



# COVID-19 in Latin America

## Challenges, responses, and consequences

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## KEY TAKE AWAYS

While containment efforts were quickly implemented in many countries, COVID-19 may still prove to have a long-lasting effect in Latin America, a region already marked by economic disarray and political instability. Economic projections suggest that Latin American economies will be among the most affected by the current halt in global trade and consumption. As many countries have recently faced political turmoil, massive containment efforts raise a number of questions on legitimacy and citizen-state relations. In some countries, democratic processes essential for the upholding of democratic legitimacy have been halted. In Brazil, the central government's handling of the crisis has been an important factor contributing to a severe political crisis. A geopolitical vacuum may provide China with an opportunity to increase its importance for the region.

Initially lagging behind Europe and the United States, Latin America and the Caribbean (LAC), and South America in particular, was declared to be [a new epicenter](#) for the coronavirus epidemic by the World Health Organization (WHO) on May 22, 2020. The first COVID-19 case in the region was confirmed by Brazilian authorities on February 26, 2020 in São Paulo. Since then, cases have been confirmed in almost all countries and territories in the region. In terms of confirmed cases and deaths as of May 21, 2020, Brazil, Peru, Ecuador, Mexico, and Chile stand out as the most severely affected countries. The situation in Guayaquil, Ecuador's largest city, and in the surrounding Guayas province, was early on considered as a regional epicenter in mid-April. The quickly escalating situation in the city and a subsequent overwhelming of healthcare infrastructure has led not only to a highly precarious situation in the area but also a fundamental uncertainty about the scope of the crisis, as authorities still struggle to handle the immediate emergency. Since the middle of April, Brazil has been the country in which the number of confirmed cases has increasing the most, reaching [over 300 000 in the third week of May](#). Both in Ecuador and in Brazil, as elsewhere in the region, there are fundamental doubts over the actual number of cases, as many countries have struggled to get a proper testing regime in place and maintain a functioning reporting regime.

Most Latin American countries quickly implemented drastic measures to prevent the spreading of the virus at a relatively early stage, at least compared to many European countries and the US. Drastic measures, including nation-wide or regional quarantine, travel bans, and the closing of most public services and private businesses, may, however, still not be enough to impede a further spreading. The precarious state of the health systems in many countries means that they may be overwhelmed even by a moderate increase in cases, as evidenced by the situation in Guayaquil and in some Brazilian cities and states. Moreover, high poverty rates, increasing in many countries before the crisis, and the large share of people and families whose primary income derives from the informal sector, causes an immediate economic emergency affecting large parts of the population. In a region that has seen declining economic growth, worsening social indicators and, in many countries, an increasingly strained relationship between citizens and political authorities, there is also considerable concern that the crisis created by the COVID-19 outbreak will be used by some leaders to set aside important democratic practices and institutions.

While the health care systems of all Latin American countries will face enormous challenges amid an outbreak of COVID-19, some countries are more exposed than others. [The Global Health Security Index](#), which assesses the preparedness of individual countries when facing a pandemic, highlights that Venezuela, Haiti, Honduras, Guatemala, several smaller Caribbean countries, and in part Paraguay and Bolivia, are among the least prepared countries for a pandemic. In the case of Venezuela, the economic, social, and political crisis has left the country with a health care system unable to function properly under normal conditions. The government's capability to respond to a crisis of this magnitude is therefore also severely weakened. The health crisis is further exacerbated by the government's refusal

to cooperate with leaders of the democratically elected parliament, and by the sanctions imposed on the country by the United States. Both [UN officials](#) and [leading humanitarian actors](#) operating in the region have called for the sanctions to be lifted in this emergency situation. This is, however, unlikely to happen if the political status quo domestically persists. A group of UN Independent Experts and Special Rapporteurs have also raised concern that the US increasing embargo measures against Cuba “[constrains the effectiveness of the response](#)” in that country.

Migrants from Central America in Mexico and on the US-Mexican borders, as well as Venezuelans in other South American countries, are particularly affected by the crises. Their position in the labor market and their status as non-citizens, contribute to a further marginalization. Although Colombian authorities have repeatedly warned that more international engagement and financial assistance is needed to address the migration crisis, these calls have only partially been met. The current crisis therefore adds a new layer on the top of an already desperate situation for marginalized migrants. Also, for the many LAC countries where a substantial portion of consumption is dependent on remittances from abroad, the halt in economic activity and disruption of migrant networks will likely have a profound impact. According to [preliminary projections from the World Bank](#), Latin America will see a drop in remittances of around 20 percent in 2020.

### **A second “lost decade”? Economic consequences of COVID-19**

Even though some countries may have been successful in containing the spread of the virus for now, the economic consequences of the crisis are likely to hit Latin American economies disproportionately hard. The latest projections from the IMF suggest that LAC as a whole will experience an overall economic contraction of 5.2 percent in 2020. This follows a five-year period marked by stagnation, and, in some countries, economic crises, making it probable that the region will experience another “lost decade”, as most analysts foresee a slow return to renewed growth. Moreover, as [highlighted in a recent report for the World Bank](#), most LAC countries do not have the fiscal space of many industrialized countries, especially after a regional surge in the debt-ratio in recent years.

The economic downturn is primarily caused by virtual hiatus in many economic sectors domestically because of containment efforts, as well as the halt in global markets. Economic conjunctures in Latin America are highly dependent on global markets of raw materials and commodities. [China is either largest or second-largest trading partner](#) for many Latin American countries, and a plummeting demand in Chinese industry is likely to affect the region dramatically in the short term. Conversely, a quick recovery in China would also improve the region’s short-term economic prospects. Some countries, such as Venezuela, Ecuador, Mexico, and Brazil, are hard hit by the sharp drop in oil prices.

Across the region, there are great challenges for governments in mending both the substantial macroeconomic effect on the economy as a whole and the more immediate microeconomic emergency facing a substantial portion of the regional population. Peru, Argentina, and El Salvador have stood out as regional examples when it comes to ambitious stimulus packages and targeted measures to secure a minimum income for vulnerable groups. Similar targeted approaches are in place in most countries, but the sums available rarely cover basic needs. Additionally, logistical issues mark many of the efforts to reach the population without undermining the containment efforts. The combination of the hiatus in economic activities, a global economic downturn, and inadequate measures to mend the social consequences will likely lead to a substantial increase in both the number of poor and extreme poor in the region.<sup>1</sup>

### **Containment efforts and challenges for democracy and human rights**

As mentioned, most LAC countries declared national health emergencies and implemented wide-reaching containment efforts in mid-March, after the spread of the virus became evident. Lagging behind Europe in the spread of the virus provided Latin American decision-makers with the opportunity to draw on the lesson of policy-responses elsewhere. Although the measures vary from country to country,

most countries have opted for a response combining tight restrictions on travel and quarantining of travelers from abroad, temporary release of prison inmates, campaigns to encourage, and in many cases enforce, social distancing, in addition to stay-at-home or lockdown edicts.<sup>2</sup> As noted above, a key difference from the European approaches is the scale of testing, which, for a number of reasons, is low in many countries and makes it difficult to evaluate both the effectiveness of measures taken and the severity and dynamics of the spread of the virus at any point in time.

The drastic measures and the gap between the containment measures and means to mend their economic consequences have resulted in several strains of criticism. Firstly, some political leaders have suspended ordinary procedures vital for the maintenance of the rule of law. In El Salvador, President Nayib Bukele [has repeatedly defied Supreme Court rulings](#) contradicting government detention practices. A more general trend in the region is that military forces are increasingly the most important actors in containment policies, raising further questions about a long-term trend towards [a remilitarization of the region](#). Secondly, human rights defenders, already facing a hostile political climate before the crisis, are particularly at risk in a state of exception. Colombian and regional human rights organizations have, for instance, raised alarm. This is also a regional issue, [especially in places where conflicts](#) over land have created a dangerous political climate for political activism.

Thirdly, groups that are already particularly exposed to human rights violations are further at risk in times of crisis. This includes ethnic minorities and indigenous peoples, migrants, and a prison population serving under extreme conditions in many countries. More generally, UN Women has warned that gender violence is probably increasing as a result of long-lasting lockdown and stay-at-home policies. Finally, the inadequate response from some governments in addressing the acute needs of citizens, in combination with weakened state capacity, have led some illicit actors to exploit a power vacuum. In several countries, including Mexico, [criminal groups have been providing assistance](#) in some areas to increase their political capital. As trust in state institutions has been on the decline for several years, the COVID-19 crisis provides non-state groups with an opportunity to contest state legitimacy more broadly.

In countries where social dissatisfaction is high, and which have seen large waves of protest in recent years, both economic anxiety and a general straining of state-citizen relations caused by prevention efforts may further increase tensions. The situation in Bolivia is particularly worrisome, as different political forces had united behind an electoral solution to the political and institutional crisis spurred by the controversies around the October 2019 elections and the subsequent forced resignation of President Evo Morales. General elections were to be held on May 3, 2020 but have now been postponed. The Bolivian Congress has signaled that the elections should be rescheduled to no later than September 2020. The interim government, already controversial for alleged human rights abuses and for implementing profound policy changes without a democratic mandate, has cast doubt over the feasibility of such a plan. The coronavirus crisis has also led to a temporary halt in the Chilean constitutional process, the proposed solution to the crisis spurred by massive demonstrations in 2019 that left over 30 citizens dead, over 3000 hospitalized and 8000 arrested. The referendum initiating the process was supposed to be held on April 25 but has now been postponed to October 2020. The general elections in the Dominican Republic have also been postponed.

### **Outliers: Brazil, Mexico, and Nicaragua**

While much well-founded criticism has been directed at breaching and suspension of democratic procedures in some countries, a more profound worry has arisen concerning the lack of coordinated and effective responses in others. In some cases, most prevalently in Brazil and Nicaragua, Heads of State have downplayed the magnitude of the crisis and lambasted lockdowns, stay-at-home policies, and social distancing measures of regional leaders and/or other countries. Initially, the same pattern was visible in Mexico, but as the crisis escalated, the national government declared a national health emergency on March 30 and subsequently announced measures to ensure social distancing.

In Brazil, President Jair Bolsonaro's sustained downplaying and politization of the threat has caused widespread chaos, as different levels of government have perceived the threat very differently.

Subsequently, this has led not only to a faulty and incoherent response effort but a deepening polarization in which government supporters have taken to the streets. The crisis adds another layer to a more complex political tug-of-war in the Brazilian government, leading to the resignation of both two ministers of health and, most prominently, Sérgio Moro, the Minister of Justice. With talk of an impeachment already looming before the corona crisis, and Bolsonaro apparently showing sympathy with demands for a military takeover, Moro has now joined the growing rank of forces that are calling for Bolsonaro to resign or be subject to a judicial process.

### **Tackling multidimensional crises and a new geopolitical panorama**

As noted above, LAC already faced a difficult economic and political situation before COVID-19 was a factor in the region. Because of this, even if most countries are successful in containing the spread of the virus, the economic effects of the containment measures and the global reduction in trade will likely have profound effects on both social indicators and government effectiveness for years to come. There is, then, a possibility that the spread of COVID-19 and its aftermath will greatly exacerbate a tendency of political instability and widespread political discontent across the region, especially when the drastic measures are lifted.

In the short-term, developments in Brazil, concerning both the political situation and the rising number of confirmed cases, is currently causing concern in neighboring countries and in the region at-large. Noting the rapid rise in new cases in Brazil, the Paraguayan health service director, Guillermo Sequera, recently remarked that "[if Brazil sneezes, we get pneumonia](#)," referring to a fear that drastic measures in the rest of the region will be undermined by Brazil's failing response. Given the important position of Brazil for the regional economy, the fear is not unfounded. The Brazilian government's general hostility towards multilateral cooperation is further evidenced by [recent revelations of an explicit strategy](#) to weaken environmental protection amid the pandemic.

The lack of regional coordination, multilateral cooperation, and the long-term reduction in development assistance from the US and Europe creates a space for other actors to play a more important role in the region.<sup>3</sup> China, already seen as vital in the regional economic recovery, has provided several countries with much-needed medical equipment and testing kits, contrasting a lack of engagement from the US and most European countries. It is likely that if China continues their efforts, it will imply a significant boost for the country's status in the region. Another interesting actor is Cuba, which has a long history of so-called "medical internationalism" and see medical assistance as an ideological and geopolitical question. Cuba now has around 30,000 health workers (55,000 at its highest) - half of them physicians - on international missions to 60 countries, most of them in Latin America and Africa.<sup>4</sup> The recent political shift after the end of the so-called "pink tide" has marginalized Cuba in Latin America. COVID-19 may however provide the country with an opportunity to play a decisive role in regional politics anew.

### **Concluding remarks**

The fundamental uncertainties concerning both the further development of the outbreak and the global economic panorama makes any meaningful projection quite speculative. Nevertheless, this brief concludes with the highlighting of some key factors that are likely to determine the outcome of the current crisis. While economic prospects look bleak, political instability and public dissatisfaction with political authorities appear likely not merely as a function of economic emergencies. The capability of political leaders to respond effectively, their success or failure to mediate diverging concerns as the crisis develops, and their willingness to stand by key democratic principles in the midst of the crisis are perhaps the most important factors determining the political outcome both in the short and medium term. Although Latin American citizens face very gloomy circumstances of economic distress and severely limited possibilities at the moment, the gradual transition to political and administrative normalcy will likely be as important, especially if the global economic conjunctures turn out to be as unfavorable as expected. Geopolitically, while China's increasing role and capacity to fill the regional vacuum are long-term trends, a stronger emphasis on multilateral responses by other actors, not least Europe, could serve as a bridge to a closer cooperation. When it comes to the role of the United States, the November 2020 elections are, as with many other global issues, a key determinant for further development.

## Endnotes

1. According to [last available reports](#) from the Economic Commission for Latin America and the Caribbean (ECLAC), poverty will likely increase by at least 4.4 percent, and extreme poverty by at least 2.6 percent, in 2020 alone.
2. The US Think Tank Americas Society (AS/COA) [maintains an overview](#) of confirmed cases and deaths across the regions, as well as an overview of response efforts. The Center for Latin American Studies at University of California, Berkeley [maintains an overview](#) of confirmed cases, data, and scholarly contributions on COVID-19 in Latin America.
3. For an in-depth overview of the geopolitical implications COVID-19 in Latin America, see the recently published report on the matter by the [German Institute of Global and Area Studies](#) (GIGA).
4. Following intense US pressure and regime change, Cuban medical brigades had been sent home from Brazil, Ecuador and Bolivia over the last couple of years. Covid-19 prompted Argentina and Mexico to invite sizable Cuban brigades to beef up the medical response to the crisis.

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