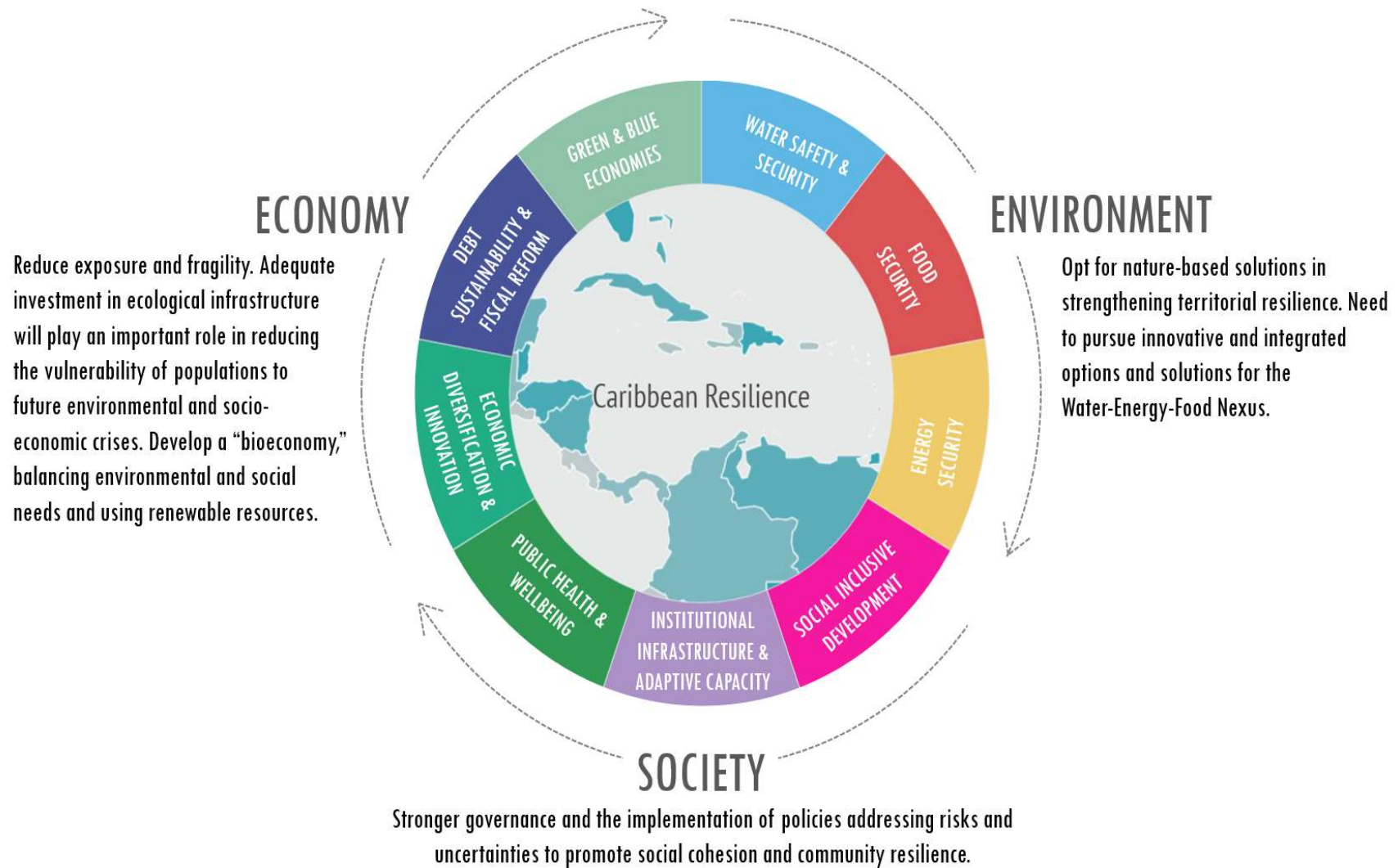
Source: ECLAC, on the basis of official data

## Resilience building efforts in the Caribbean, aiming to leave no one behind during COVID crisis should consider

- Food security (approximately 70% of food consumed in the Caribbean is imported).
- Linked to the increased incidence of poverty and inequality is exposure of vulnerable groups, particularly women who are also heads of households. The significant increase in gender based violence is a broad social concern.
- Increased psychosocial support for those heavily impacted by the pandemic and training for first responders dealing with GBV, family violence and/or violence against children.
- Risk of rise in inequalities: Concern for the children out of school, particularly those in rural and other areas with no access to the internet to facilitate continuing studies online. Of particular concern are those due to take major matriculation exams this year; whether to move from primary to secondary school or on to University.



# Resilience building efforts in the Caribbean, within an integrated approach



# Now is the time for universal, redistributive, solidarity-based policies, to prevent another “lost decade”

- The COVID-19 pandemic does not discriminate in who it infects, but there is discrimination in its impact and people’s capacity to protect themselves.
- Solidarity and collective responsibility are key to containing and responding to the pandemic.
- The crisis may magnify expressions of discontent, distrust and disenchantment with democracy, forming a severe threat to social cohesion.
- A social compact is urgently needed, focusing on people’s well-being and rights, to address the current and future effects of the crisis, with an approach based on collective protection and equality, with solidarity-based responses with regard to costs and financing.
- We must move towards less unequal, more solidarity-based societies, leaving no one behind.

# ECLAC will be organising a Caribbean Workshop on Leaving No One Behind: towards universal social protection



- Partnership with ILO, UN-Habitat, CCRIF, MSDFS

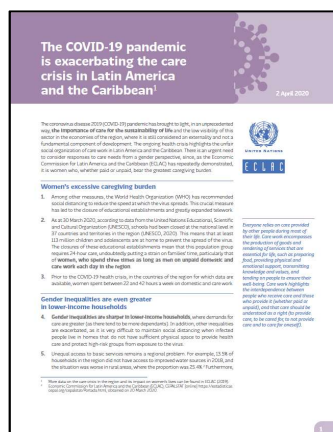
# ECLAC has created a COVID-19 observatory in the region containing detailed information on the policies being adopted at the regional and global levels



## COVID-19 Observatory in Latin America and the Caribbean Economic and social impact



UNITED NATIONS



[COVID-19 Observatory in Latin America and the Caribbean](#)



[Latin America and the Caribbean and the COVID-19 pandemic: Economic and social effects](#)



[The COVID-19 pandemic is exacerbating the care crisis in Latin America and the Caribbean](#)



Thank you



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