

FINANCING IN TIMES OF CRISIS: Interventions in Latin America after COVID-19



Financing in times of crisis: interventions in Latin America after Covid-19

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**Financing in times of crisis:
interventions in
Latin America since Covid-19**

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ACRONYMS AND ABBREVIATIONS

ADA	Food Distribution Action
AE	Emergency Assistance
AFIP	Federal Administration of Public Revenue
ALC	Latin America and the Caribbean
AP	Pacific Alliance
APN	National Public Administration
ATP	Emergency Assistance Program for Work and Production
Bancoldex	Foreign Trade Bank of Colombia
BCCR	Central Bank of Costa Rica
BCM	Middle Class Bonus
BDH	Human Development Bonus
Bem	Emergency Employment and Income Preservation Benefit Program
BID	Inter-American Development Bank
CAN	Andean Community
CARICOM	Caribbean Community
CEN-CINAI	Children's Center for Nutrition and Comprehensive Care
ECLAC	Economic Commission for Latin America and the Caribbean
CERT	Economic Recovery and Transformation Program
COMF	Organic Monetary and Financial Code
SDR	Special Drawing Rights
PSE	Popular and Solidarity Economy
IFF	Illicit Financial Flows
Findeter	Financiera Desarrollo Territorial S.A.
IMF	International Monetary Fund
FOCEM	MERCOSUR Structural Convergence Fund
FOGAPE	Small Enterprise Guarantee Fund
FOGAR	Guarantee Fund
FOME	Emergency Mitigation Fund
ICE	Costa Rican Electricity Institute

FDI	Foreign Direct Investment
IFE	Emergency Family Income
GNI	Gross National Income
IT	Income Tax
VAT	Value Added Tax
LATINDADD	Latin American Network for Economic and Social Justice
MERCOSUR	Southern Common Market
MSMEs	Micro, Small and Medium Enterprises
MYPES	Micro and Small Companies
OECD	Organization for Economic Cooperation and Development
SDG	Sustainable Development Goals
ILO	International Labour Organization
WHO	World Health Organization
NU	United Nations
PAEF	Formal Employment Support Program
PANEA	School and Adolescent Food and Nutrition Program
PAP	Premium Support Program
GDP	Gross Domestic Product
Pronampe	National Program to Support Micro and Small Enterprises
SME	Small and Medium Enterprises
REPRO II	Productive Recovery Program, 2021 edition
RSH	Social Household Registry
SICA	Central American Integration System
SIPA	Argentine Integrated Social Security System
Sisben	System for Identifying Potential Beneficiaries of Social Programs
SMMLV	Current legal monthly minimum wage
SUF	Single Family Allowance
SUGEF	General Superintendence of Financial Institutions
TSD	Titles of Solidarity
ICU	Installed Capacity Utilization
UNCTAD	United Nations Conference on Trade and Development

KEY FINDINGS

Despite the region's financial and structural constraints, all countries responded to the crisis caused by Covid-19. The central approaches of these actions do not vary much but their scope, temporality, coverage and associated costs do (the last mainly according to their financing source).

Among the economic and productive measures, emphasis was placed on sustaining employment by protecting the liquidity and subsistence of the affected productive units. Its coverage was important but the associated requirements and processes excluded key segments (SMEs and informal workers). To enhance the implementation results, monitoring and control systems must improve.

As for the sources of financing for these measures, ordinary public budgets were by no means sufficient, even after internal redistribution and adjustment of priorities. Latin American economies had little real decision-making space and their actions depended on external resources, mainly increasing public debt through issuing bonds or loans from international organizations.

In the social sphere, there were monetary and non-monetary transfers. Limitations arise in the enablement of benefits and control systems to ensure their efficient delivery. The highlighted implementations addressed immediate needs while building capacities to reduce structural gaps in the process.

Some groups with specific characteristics of vulnerability (indigenous people, older adults, people in conditions of non-regularized human mobility) did not receive targeted actions—or these were very scarce. The inclusion of a gender and environmental approach was also limited.

The construction of a more resilient regional social structure must contain three components: 1) flexible, updated and comprehensive records; 2) a new social pact that promotes progressive and sustainable taxation, the valorisation of care, the vindication of historically excluded peoples and nationalities and homogeneous access to basic needs; and 3) development and maintenance of the necessary infrastructure—social, productive, technological, human.

INTRODUCTION

Latin América is one of the regions hit the hardest by the pandemic in health, social and economic terms. This is observed through the high mortality rates, the deterioration of people's living conditions, the economic recession and the increase of unemployment and inactivity settled with the crisis.

Informality and other structural problems faced by our countries have been the perfect breeding ground for a health crisis to become a social and economic catastrophe, putting unprecedented pressure on governments already facing social discontent.

Despite the relatively rapid response of many of the region's governments to the crisis caused by Covid-19, their measures were not sufficient, especially in social protection and employment. However, if these measures had not been implemented, the impact on poverty, unemployment and inequality would have been greater.

A limiting factor was the availability of resources. The actions implemented to face the crisis and their results respond, to a large extent, to countries' fiscal space. Another important element was their experience and the extent of ongoing social and productive programs.

This document systematizes and analyzes the measures adopted in the region to face the crisis, with emphasis on 6 countries (Argentina, Brazil, Chile, Colombia, Costa Rica and Ecuador). It also reviews details about the scope and associated results in each case.

I. REGIONAL CONTEXT

On average, the fiscal packages implemented by governments in the region to strengthen public health systems, support family income and protect the productive structure, represented 4.6% of their 2020 GDP. This spending was accompanied by a contraction in revenues, generating significant fiscal imbalances. However, ECLAC (2021a) warns that, if these measures had not been taken, the number of poor and extremely poor would have been much higher.

This section analyzes social and economic indicators, as well as the observed changes in regional trends due to the pandemic.

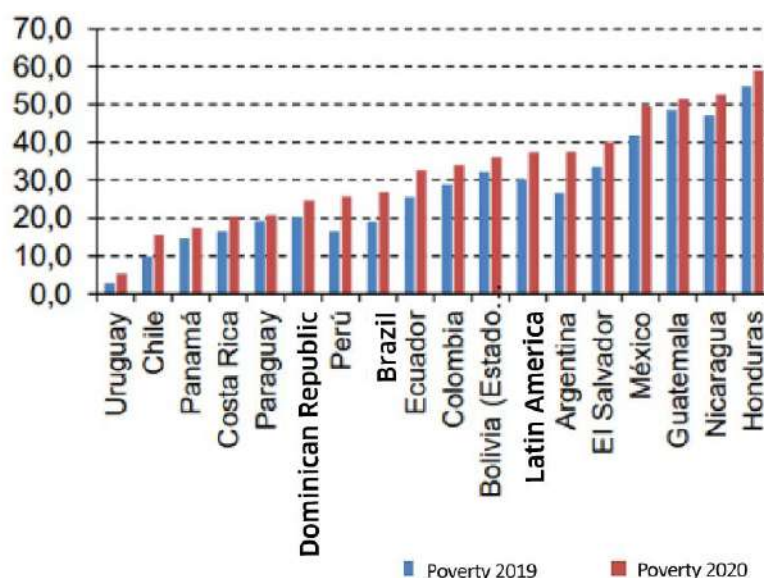
1.1 SOCIAL INDICATORS

1.1.1 Poverty and inequality

The contraction of the Latin American economy in 2020 generated unemployment rates with figures that are 3 percentage points higher than the average of recent years—or 44 million unemployed people. This crisis also took 209 million people into poverty at the end of 2020—22 million more people than in 2019—, a third of the total population (33.7%). Extreme poverty reached 12.5%, affecting 78 million people—8 million more than in 2019 (ECLAC, 2021a). The countries with the greatest changes in their poverty levels were: Argentina, Peru, Brazil and Mexico, with higher increases in their poverty rates than the regional average (7%). Paraguay, Uruguay and Panama showed lower increases (1 to 3 points) (Filgueira et al., 2020).

Income decreases were greater in the lower and middle strata, deteriorating not only the stock but also the distribution of wealth. It is estimated that, in 2020, the labor income of the poorest quintile decreased by 42%, while in the richest quintile, the average reduction was 7%. As for inequality, according to ECLAC (2021a), the regional Gini index increased by 1%—it would have increased by 4% without emergency transfers.

Figure 1:
Latin America: poverty estimates and projections, 2019-2020 (%)



Source: ECLAC

A report by the United Nations Development Programme (UNDP)¹ confirms that while much of the population was impoverished by the pandemic, the wealth of billionaires in LAC—as measured by the Forbes list—grew by more than 40%. In March 2020, there were 76 billionaires in the region with a combined net worth of USD 284 billion. By May 2021 there were 107 billionaires and their combined net worth was USD 480 billion. The global scale looks alike: in 2021, the fortunes of the 500 richest people on the planet increased by USD 1 trillion².

Por otra parte, un estudio del BID señala que el 10% más rico de la población de ALC gana 22 veces más que el 10% más pobre, mientras el 1% más rico de la población obtiene el 21% de los ingresos de toda la economía³. El problema es mayor si se mide la riqueza de las personas—incluyendo activos y propiedades—. El Credit Suisse calcula que el 1% más rico de la región posee el 39% de la riqueza total, mientras el 10% más rico concentra el 75.5%⁴.

¹ <https://www.undp.org/latin-america/blog/graph-for-thought/covid-19-and-wealth-top-more-and-wealthier-billionaires-after-crisis-lac>

² <https://www.bloomberg.com/news/articles/2021-12-31/the-year-of-the-super-billionaire-marked-by-1-trillion-in-gains>

³ <https://publications.iadb.org/publications/spanish/document/La-crisis-de-la-desigualdad-America-Latina-y-el-Caribe-en-la-encrucijada.pdf>

⁴ <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html>

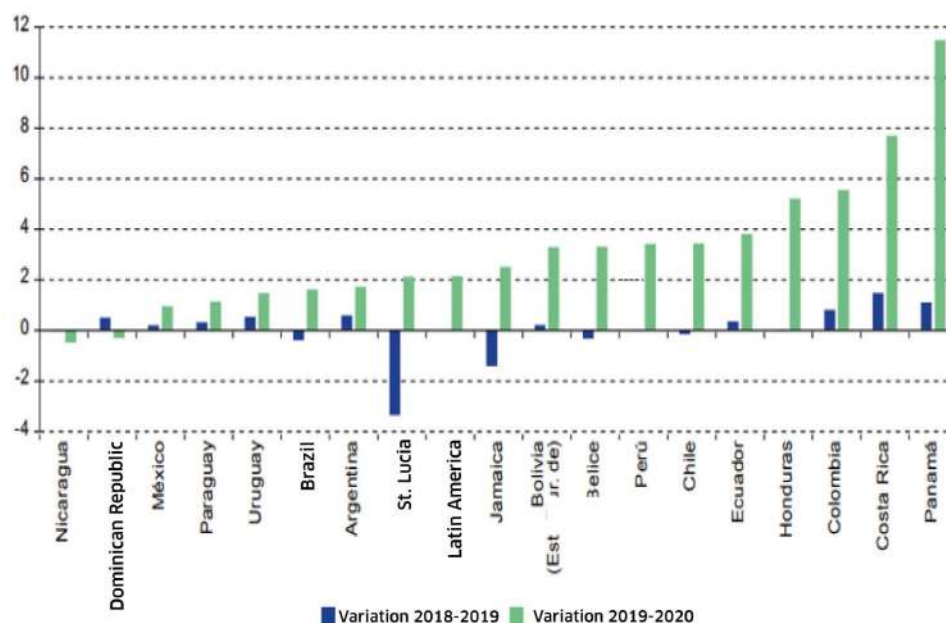
1.1.2 Employment

The region's most serious drop in employment occurred in the second quarter of 2020. With the massive contraction of the labor market, especially within services, the employment rate went from 57.4% in 2019 to 51.7% in 2020, leaving 25 million people unemployed (ECLAC/ILO, 2021a). The lifting of restrictions reactivated the demand, allowing its partial restoration, reaching a 54% employment rate for the second quarter of 2021.

The recovery of the labor market takes longer than that of the economic activity due to factors such as the precariousness of the labor market, with 50% average levels of informality, ranging from 25% in Uruguay to 80% in Peru. Another slowing element is the predominance of "core" activities, those with limited to no chance of migrating towards remote versions (OECD, 2020).

The countries that lost the most jobs in 2020 were Panama, Costa Rica, Colombia and Honduras; the least affected were Nicaragua and the Dominican Republic (ECLAC/ILO, 2021b).

Figure 2
Latin America and the Caribbean (18 countries): year-on-year change in the unemployment rate, by country, 2018-2019 and 2019-2020 (%)



Source: ECLAC and ILO

The digital divide limits this recovery. Only 68% of the population of LAC regularly connects to the internet, much lower access than that of OECD inhabitants (84%). Moreover, such access is highly unequal: only 37% among the poorest population vs 77% among the richest. In the OECD countries, this difference is 25 points (OECD, 2020a).

Regarding the quality of this connection, the World Bank warns that less than half of Latin Americans have fixed broadband connectivity; only 1 in 10 households have high-quality fiber⁵; 37% access a 4G signal; and, that connectivity options are only available for 4 and 7 out of every 10 citizens in rural and urban areas respectively.

According to the International Labour Organization (ILO), between 20 and 30% of workers in the region worked from home during the lockdown, compared to the pre-pandemic 3%. Notably, this increase reached only workers with stable and formal jobs, with high education and within professional, managerial or administrative positions⁶. Thus, the aspired digital transformation faces challenges of access, but also of education and information.

Similarly, unemployment left many families living in overcrowded and precarious conditions, lacking vital services such as water. According to ECLAC surveys, 30% of urban households in the region were overcrowded and more than half in the case of poor households. With this scenario, it is not surprising that the impact of the pandemic had been greater in the most vulnerable groups, subsisting daily, without social coverage and with greater exposure to contagion.

1.1.3 Gender

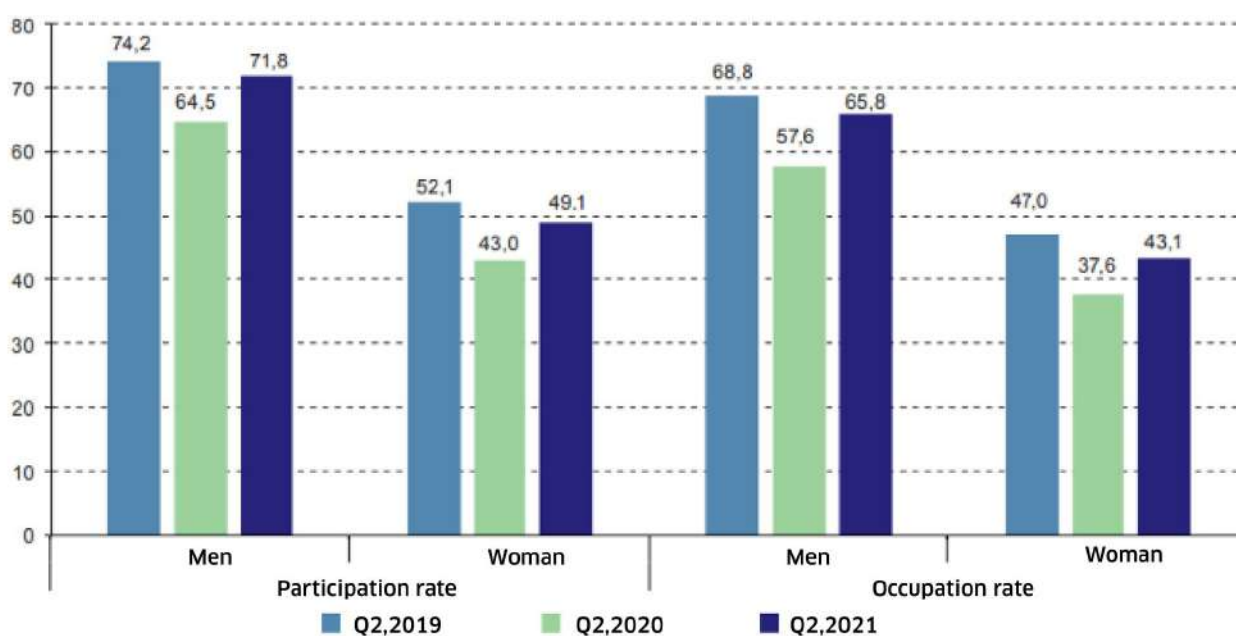
Covid-19 left a decade-long setback in terms of women's participation in the labor market: the most affected sectors—commerce and tourism—concentrate 57% of women's employment (ECLAC, 2020). Additionally, most of the extra care-related burden imposed by the long confinements during the pandemic fell upon women. Care activities and chores associated with contagions, remote education of children and the extra difficulties to get any support (from neighbours, domestic workers, family members, etc.) outweigh the traditional measure of the crisis' impact on women, even limiting their reintegration into the labor market.

⁵ [https://blogs.worldbank.org/es/latinamerica/el-escaso-acceso-digital-frena-america-latina-y-el-caribe-como-solucionar-este#:~:text=En%20la%20actualidad%2C%20menos%20del,siendo%20bajos%20\(37%20%25%20\).](https://blogs.worldbank.org/es/latinamerica/el-escaso-acceso-digital-frena-america-latina-y-el-caribe-como-solucionar-este#:~:text=En%20la%20actualidad%2C%20menos%20del,siendo%20bajos%20(37%20%25%20).)

⁶ https://www.ilo.org/americas/sala-de-prensa/WCMS_811302/lang--es/index.htm

ILO figures confirm this group as the slowest in terms of labor recovery (ECLAC/ILO, 2021a): out of the 10 percentage points drop in women's employment, only 6 were recovered until 2021. This is despite their high representation within the first-line health response with more than 73% of health workers in the region.

Figure 3
Latin America and the Caribbean: participation and employment rate, by gender (%)



Source: ECLAC and ILO

The quarantine measures and related crises not only exacerbated the shortage of own resources that already affected women. Gender-based violence, domestic violence and sexual abuse of women and girls rose too (UN Women, 2020). The countries with the highest rates of femicide in the region were Honduras, with 4.7 cases per 100 thousand women, followed by the Dominican Republic (2.4), El Salvador (2.1) and Bolivia (2.0).

1.2 ECONOMIC INDICATORS

The economic effect was different for each country, depending on the dynamics of affectation and recovery of predominant productive sectors. For example, economies based on commodity exports revived in tandem with the reactivation of global demand and soaring commodity prices. However, the same situation impacted negatively those countries more dependent on their imports

As of June 2021, the average upswing in inflation was 5.4%—3 percentage points more than in the previous year—and was visible in 25 countries of the region (ECLAC, 2021c).

The volatility of currencies' exchange rates due to exposure to international flows also added up. The region's currencies had not seen a depreciation of this size (4.5% on average) for a long time. The trend worsen in 2021 given the US dollar's rise: Argentina's local currency depreciated 17%; Chile's 15%, Colombia's 13%; Peru's 11%; Brazil's 8% and Mexico's 6%⁷.

On the other hand, the 74% reduction in global tourism activities during 2020 affected developing economies with falls between 60% and 80% (UNCTAD, 2021). Central America and the Caribbean took the greater shock on this line, as this sector is a key engine of their economic activity and job creation. Likewise, the fact that the sector is composed of a high presence of Small and Microenterprises (MYPEs) made the sector's survival and recovery more difficult.

1.2.1 Production

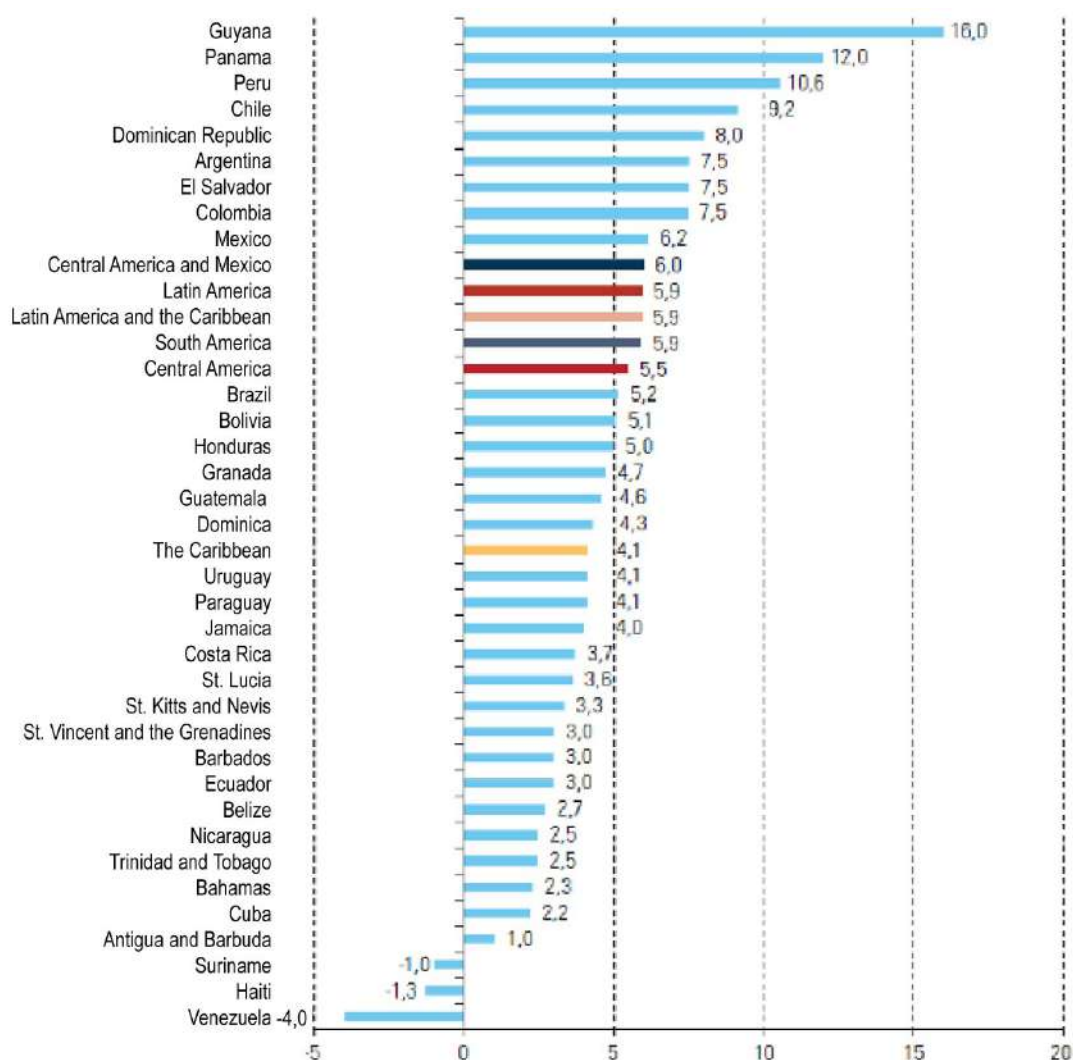
The regional economic activity received one of the hardest hits during the pandemic. Our average GDP drop was 6.8% (2020), double the global average of 3.2% (ECLAC, 2021c). When this result is broken down, private consumption, exports and investment were the spending components with the greatest contraction.

Although the vaccination process, the stimulus packages for production and consumption, and the reactivation of demand made the region's economies regain some dynamism in 2021, according to ECLAC (2021c), the region would not reach 2019 GDP per capita levels until 2025.

⁷ <https://www.bbc.com/mundo/noticias-59555209>

The disaggregation of 2021 regional GDP into subregions shows that Mexico led the economic recovery (6.2%), followed by South America (5.9%) and Central America (5.5%) while the Caribbean moves at a slower pace (4.1%). Thus, only 9 countries were expected to reach 2019 GDP levels in 2021 and 5 more in 2022.

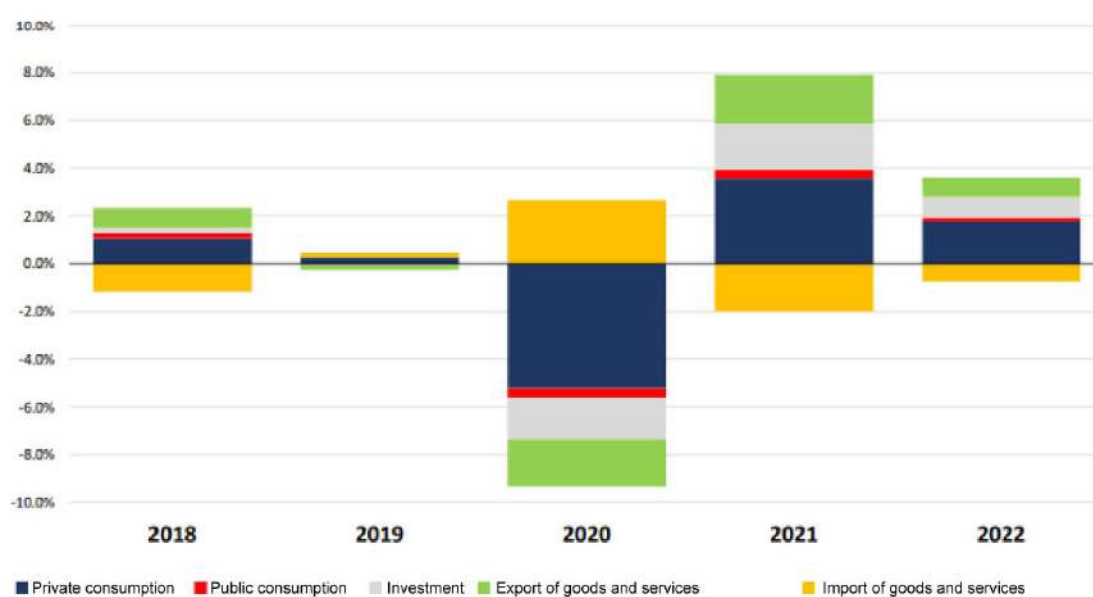
Figure 4
Latin America and the Caribbean (33 countries): GDP growth rate projection, 2021 (%)



Source: ECLAC

However, this reactivation is rather artificial. The observed recovery has not been equitable, enough or sustainable. Most of it arises with the transfer programs implemented by governments, the recovery of international remittances, as well as the revival and pricing of exports. As a result, in 2022, the regional GDP growth will be lower than in 2021.

Figure 5
LAC: change in GDP and contribution of expenditure components to growth, 2018-2022

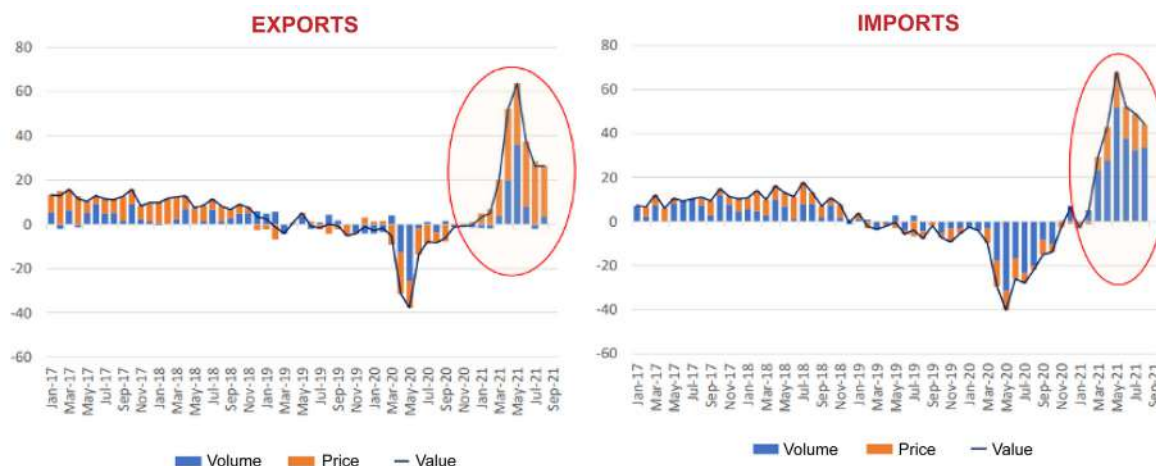


Source: ECLAC

1.2.2 Commerce

The 2020 collapse of international activities and demand affected the region's exports: they fell 17% between 2019 and the first half of 2020. The contraction in commodity prices—oil, copper, soybeans, sugar, coffee, etc.—also contributed to this situation. By the beginning of 2021, the revival of international demand and the recovery in commodity prices also made this trend reverse. According to ECLAC (2021d), LAC exports of goods grew by 25% in 2021 after their 10% reduction by 2020. On the other hand, imports of goods increased 32% after contracting by 16% during the previous year.

Figure 6
Latin America and the Caribbean: year-on-year change in trade of goods in value, price and volume. January 2017 to August 2021 (%)

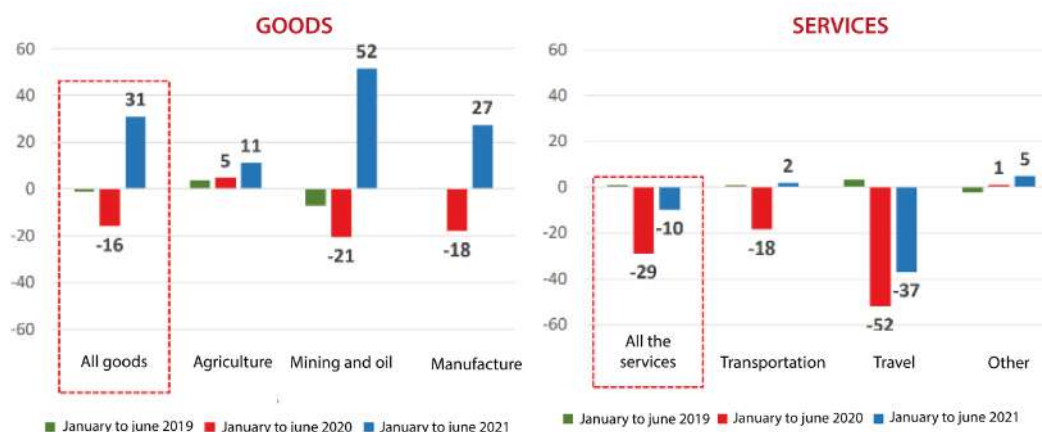


Source: ECLAC

As for the region's largest export sectors of goods, mining and oil was the most affected but also the one with the fastest recovery due to the international dynamics already mentioned. Manufacturing and Agricultural products also reactivated, with 27% and 11% variation from 2020 to 2021.

Exports of services were not as resilient: their annual decrease was 29% and 10% in 2020 and 2021 respectively, given the maintenance of restrictions on international travel and tourism.

Figure 7
Latin America and the Caribbean: Year-on-year change in the value of exports of goods and services by major sectors. Semester I, 2019 and 2021 (%)



Source: ECLAC

Despite the regional trade recovery in 2021, uncertainty and vulnerability to fluctuations in international prices will be a constant as long as the region continues depending on a few sectors (i.e. primary, extractive, tourism).

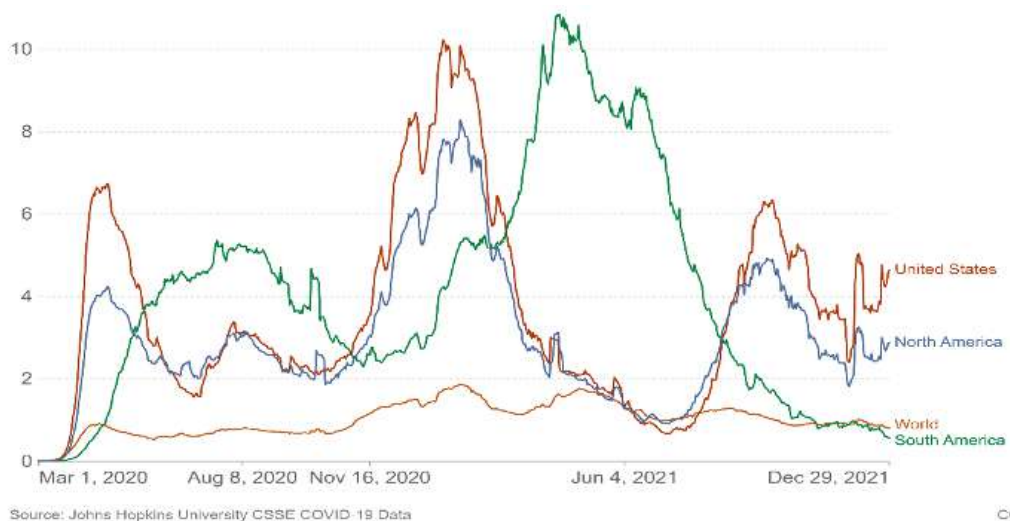
1.3 HEALTH INDICATORS

In mid-2020, Latin America was the epicenter of Covid-19 infections and deaths. Mortality rates, especially in South America, were 8 times higher than the global average and contained 7 of the 10 countries with the highest per capita death rates in the world, including Brazil, Colombia, Peru and Argentina.

According to official figures from the World Health Organization (WHO), as of December 2021, LAC registered 98 million confirmed cases of coronavirus, a third of the global figure. Deaths reached 2.3 million, 43% of total deaths.

Since the second half of 2021, the region improved its relative position on the issue. In December of that year, its daily average deaths per million inhabitants were 0.56, less than the global average (0.81). North America and the United States had levels 5 and 8 times this value⁸.

Figure 8
Daily confirmed deaths from COVID-19 per million people (7-day moving average). Mar 2020-Dec 2021.



Source: Our World in Data. Johns Hopkins University CSSE COVID-19 Data

⁸ <https://www.bbc.com/mundo/noticias-america-latina-59805531>

Social distancing measures did not contain infections and the number of deaths in the region as effectively, due to the economic and social conditions already mentioned. In addition, their excessive extension, longer than that of other regions, caused social fatigue and led to gradual relaxation regardless of the official maintenance of restrictions (WHO, 2020).

Complementarily, health systems in the region have lower capacities than those in OECD countries. Short budgets for health policy, underdeveloped surveillance and research systems and low-skilled human resources make this a vicious circle. Among the indicators that reflect this reality, the average number of hospital beds per thousand inhabitants is a simple yet exemplifying one: 2.14 in LAC and 4.7 in the OECD; only Argentina, Cuba and Barbados exceed this value. The number of health professionals is another: on average, there are two doctors per thousand inhabitants in LAC, while there are 3.5 in OECD countries; only Cuba, Argentina and Uruguay exceed this number (OECD, 2020b).

The differences in public spending on health between the region and OECD countries are large, going hand in hand with such capacities. The OECD allocates almost 4 times LAC's current per capita expenditure on health, USD 3,994 vs USD 1,025. The regional internal differences are not minor either: the indicator ranges from USD 83 in Haiti to USD 2,484 in Cuba⁹.

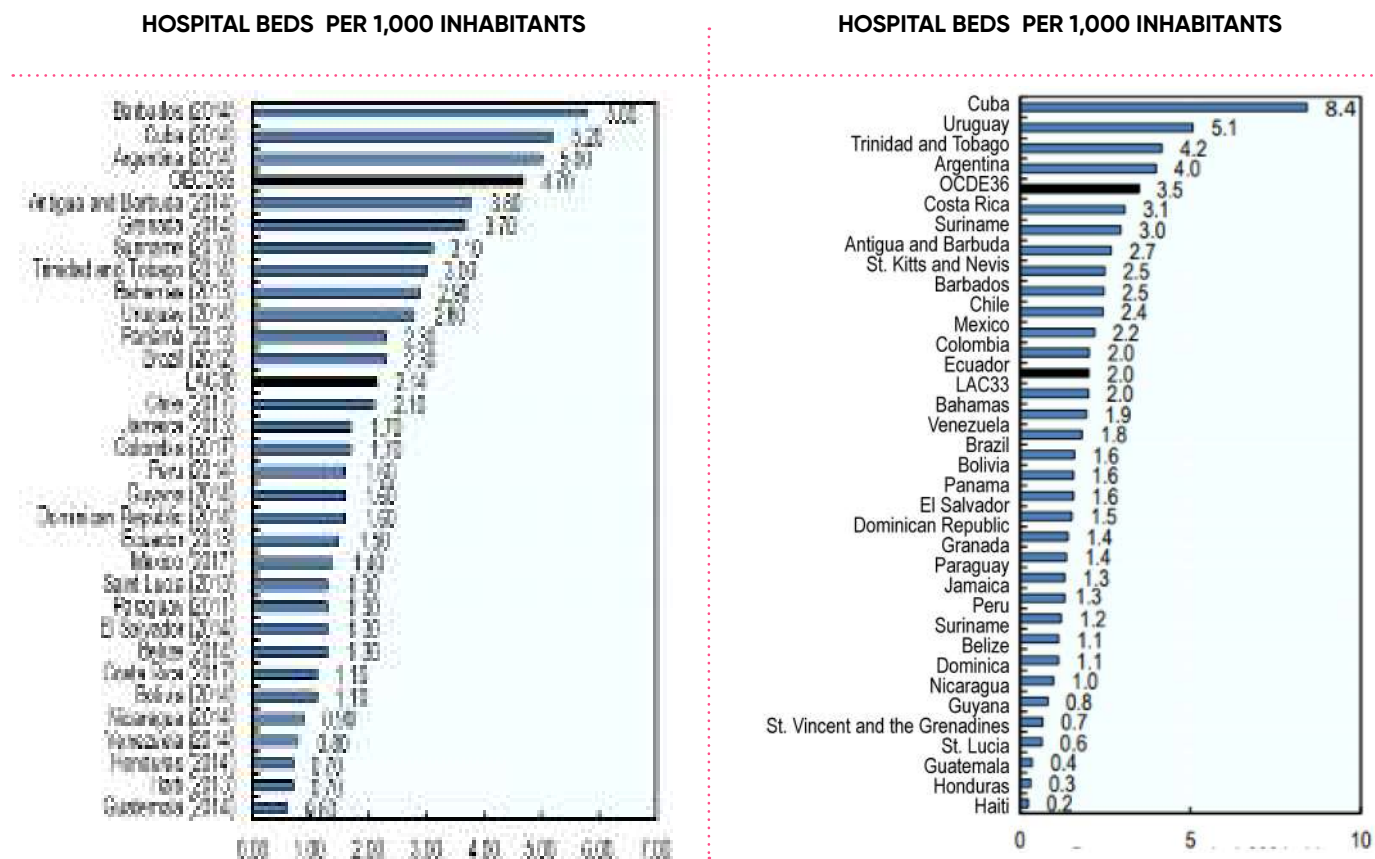
The same goes for health spending in comparison to the economies' size: Latin America spent 6.6% of its GDP (2017), while OECD countries allocated 8.8% (2018)¹⁰.

With the pandemic, governments tried to increase the capacity of their health systems but this response was insufficient or delayed due to the dimensions of pre-existing gaps. Improving attempts included: strengthening the capacities of health professionals, installing additional beds in Intensive Care Units (ICUs) and building and equipping new emergency units.

⁹ [Panorama de la Salud: Latinoamérica y el Caribe 2020.](#)

¹⁰ [Ibid.](#)

Figure 9
Latin America and the Caribbean and OECD: comparison of selected health indicators



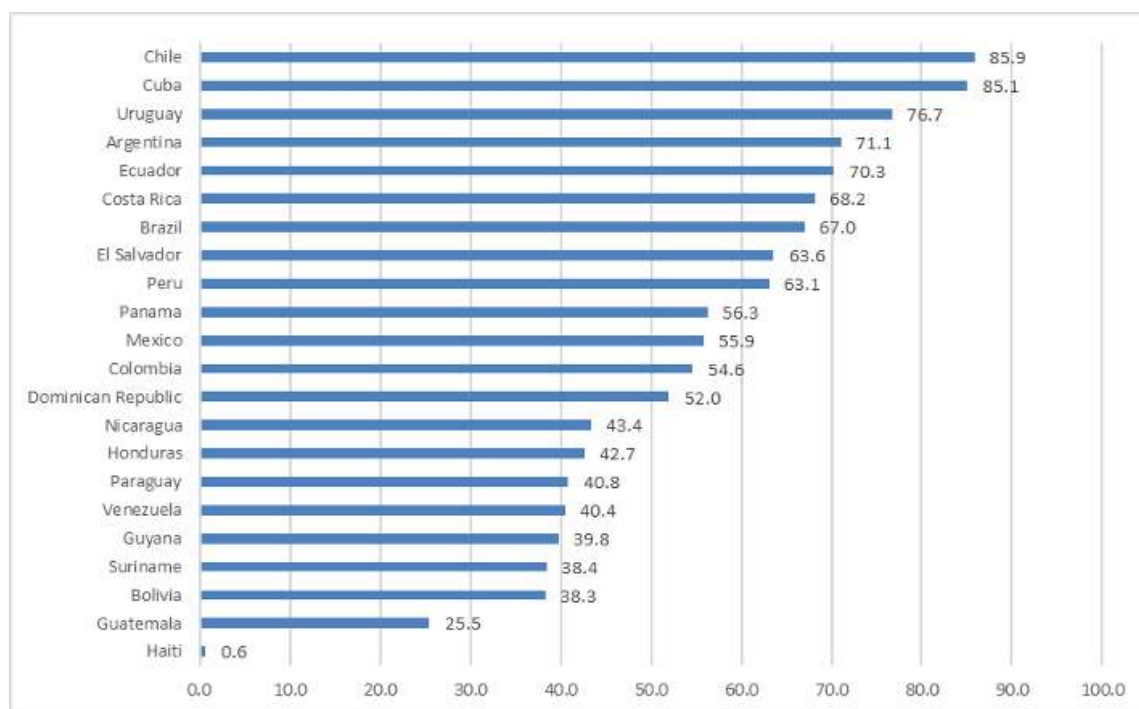
Source: OECD

Private health entities helped with the response to the overwhelmed public capacity. Although agreements were established between them and the government, the lack of guarantees so that the attention was timely and its price adequate limited their help.

In terms of the latter immunization, the regional progress was significant. Chile and Cuba, for example, had 85% of their population fully vaccinated as of December 2021, while South America was the most advanced subregion—with 63% of the population fully vaccinated, exceeding the global average of 50%¹¹.

¹¹ <https://www.bbc.com/mundo/noticias-america-latina-59805531>

Figure 10
Latin America and the Caribbean: percentage of the population fully vaccinated (30 Dec 2021)



Source: Own elaboration based on Our World in Data.

Nonetheless, there were large internal differences in the region: countries such as Haiti, Guatemala and Bolivia did not reach the 40% immunization goal until 2021. In this sense, it is crucial to guarantee domestic production capacities and other measures to achieve more equitable access to vaccines¹², including collaborative initiatives to mitigate dependence on imports of key products, such as medical supplies.

1.4 FISCAL AND EXTERNAL SECTOR INDICATORS

The collapse of economic activity that the pandemic implied, impacted the already deteriorated fiscal accounts of the region, both in lower tax revenues and higher expenditures to cover the emerging public needs. The regional average fiscal deficit went from 3% of GDP in 2019 to 7% in 2020. For 2021, this indicator was estimated at 5.5% (ECLAC, 2021c). pasó de 3% del PIB en 2019 a 7% en 2020; en 2021, este indicador sería de 5.5% (CEPAL, 2021c).

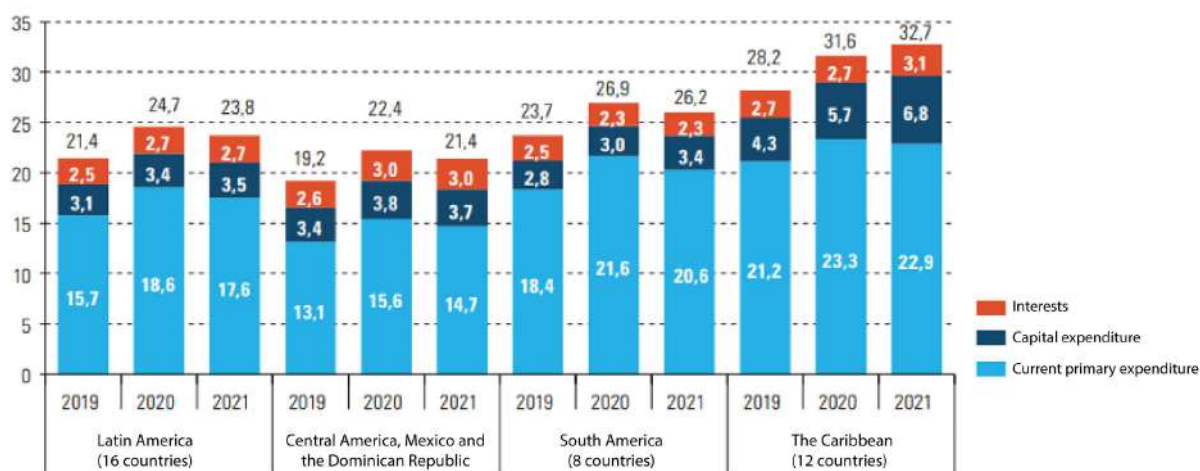
¹² <https://elpais.com/mexico/2021-12-29/mexico-autoriza-la-aplicacion-de-la-vacuna-cubana-abdala-contra-la-covid.html>

1.4.1 Tax revenue and expenditure

Current expenditure in relation to GDP rose several points between 2019 and 2020, especially in the southern countries of the region. Capital expenditure grew in this period in all countries due to the investments required in health systems. As for the increase in interest payments (debt) with respect to GDP, Central America, Mexico and the Dominican Republic stand out.

In 2021, spending declined in all subregions but remained at higher levels than in 2019 to contain the health and economic problems of the most affected sectors. However, several countries are already seeing a rebound in debt interest payments compared to the previous two years. Current expenditure fell in all cases between 2020 and 2021, while capital expenditure rose.

Figure 11
Latin America and the Caribbean: composition of total central government expenditure by component, 2019–2021 (% GDP)¹³

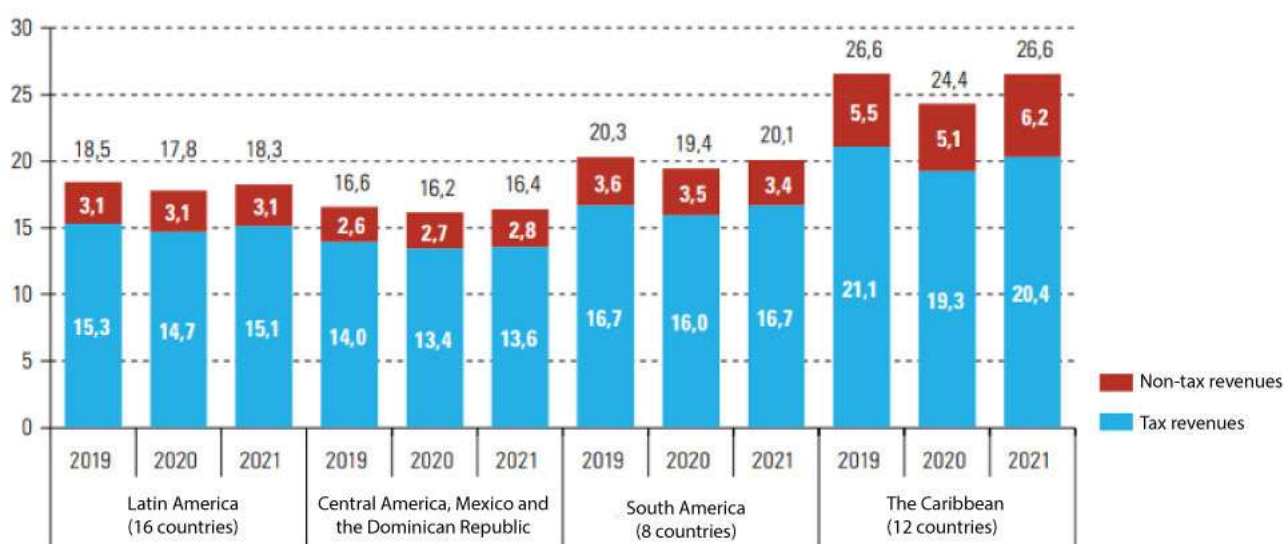


Source: ECLAC

¹³ In State budgetary management, current expenditure refers to non-recoverable payments (expenditure on active and unemployed personnel, purchase of goods and services, etc.); capital expenditure corresponds to investments made in assets; and interest is the payments that compensate for the credits obtained..

As the regional expenditure grew, revenues relative to GDP fell. The Caribbean had the biggest drop with revenues almost 2 percentage points below 2019 levels. Although this decline comes mostly from the evolution of tax revenues, non-tax revenues also sank. There was a slight recovery of the last in 2021, without reaching 2019 levels except for the Caribbean.

Figure 12
Latin America and the Caribbean: total central government revenue by component, 2019-2021 (% GDP)



Source: ECLAC

The underlying problem with tax collection was that its pre-pandemic levels were already far from optimal in the region (22.9% of GDP vs 33.8% in OECD countries), with values between 13% in Guatemala and 42% in Cuba (OECD et al., 2021a). In addition, regressivity characterizes Latin America's tax systems, with half its revenue coming from indirect taxes and minimal collection on profits, high incomes and general wealth. Moreover, legal schemes and transfer pricing through offshore companies in tax havens—as those leaked in the Pandora Papers—are not rare.

In fact, tax evasion represents an annual loss of USD 325 billion—6.1% of regional GDP—. Tax abuse by corporations and the hidden wealth of individuals are estimated at USD 35.6 billion per year (Tax Justice Network, 2021a); and the non-collection by tax expenditures is 3.5% of regional GDP.

In fact, tax evasion represents an annual loss of USD 325 billion—6.1% of regional GDP—. Tax abuse by corporations and the hidden wealth of individuals are estimated at USD 35.6 billion per year (Tax Justice Network, 2021a); and the non-collection by tax expenditures is 3.5% of regional GDP.

Table 1
Tax expenses according to type of exception. Tax Incentives (I) and benefits (B) (% GDP and Proportion of total)

TYPE OF EXCEPTION	PERCENTAGE OF GDP			PROPORTION OF TOTAL	
	B	I	TOTAL	B	I
Argentina	1.0%	2.0%	3.0%	34.0%	66.0%
Bolivia	0.3%	1.0%	1.3%	25.5%	74.5%
Brazil	2.3%	2.0%	4.3%	52.9%	47.1%
Chile	1.4%	2.0%	3.5%	41.9%	58.1%
Colombia	0.2%	0.5%	0.7%	28.1%	71.9%
Costa Rica	3.7%	1.6%	5.3%	70.2%	29.8%
Ecuador	2.8%	1.3%	4.1%	68.0%	32.0%
El Salvador	1.2%	1.7%	3.0%	41.7%	58.3%
Guatemala	1.3%	1.0%	2.3%	55.5%	44.5%
Jamaica	1.2%	2.5%	3.6%	32.0%	68.0%
México	2.9%	0.5%	3.3%	86.3%	13.7%
Nicaragua	4.8%	0.6%	5.4%	89.5%	10.5%
Panamá	1.7%	0.9%	2.6%	63.8%	36.2%
Paraguay	0.7%	1.1%	1.7%	38.3%	61.7%
Perú	0.8%	1.4%	2.2%	38.0%	62.0%
Dominican Republic	3.8%	2.7%	6.4%	58.3%	41.7%
Uruguay	2.3%	4.1%	6.3%	36.1%	63.9%
AVERAGE	1.9%	1.6%	3.5%	54.8%	45.2%

Source: CIAT¹⁴

1.4.2 Indebtedness

To cover the resulting fiscal gaps, countries resorted to internal and external borrowing—bonds issuance and loans from international organizations. This will have a significant impact on national budgets in the medium and long term due to debt service payments.

¹⁴ https://www.ciat.org/Biblioteca/DocumentosdeTrabajo/2021/DT_01_2021_pelaez.pdf

This occurred given the fact that Latin America did not benefit from international programs that supported the poorest countries. At the same time, multilateral organizations as the IMF reinforced the promotion of adjustments aimed at reducing social spending (Latindadd, 2021b).

External debt indicators had already deteriorated in all developing regions over the past decade. In Latin America, the external debt to Gross National Income (GNI)¹⁵ ratio went from 40.8% in 2019 to 49% in 2021. This change resulted from the 5.7% increase in the external stock and a 3.7% drop in GNI. Similarly, the 8.6% drop in exports raised the external debt-to-exports ratio from 160% in 2019 to 186% in 2020.

Table 2
External debt-to-GNI and export ratios (%)

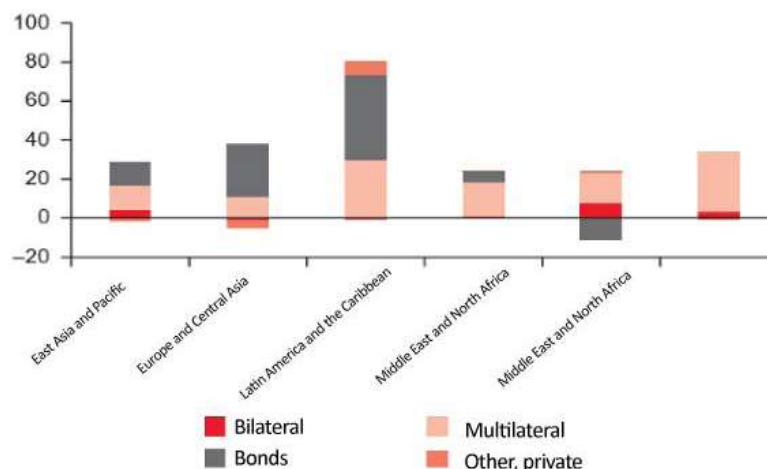
	Debt / GNI			Debt / Exports		
	2011	2019	2020	2011	2019	2020
East Asia and Pacific, excluding China	29.0	36.1	40.8	72.4	97.3	105.4
Europe and Central Asia	38.3	46.7	51.9	113.7	124.9	155.8
Latin America and the Caribbean	22.4	40.8	49.0	108.3	160.1	186.4
Middle East and North Africa	14.4	32.5	37.5	50.0	116.5	183.8
South Asia	20.3	22.1	24.4	85.4	116.9	137.0
South Asia, excluding India	27.5	31.2	34.0	153.3	215.9	288.2
Sub-saharan Africa	23.4	39.6	43.7	70.1	155.6	205.1
Low and Middle Income, excluding China	26.1	36.6	41.5	92.1	126.3	153.9

Source: International Debt Statistics 2022

The total bonds issue in LAC was USD 100 billion—by public and private issuances. Brazil and Mexico lead the list, followed by Peru, Colombia and the Dominican Republic. Mexico accounted for 42% of the regional public issuances and became the first country in the world to issue sovereign bonds linked to the Sustainable Development Goals (SDGs), in September 2020. Brazil and Mexico also led the private issuances, as corporations from these countries generate 80% of the region's total.

¹⁵ GNI is the sum of value added by all resident producers plus all taxes on products (minus subsidies) not included in the valuation of the product, plus net primary income inflows (employee compensation and property income) from abroad.

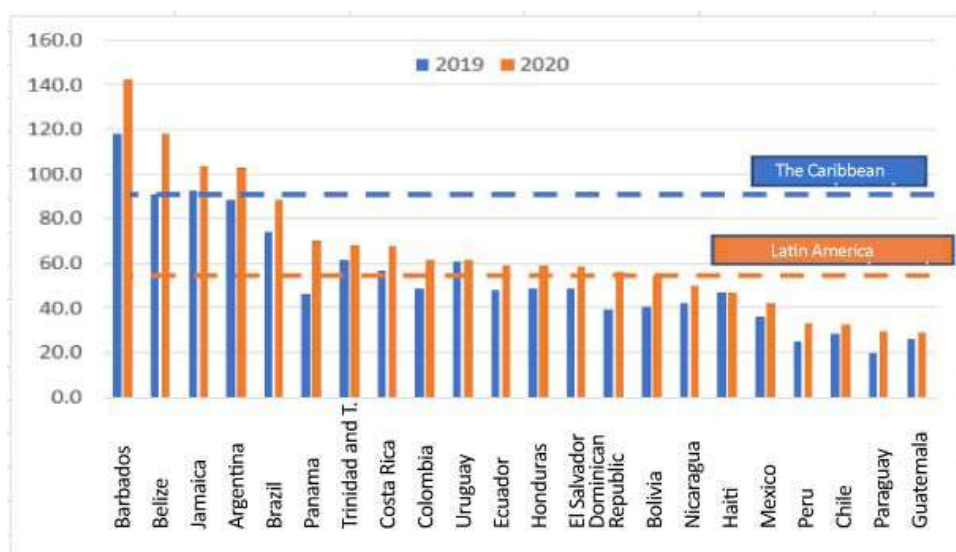
Figure 13
Increase in external public debt by borrower, 2020 (US\$ million)



Source: International Debt Statistics 2022

As for the total public debt, according to ECLAC it grew in almost all countries in the region. The Caribbean countries reached an average public debt to GDP of 88% in 2020, highlighting Barbados, Belize and Jamaica with levels above 100%. In Latin America the average was 56%, with Argentina being the most indebted country (102%), followed by Brazil with 89%. The least indebted ones are Guatemala, Paraguay, Chile and Peru, with ratios below 40%.

Figure 14
Latin America and the Caribbean: Central government gross public debt balance, 2019-2020 (% GDP)

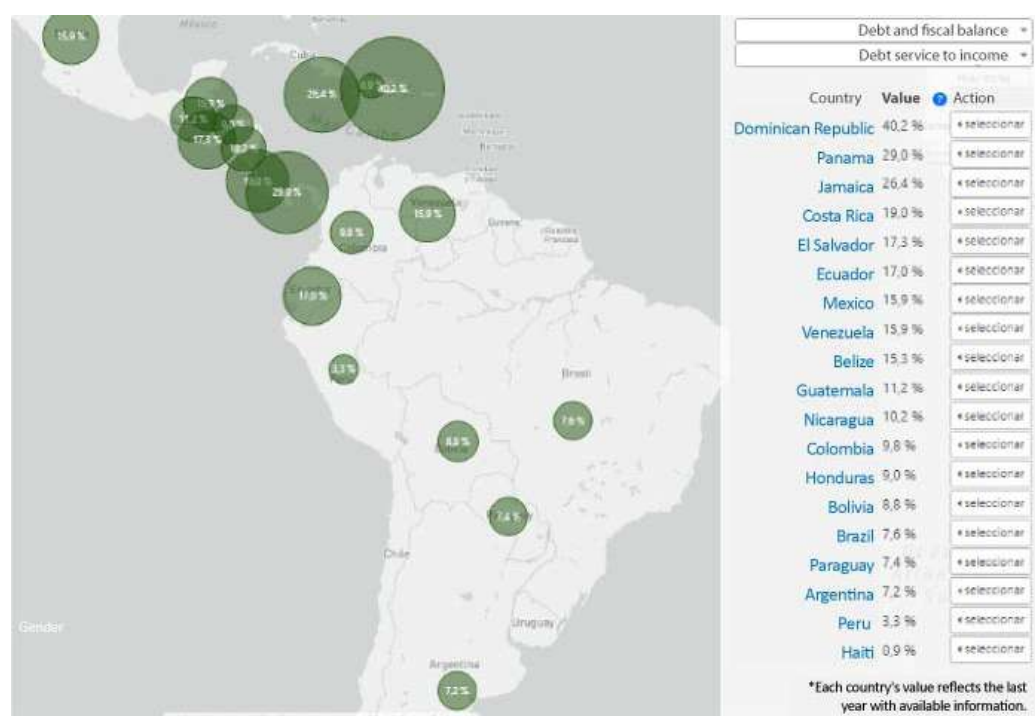


Source: Own elaboration, based on Atlas of Vulnerabilities.

According to ECLAC, even with the economic recovery, mid-2021 debt levels were similar to those of 2020. The payment of the associated debt service is also expected to remain stable, although with significant differences among countries. For instance, Argentina and Ecuador reduced their debt service payments in 2021 through agreements with their creditors reached in 2020. In contrast, Paraguay, El Salvador, Costa Rica, Nicaragua, the Dominican Republic, Peru and Guatemala increased them (ECLAC, 2021c).

There are also large differences between countries with regard to the burden of debt on government revenue. In 2020 the Dominican Republic had a ratio of 40%, while Haiti's was 0.9%.

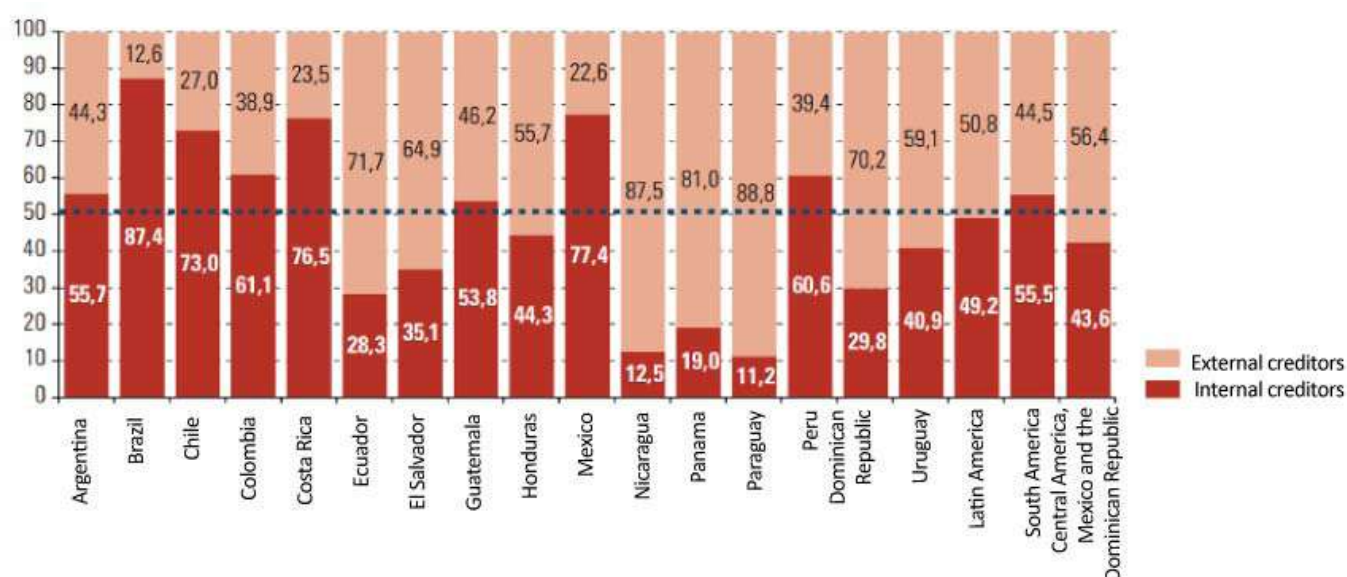
Figure 15
Latin America and the Caribbean: external debt service to government revenues, 2020 (%)



Source: Atlas of vulnerabilities.

The differences in the composition of public debt according to creditors' residence needs highlighting. In recent years, the share of domestic public debt has grown, with Brazil, Mexico, Costa Rica, Chile, Colombia, Peru, Argentina and Guatemala having ratios above 50%. Although it might imply lower risk of indebtedness, as it is traded in national currency, it has the disadvantage of not usually being included in sovereign debt renegotiation or restructuring programs.

Figure 16
Latin America: gross public debt of central government by creditor residence, June 2021 (% of total)



Source: ECLAC

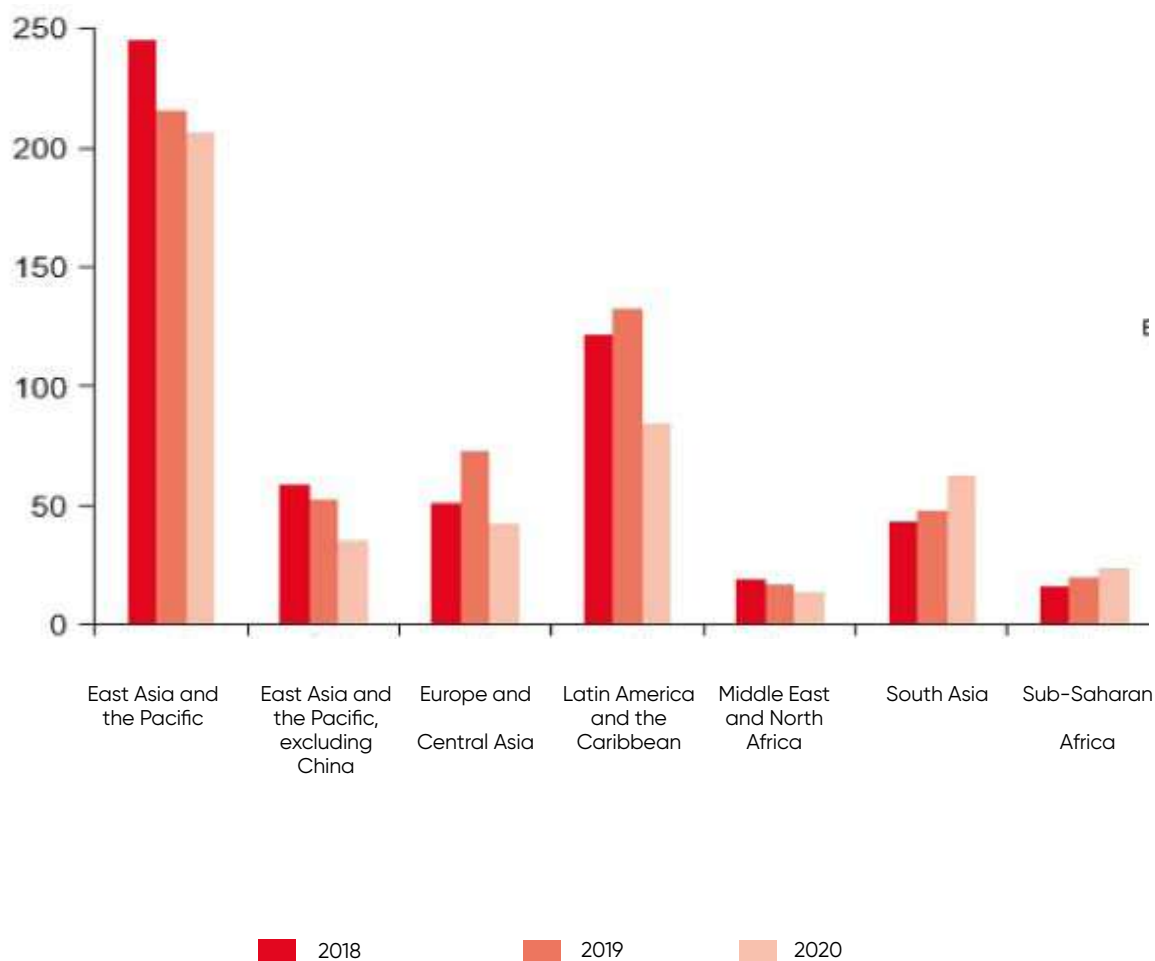
Finally, the issuance of Special Drawing Rights (SDRs)¹⁶ gave a partial relief to several countries in the region. While not enough given the needs, they offered liquidity to meet urgent expenses. Although the approach of new SDR emissions would help, to reach their potential it is essential to implement structural changes as the mentioned above (Latindadd, 2021c).

1.4.3 Foreign Direct Investment

In 2020, Foreign Direct Investment (FDI) flows were uneven around the world. South Asia and Sub-Saharan Africa increased their FDI inflows in 32% and 20% respectively, while Europe and Central Asia saw theirs fall by 42% (UNCTAD, 2020). FDI inflows to LAC fell by about one-third since 2019, which is linked to the behavior of primary products as will be seen later.

¹⁶ SDRs are an international reserve asset created in 1969 by the IMF to supplement members' official reserves and are used as a unit of account by the IMF and other international organizations. The SDR is not a single currency, but it represents a potential right against the freely usable currencies of IMF members, which can be redeemed for free to use coins.

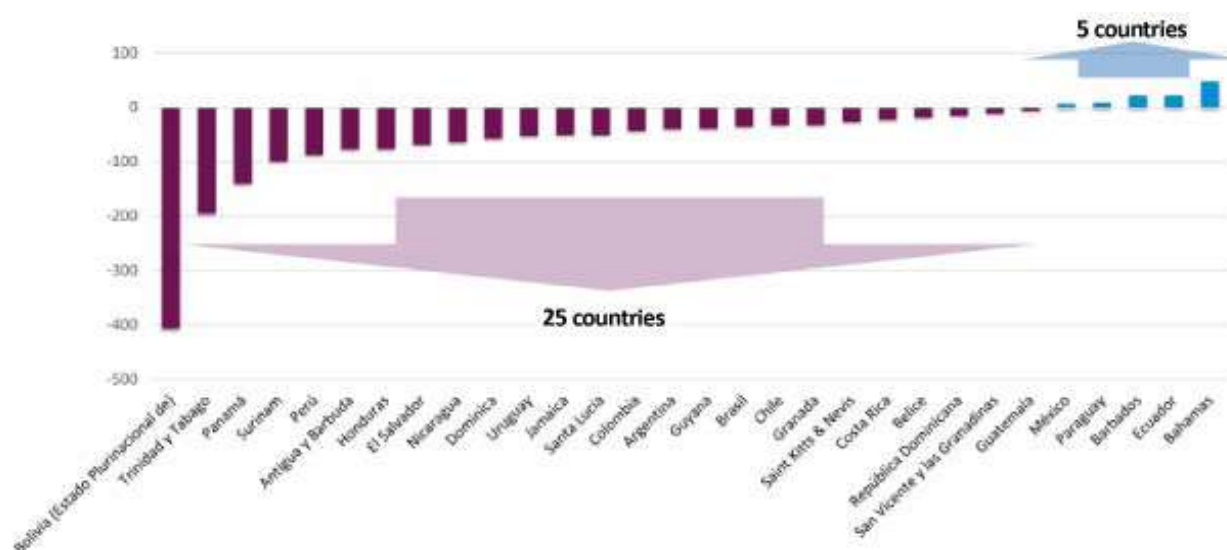
Figure 17
FDI inflows by region, 2018–2020 (US\$ billion)



Source: UNCTAD

The pandemic and its impacts on the region caused investment flows to fall back to levels not seen for a decade. Between 2019 and 2020, precipitous drops of more than 100% were seen in Bolivia, Trinidad and Tobago, Panama and Suriname. However, five countries increased their FDI inflows in 2020: Bahamas, Ecuador, Barbados, Paraguay and Mexico (ECLAC, 2021e).

Figure 18
Latin America and the Caribbean: change in FDI inflows 2020/2019 (%)



Source: ECLAC

The factors behind the contraction of foreign investments are similar to those already revised. The most affected sector was natural resources, with a 48% reduction between 2019 and 2020; manufacturing fell by 38%; and services, by 11%. In 2021, the expectation was for FDI to reactivate jointly with the global economy and for other outflows to slow down (ECLAC, 2021c).

It is important to notice that, despite FDI's importance for the regional development, it is also one a recurrent channel through which Latin America is ever more vulnerable to illicit financial flows (Tax Justice Network, 2021b).

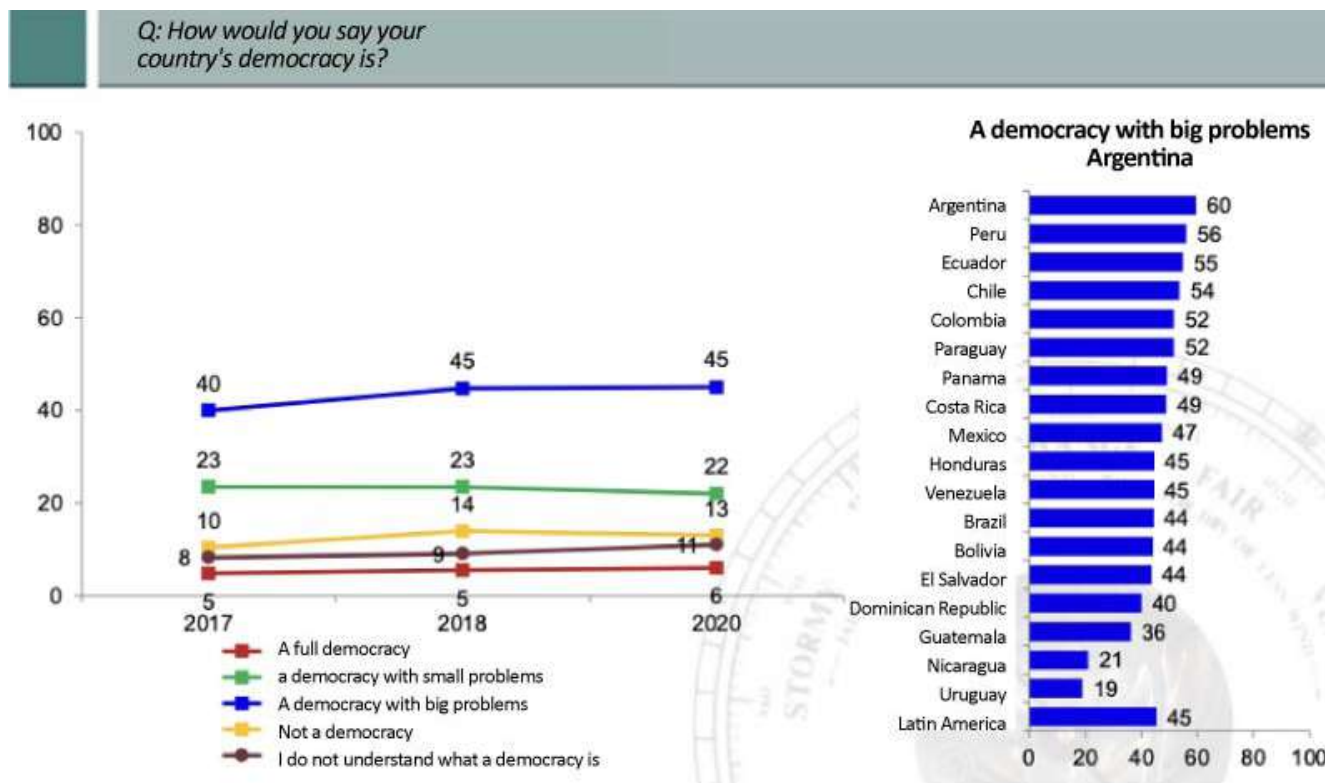
1.5 POLITICAL INDICATORS

1.5.1 Distrust of government

Citizens in the region distrust their authorities, with a perception that those in power do not defend the interests of the majority. According to Latinobarómetro¹⁷, 4 out of 4 Latin Americans have little to no confidence in their governments, while about 60% believe corruption is widespread and has increased between 2019 and 2020 (Latinobarómetro, 2021). This generates scarce civic participation in social and political processes.

¹⁷ Latinobarómetro is a public opinion study that annually applies around 20 thousand interviews in 18 Latin American countries. <https://www.latinobarometro.org/latContents.jsp>

Figure 19
Valuing democracy. Latin America 2017 - 2020 and total by country 2020



Source: Latinobarómetro 2021.

Even in the most critical moments of the pandemic, with deaths and infections on the rise, cases of corruption were not uncommon in the region. Frequent examples included overpricing, poor quality products or equipment and purchases that did not meet minimum standards. This exposed—in addition to the lack of coherence within the civil service—weaknesses in public procurement procedures.

Journalistic investigations into current and former officials linked to tax havens provoked social outrage to strengthen. And all this gets more complicated when the importance of generating processes of social control and transparency to fight against corruption, is minimized.

1.5.2 Civic protests and electoral processes

Several protests had already been unleashed in the region given the population's discontent with inequality and exclusion levels, starting with Ecuador and Bolivia. More recently, in Chile, sustained protests led to a political debate that ended up in the drafting of a new constitution. This inspired other social outbreaks in the region that advocated for similar reforms, such as those in Colombia and Peru.

In this context, the pandemic seems to have inspired changes in the regional political map, with the election of leftist parties in several countries. However, this does not guarantee changes' implementation, legitimacy or continuity. It is a public challenge to strengthen control systems and promote civic participation to ensure transparency and improve social trust.

1.6 CONCLUSIONS

LAC countries are recovering, at different rates and sectorial distribution, thanks to the rebound effect of global demand and the increase of commodity prices. However, such reactivation does not necessarily translate into improvements in employment conditions, in the general well-being of citizens or in inequality. The increase in production and consumption costs caused by growing inflation and the depreciation of local currencies against the dollar, deepens the effects of the crises.

It is important for governments to continue implementing measures that support the most vulnerable sectors. Likewise, it is key to do so in more strategic, focused and transparent ways, to promote a truly equitable, inclusive and sustainable recovery. Much of the pandemic's impact in the region arose from pre-existing inequalities in access to infrastructure, human capital, connectivity and other basic services. Beyond the response to the emergency, public measures must target the creation of the structural capacities still lacking.

II. COUNTRY RESPONSES TO THE COVID-19 CRISIS

Governments implemented measures to lessen the impact of the pandemic. That is, to contain the virus spread, provide liquidity to households and businesses during inactive periods, immunize the population against the virus and reactivate economic activities (ECLAC, 2022a). This involved mobilizing resources, further pressuring countries with less fiscal space and exploring alternative financing sources, through new loans from multilateral institutions or bond issuances.

The measures adopted by LAC countries were diverse, including social protection, employment, health and economic recovery actions. However, according to the diagnostic in the previous section, they failed to mitigate the profound social and economic effects of the pandemic.

This section addresses the main interventions in the 6 reviewed countries, as well as in existing sub-regional blocs such as the Andean Community (CAN), Mercosur, the Pacific Alliance (PA), the Central American Integration System (SICA) and the Caribbean Community (CARICOM).

2.1 MAIN MEASURES ADOPTED IN THE ANALYZED COUNTRIES

In the region, 2020 tax relief packages reached USD 485 billion. This amount is higher than Colombia's annual GDP and represents, on average, 8.5% of the regional GDP, in contrast with developed economies' allocation of about 19% of their GDP¹⁸. Additionally, there is internal heterogeneity for this indicator, with the Andean and Southern Cone countries allocating the highest relative amounts—12% and 9.3% of GDP (IDB, 2021a).

This study includes the most relevant interventions in Argentina, Brazil, Chile, Colombia, Costa Rica and Ecuador, considering economic (productive, fiscal, monetary, reactivation packages) and social (health, education, gender) dimensions. Observable results and the main limitations associated with its implementation are also included.

¹⁸ The amount indicated corresponds to countries' fiscal plans for 2020

2.1.1 Social Interventions

The need to protect the most vulnerable families was indisputable in the face of falling incomes, the suspension of productive activities and the imposed limitations on mobility. Governments materialized this protection through monetary subsidies, food deliveries, guarantees in the provision of basic services, and protection campaigns against violence.

CASH TRANSFERS

Regarding the 2020 coverage of implemented measures, "understood as the aggregate number of supports as a proportion of the population, it was possible to benefit one-third of the LAC population on average (the aggregate number of supports equals 32.7% of the region's population, although there is wide variation between countries" (IDB, 2021b). The region's social protection response was largely based on cash transfers, both with the creation of new programmes and with the strengthening of already existing ones (ECLAC, 2020a).

Argentina: established the Emergency Family Income (IFE) program that consisted of three payments of USD 141 each, between May and October 2020. It was given to households without labor income records according to registered job contracts and the small or self-employed workers. The benefit was unique per household, with preferential delivery to women. The program benefited 9 million people, 1 in 5 inhabitants, with a fiscal cost of USD 3.713 billion.

Its distribution by income deciles showed that more than 90% of households in the three poorest deciles benefited given the high correlation between informality or self-employment, and higher income losses. As a result, 2.7 million people were prevented from falling into poverty and 4.5 million were prevented from falling into destitution¹⁹. Among the beneficiaries, 4.9 million (55.7%) were women and 3.9 million (44.3%) were men.

The biggest implementation challenges were the establishment of objective beneficiaries' selection criteria based on the available information and the implementation of payments to a population without access to bank accounts. The last, when managed, achieved the financial inclusion of a big portion of the population as a collateral benefit.

¹⁹ <https://www.ambito.com/politica/santiago-cafiero/cafiero-indico-que-el-ife-evito-que-27-y-45-millones-personas-cayeran-la-pobreza-e-indigencia-n5113743>

Brasil: its Emergency Assistance (EA)²⁰ program had one of the widest coverages among the analyzed countries. It contemplated the delivery of about half a minimum wage (USD 114 per month) to unemployed and informal workers, as well as those registered in social programs such as Bolsa Familia—originally intended for family groups with a combined income of up to three minimum wages. It involved five deliveries, with 65.9 million beneficiaries or a third of the Brazilian population. It enabled the redistribution of USD 57 billion throughout the country, more than half the 2020 budget to mitigate the social effects of the pandemic. This coverage was possible thanks to the social registry (Cadastro Único), records from other transfer programs and from complementary mechanisms that helped reach more people.

According to Gonçalves et al (2021), this program improved income distribution and sustained families with reduced incomes, particularly those earning less than half the minimum wage, with an average recovery of 76% and 32% within the first and second quintiles. This is confirmed by the Gini Index drop estimated to the assistance (8.4%). In 2021 this program was replaced by another called "Auxílio Brasil", with a smaller scope.

Chile: The Emergency Family Income (IFE) also had significant coverage. It directly benefited 4.5 million people, 23.7% of the country's 2020 population. It consisted of 6 payments for USD 576 (IDB, 2021b), as temporary money transfers for households listed in the Social Household Registry (RSH). Initially, it applied to households without formal income and to those with low formal incomes. Afterwards, it was made available to 90% of the most vulnerable households according to the RSH.

Between January and March 2021, the IFE welcomed 60% of the RSH's most vulnerable population, with a benefit that varied in amount depending on the health situation of the commune. In April 2021 IFE was expended to aim at households within the 80% most vulnerable according to the RSH, with deliveries of approximately USD 143 per person. From June to November 2021, the Universal IFE was established; its amount was associated with the number of family members. According to the Chilean government, between May 2020 and November 2021, 16.7 million people were covered with an average amount of USD 25.28 billion²¹.

²⁰ Created via Law 13.982. See <https://legis.senado.gov.br/norma/32045742/publicacao/32050248>

²¹ <https://reporte.hacienda.cl/ingreso-familiar-de-emergencia/>

Colombia: established the Solidarity Income Program, with unconditional cash transfers in favor of people and households not covered by existing programs²², that were in situations of poverty and vulnerability according to the score in the System for Identifying Potential Beneficiaries of Social Programs (SISBEN)²³. It granted USD 43 per month, an amount higher than the extreme monetary poverty line (USD 39.3), but which does not reach half of the monetary poverty line (USD 89.8). The program continued in 2021 with a USD 568 million investment and was expected to continue benefiting about 700 thousand people per year²⁴, since 20% of the citizens fell into poverty and 25% into extreme poverty between 2019 and 2020.

Some studies argue that this program encouraged households to report basic income levels and to register increases in spending or time spent on educational activities (Gallego et al, 2021). At the same time, it significantly increased the likelihood of a household member opening a bank account, promoting financial inclusion.

Ecuador: delivered the Family Protection Bonus, an unconditional transfer of USD 60 per month (April and May, Phase 1) or USD 120 for a single time (May and June, Phase 2), focused on the most vulnerable people, enrolled in peasant social security or unpaid work, and who do not receive other bonuses. In an additional phase, it focused on the vulnerable population residing in the Galapagos, due to the additional mobility restrictions implied by this location.

Its expected coverage was 71% of families below the poverty line. It complemented existing programs such as the BDH (320,000 beneficiaries), pensions for the elderly (245,000) and aid for people with disabilities (64,000). Its mitigation of the pandemic's effects was modest, with amounts considerably smaller than the observed income declines. This is because the program focused on households within the first income decile, even though income contractions reached the middle deciles (Jara, Montesdeoca, & Tasseva, 2021).

These programs were especially significant for the most affected households. A summary of these measures follows.

²² Programs such as: Families in Action, Social Protection for the Elderly, Youth in Action or VAT compensation

²³ Siben allows classifies the population in accordance to their living conditions and income. This is used to target social investment and ensure that funds are allocated to those who need it most (National Planning Department, 2021).

²⁴ https://www.minhacienda.gov.co/webcenter/ShowProperty?nodeId=%2FConexionContent%2FWCC_CLUSTER-167757%2F%2FidcPrimaryFile&revision=latestreleased

Table 3: Cash transfers implemented during the Covid-19 pandemic

Country	Tipo	Program Name	Target audience	Beneficiaries	Benefits	Vigencia	Gender & vulnerab.	New or existing	USD Millions
Argentina	General	Bonus for Universal Child Allowance and the Universal Pregnancy Allowance users		4,3 million	Allowance for each child				
		Family Support Allowance	Households vulnerable to COVID-19 deaths		USD 163				
		Reinforcement of beneficiaries of social plans	for those earning half the minimum wage	556,000 people	USD 32				
		Emergency Family Income	Informal workers, unemployed and autonomus	9 million	3 rounds of USD 141			Nueva	3,713
	Specific	Extraordinary Support Culture of Solidarity	Cultural workers	40,000 direct beneficiaries.	2 money transfers of USD 162				
		15% refund for debit card purchases	Retirees, pensioners with minimum payment; holders of AUH and AUE			may 2020 - dic 2021			
Brazil	General	Increased coverage of the Bolsa Familia Program		1.2 million families; 3 million people				Expanded	
		Emergency Assistance	Unemployed, informal or social worke	65 million	5 monthly USD 114			New	57,000
	Specific	Continuous Benefit Benefit (BPC)	people with disabilities and older adults who use the PCB		USD 196				
		Continuada (BPC)							
Chile	General	Emergency Family Income (IEF)	households in the RSH	14.5 million people	6 USD 576 payments	2020-2021	56% women	New	25,280
	Specific	Middle-Class Bonus	One-time payment in eligible cases	1.9 million		2020-2021		Expanded	2,600
		Pension Funds Bonus	A bonus for workers without pension funds	3.5 million	USD 200			New	935
Colombia	Generales	Solidarity Income Program	Individuals and households in vulnerability according to SISBEN	700 thousand	USD 43 per month	2020			568
	Specific	Senior Program	15 extra transfers to previous users		USD 22 per month	Apr 2020 - Jun 2021		Expanded	
		Temporary financial compensation	Contagions of affiliates to the regime, one per family		7 days of minimum wage			New	
		Families in Action	Families using the program	2.5 million	5 extra payments of USD 40			Expanded	
		Youth in Action	Families using the program	296,222 young people	5 extra payments of USD 97			Expanded	
Costa Rica	General	Plan Protect	Workers unemployed by the pandemic (Three times)	724 thousand people	USD 213 suspension or loss; USD 106 reduction	April - Nov 2020		New	436
	Specific	Transfers due to contagion	Support for contagion or death by COVID-19.	35 thousand people	USD 85 - USD 120	April-Oct, 2020		New	11
Ecuador	General	Family Protection Bonus	Affiliates to peasant social insurance or unpaid work, without bonuses	1 million families	Total payments up to USD 120			New	90
		Family Protection Bonus	People without income, in poverty or extreme poverty.	7,992 families	USD 240			New	1.9
	Specific	Contingency coverage for economic contraction	Transfers to actors identified as vulnerable.		USD 15 bimonthly (max 6 payments)			Expanded	15.7

Source: IDB (2021b). ECLAC (2020); United Nations CRDS Observatory, Information from official sources in each country / Own elaboration

NON-MONETARY INTERVENTIONS TO SUPPORT THE SOCIAL SECTOR

Other measures were aimed at guaranteeing access to basic services (electricity, water, gas, housing) and strategies (education). Below are the measures implemented in these areas.

Tabla 4:
Non-monetary interventions implemented during the Covid-19 pandemic

	País	Descripción
Food	Argentina	Increase in coverage and amount (50%) of the Food Card, with 2.5 million beneficiaries.
	Brazil	<ul style="list-style-type: none"> - <i>Food Distribution Action (ADA) and Fraternal Brazil</i>: Solidarity network that delivers food baskets to vulnerable families in the municipalities most affected by the pandemic. - <i>Distribution of food baskets to indigenous families.</i> - <i>School meals for families of students in the public basic education system.</i>
	Chile	<ul style="list-style-type: none"> - <i>Food delivery to 130 Common Pots</i>: 24 rations to 28 thousand people throughout the country. - <i>Food for Chile</i>: Delivery of 2.5 million baskets (food and cleaning supplies). - <i>Canasta Junaeb</i>: Adjustment of food delivery to the School Feeding Program's beneficiaries.
	Colombia	<ul style="list-style-type: none"> - <i>Colombia is with you</i>: Delivery of food (basket valued at USD 27) to vulnerable citizens. - <i>Colombia is with you, migrant</i>: Specific attention to this group, not covered by other programs. - <i>Colombia is with you, one million families</i>: Food and access to drinking water in remote areas. - <i>Colombia is with you, Senior</i>: Food for 15 days, in a family nucleus of 4-6 people. - <i>Food for La Guajira</i>: Delivery of around 32 tons of food in this sector. - <i>Nutritional baskets in early childhood.</i>
	Costa Rica	<ul style="list-style-type: none"> - <i>Food and nutrition program</i>: Delivery of school meals, despite virtuality. - <i>Children's Center for Nutrition and Comprehensive Care</i>: Delivery of food to beneficiary families. - <i>The National Women's Institute</i>: Support for women in vulnerable conditions. <p>In these three measures they represented USD 145 million, equivalent to 0.23% of GDP in 2020.</p>
	Ecuador	<ul style="list-style-type: none"> - <i>Food baskets</i>: Provision (18 days) for disability or catastrophic illness. - <i>School feeding</i>: Delivery of food rations for an 18-day consumption. - <i>Food kits</i>: For 245 thousand Ecuadorean families with limited resources.
	Argentina	<ul style="list-style-type: none"> - <i>Freezing of electricity and gas tariffs (2020)</i>. In 2021, gas rates grew by 9%, and electricity rates by 16%-20% (metropolitan area). These subsidies accounted for 1.7% and 3.4% of GDP. - <i>Subsidies for the consumption of domestic gas by networks</i> (USD 600 million) and the <i>Program to Stimulate Investments in Developments of Natural Gas of Unconventional Reservoirs</i> (USD 530 million).

²⁵ <https://tarjetaalimentaria.argentina.gob.ar/>

Basic services	Brazil	<ul style="list-style-type: none"> - <i>Suspension of power cuts</i> due to non-payment in low-income households. - <i>Exemption from electricity payments</i> to low-income families, for three months.
	Chile	<ul style="list-style-type: none"> - <i>Payment facilities and service continuity (electricity, water, internet)</i> to 40% of vulnerable households.
	Colombia	<ul style="list-style-type: none"> - <i>Resumption and freezing of tariffs</i> in domestic water and sewerage services. - <i>Free reconnection</i> of water, electricity and gas services. - <i>Water subsidy to rural operators</i>: Partial coverage of costs to be transferred to rural families. - <i>Telecommunications service</i>: Postponement of mobile network suspensions for non-payment (1 month), and guarantee of access to text messages and navigation in 20 Internet addresses.
	Costa Rica	<ul style="list-style-type: none"> - <i>Suspension of water service cuts</i> for non-payment (April-June 2020) and provision of payment facilities. - <i>Tariff reduction (50%) of electricity service</i> to commercial and industrial corporate customers between March and May 2020. Deferral of the remaining 50% in the second half of 2020.
	Ecuador	<ul style="list-style-type: none"> - <i>Tariff freeze (until September 2021) and temporary suspension of default cuts</i> (until November 2020) in drinking water, electricity, telecommunications and internet. - <i>Coverage of extra residential electricity use</i> (March-August 2020), up to 500 kWh/month. - <i>Direct exemption from electricity payment</i> to 4.3 million people (25.3% of the population). - <i>Emerging mechanisms for access to ICTs in prioritized areas</i>, during the emergency state. - <i>Liberalization of the use of frequencies</i> in 369 parishes, especially in education and health spaces.
Education	Argentina	<ul style="list-style-type: none"> - <i>Educational Platform "We Continue Educating"</i> with pedagogical resources without access cost. - <i>Educational programs on national radio and TV channels</i>, twice a day. - <i>Design of protocols and plans</i> to restart face-to-face classes.
	Brasil	<ul style="list-style-type: none"> - <i>Free public family literacy program</i> to sustain learning from home. - <i>New Paths Program</i>: incentive to entrepreneurship and technological study in the country.
	Chile	<ul style="list-style-type: none"> - <i>Support for students with disabilities (Higher Education)</i>: With services and technological resources. - <i>Middle-Class Protection Plan 1</i>: Exceptional application for credit for higher education, aimed at the most vulnerable 90%, with falling income and without access to scholarships or gratuity. - <i>Delivery of tablets - Abriendo Caminos program</i>: to children and adolescent beneficiaries. - <i>National Plan Chile recovers and learns</i>. Levelling, socio-emotional well-being and school retention.
	Colombia	<ul style="list-style-type: none"> - <i>Educational Aid - ICETEX</i>: grace periods, an extension of terms and new credits (2020). - <i>Solidarity Fund for Education</i>: finances the Educational Aid plan; private (up to baccalaureate) and public (higher) educational credit in the face of vulnerability; and, employability programs.
	Costa Rica	<ul style="list-style-type: none"> - <i>Prepaid mobile internet packages at low cost for students</i>.
	Ecuador	<ul style="list-style-type: none"> - <i>Contextualized educational plan</i>: Provision of tools and methodologies to adapt the educational model in three phases: Learning at Home; Care; and, Progressive return to in-person attendance.

Gender	Argentina	<ul style="list-style-type: none"> - <i>Red Mask Program</i>: Attention to cases of gender violence through pharmacies. - <i>Automatic extension of protection measures</i> for victims of gender-based violence. - Urgent fiscal measures to address cases of gender-based violence during the isolation. - <i>Strengthening care and accommodation services</i> in cases of gender violence.
	Brazil	<ul style="list-style-type: none"> - <i>Definition of policies to combat violence</i> against girls and women in the pandemic. - <i>Strengthening of the toll-free hotline 180</i> for women in situations of violence. - <i>Domestic violence contingency plan</i>: intersectoral and territorial actions. - <i>Communication and response program</i> for cases of gender violence through pharmacies. - <i>Domestic violence measures protecting women, children, the elderly or people with disabilities</i>.
	Chile	<ul style="list-style-type: none"> - Extension of precautionary measures of the National Service for Women and Gender Equity. - Contingency plan to continue the care, protection and reparation of victims of violence. - <i>Initiative "Mask 19"</i>: Attention to cases of gender violence through pharmacies. - Extension of the <i>Housing Subsidy Agreement</i> for Women Victims of Violence.
	Colombia	<ul style="list-style-type: none"> - <i>Attention to cases of gender violence</i> in pharmacies, supermarkets and gas stations. - <i>Uninterrupted service in family protection offices</i>, during the emergency. - Strengthening the investigation and prosecution of cases of gender-based violence. - Designation of 65 buildings as shelters to receive victims of domestic violence.
	Costa Rica	<ul style="list-style-type: none"> - Special telephone line to attend, supervise and accompany cases of gender violence.
	Ecuador	<ul style="list-style-type: none"> - <i>Campaign #MujerEcuadorTeAcompaña</i> with a telephone line and resources in indigenous languages. - <i>Protocol of inter-institutional and telematic attention</i> of gender and intrafamily violence cases. - <i>Foster Care Services</i>: 5 Shelters and 16 Comprehensive Care Centers. - <i>App Junt@s against violence</i>: free channels to help the emergency network.

Source: United Nations CRDS Observatory, Information from official sources in each country / Own elaboration

2.1.2 Productive interventions

The pandemic severely affected labor and productive activities in the region. Activated measures aimed to protect employees and their income, as well as to relieve companies in the payment of tax and financial obligations.

MAINTAINING AND RESTORING EMPLOYMENT

These interventions predominated in 2020, intending to protect unemployed people and those in the informal economy. At the same time, regulations were established to facilitate teleworking and, in general, to make the employment relationship more flexible and resilient. In 2021, it transitioned to reactivation measures, such as hiring subsidies (ECLAC/ILO, 2021c).

Table 5
Latin America and the Caribbean: typology and instruments of the main policies used to sustain or recover employment during the Covid-19 pandemic

	Maintenance of the employment relationship	Support for direct recruitment or transition to occupation
Instrument	- Payroll subsidies: Protection against unemployment, suspensions, and reduced hours.	- Subsidies for the return and rehiring of workers
Recipients	- Formal employees (present or absent) - New formal workers	- Unemployed, inactive and informal
Examples	- Argentina, Brazil, Chile, Colombia, Costa Rica, Paraguay, Peru, Dominican Republic and Uruguay	- Argentina, Chile, Colombia, Peru and Uruguay
Features to highlight	- Transient, during the most critical period - Overview of coverage - Minimum wage as a benefit benchmark	- Transience during the most critical period - Focus on priority focus groups

Source: Excerpted from ECLAC/ILO (2021) Employment Situation in Latin America and the Caribbean: Policies for the Protection of the Employment Relationship and Hiring Subsidies during the COVID-19 pandemic.

According to the ILO (2020a), the region established programs to sustain employment through the payment of benefits to companies and workers; facilities given for the social security system, tax administrations or other agencies. Two main types of interventions led: payroll subsidies and extension of protection instruments against unemployment.

Argentina: applied payroll subsidies with the Emergency Assistance Program for Work and Production (ATP), which postponed or reduced by up to 95% the payment of employer contributions to the Argentine Integrated Social Security System (SIPA), while partially covering the payment of private companies salaries. The ATP assisted with at least a complementary salary to 2.9 million workers in 306 thousand companies (83% or 254 thousand companies were small and medium-sized); and, a line of help to small taxpayers and self-employed, with access to credit with subsidized preferential rates. This accounted for 27% of the crisis response budget in 2020.

²⁶ It is an optional and simplified regime for small taxpayers that serves to simplify compliance with tax obligations (Earnings and VAT) and social security (retirement and social work) with a single fixed fee.

Among its drawbacks is the use of these funds by companies to speculate in the foreign exchange market and/or distribute profits. The Federal Administration of Public Revenues (AFIP) identified 2,000 companies with these irregularities, which were requested to return the received aid²⁷. It was also necessary to issue complementary measures such as the prohibition of dismissals and suspensions without just cause, due to lack of work or force majeure.

Subsequently, the ATP was replaced by the Productive Reactivation Program (REPRO II)²⁸, which consists of the payment of a fixed sum for one month, renewable and differentiated according to the sector, directly to the workers of companies adhering to the benefit. Assistance amounted to USD 94 for non-critical sectors and USD 231 for critical and health sectors. This program captured the majority of funds in 2021 (USD 454 million).

Brazil: implemented the Emergency Employment and Income Preservation Benefit (BEM), to sustain the income of formal wage earners with temporary suspension of contracts or reduction of working hours and income. Following the reduction agreements between workers and employers—25%, 50% or 70%, for up to 180 days—the government assumed the counterpart of these wages in accordance with Law²⁹ and preserved their hourly value³⁰. It also authorized the temporary suspension of contracts for up to 120 days³¹. In 2020, this program reached 10 million jobs³².

Chile: instituted the Guaranteed Minimum Income Law, which establishes a monthly tax burden subsidy for dependent workers with a gross monthly remuneration close to USD 445, in the first nine income deciles. For self-employed workers, a bonus equivalent to the Single Family Subsidy (SUF) was created, covering 2 million people without formal work³³, with an investment of USD 170 million. This group also received a 3-month subsidy for up to 70% of

27 <https://www.pagina12.com.ar/357786-las-empresas-que-compraron-dolares-deberan-devolver-los-atp>

28 <https://www.argentina.gob.ar/trabajo/repro2>

29 <https://www.gov.br/economia/pt-br/assuntos/noticias/2020/agosto/decreto-prorroga-prazos-do-bem-para-ate-180-dias>

30 Decree Number 10,470 extending, for up to 180 days, the deadlines for the Emergency Benefit for Conservation of Jobs and Income.

31 Véase: <https://www.gov.br/economia/pt-br/assuntos/noticias/2021/trabalho/abril/apos-sucesso-em-2020-governo-reedita-programa-de-manutencao-de-emprego-e-renda>

32 Ibid

33 Véase: <https://www.ilo.org/global/topics/coronavirus/regional-country/country-responses/lang--es/index.htm#CL>

their income tickets fall, and USD 793 per ballot³⁴.

The Middle-Class Bonus (BCM) provided a one-time economic aid of up to USD 708, to eligible workers and individual entrepreneurs, with about 2 million beneficiaries (10.6% of the citizens)³⁵. Finally, access to unemployment benefits in exceptional circumstances was enabled³⁶, investing USD 2 billion to cover 4.5 million people³⁷.

Colombia: created the Formal Employment Support Program (PAEF); a subsidy for the payment of payroll of dependent workers at up to 40% of the minimum living wage per worker, and only in the face of a 20% decrease in their sales. It reached 7.9% of the population (IDB, 2021b), but did not prevent the destruction of 2.4 million jobs and the unemployment of 1.14 million people in 2020. The 400,000 workers benefited by the PAEF represented only 16.4% of the jobs destroyed in 2020 and 35% of the newly unemployed. Of the 55,000 companies associated with the program, the access of large companies (80% of this group) is superior to that of MSMEs (9%). However, it is noteworthy that the benefit of the program was 50% higher for women. The measure was extended in 2022, with a budget of USD 298 million³⁸ and no changes in coverage.

The Service Premium³⁹ (PAP) Payment Support Program awarded a one-time payment of USD 59.6 for each employee with an income equivalent to the monthly minimum wage. This is in order to subsidize employers from their first service premium payment in 2020, benefiting 94 thousand of employers and covering 1.04 million jobs⁴⁰. Support of USD 42 was also offered to workers with a suspension of their contracts or unpaid leaves between April and June 2020, provided that the employer met the EFAP requirements. Its reach was 241,359 employers⁴¹.

³⁴ https://www.cnnchile.com/economia/comienzo-entrega-beneficio-trabajadores-independientes-requisitos_20200624/

³⁵ <https://www.chileatiende.gob.cl/fichas/91008-bono-para-la-clase-media-aporte-fiscal-2021#:~:text=El%20Aporte%20Fiscal%20para%20la,consecuencia%20de%20la%20emergencia%20sanitaria>

³⁶ Law No. 21.277 on Employment Protection.

³⁷ <https://reporte.hacienda.cl/ley-de-proteccion-al-empleo/>

³⁸ Disponible en: https://www.minhacienda.gov.co/webcenter/ShowProperty?nodeId=%2FConexionContent%2FWCC_CLUSTER-167757%2F%2FidcPrimaryFile&revision=latestreleased

³⁹ "The service premium is a social benefit paid by the employer and corresponds to the payment of 15 days per semester worked, which must be made directly to the worker, maximum on June 30 and during the first 20 days of December" (Economy and Business, 2019). This measure only benefits those who have an employment contract of more than one year.

⁴⁰ <https://paef.ugpp.gov.co/ver20/dfV3Pap>

⁴¹ <https://paef.ugpp.gov.co/ver20/>

Costa Rica: Its "Protection Bonus" is the most significant temporary monetary transfer among the reviewed cases: USD 213 for loss or suspension of employment and another USD 106 for reduction of working hours; with three deliveries between April and November 2020. It served 724,330 people—69% of the applicants or 34% of the pre-pandemic employed population—. It is estimated that it avoided poverty in 3% of households, investing USD 436 million or 0.7% of GDP in 2020.

Likewise, the Temporary Employment Subsidy in cases of unemployment directly associated with the pandemic was created, for three monthly deliveries of USD 326 each⁴². Its coverage was 7.7% of the population, benefiting 375,000 families⁴³. Another temporary subsidy of USD 327 was given to around 1,800 lottery sellers for 3 months.

Ecuador: The option of modifying the original contractual conditions with direct and bilateral agreements was approved, with the possibility of becoming mandatory when the majority of an employer's workers accepted the modification. In case of dismissals during the first year of its implementation, the severance payment would be calculated on the salary received before the agreement. At the same time, the settlements associated with the unjustified use of the force majeure cause after this subscription would imply a 1.5x payment of the untimely dismissal. The flexibilization included: unilateral vacations scheduling by the employer; absence compensation; regulations for teleworking; reduction of working hours by up to 50%; and, guarantees on the contractual relationship of workers belonging to vulnerable groups.

Since 2021, more countries in the region have introduced subsidies for the hiring or return of workers; others redesigned them to cater to more specific groups.

⁴² https://www.imprentanacional.go.cr/pub/2020/03/31/ALCA69_31_03_2020.pdf

⁴³ <https://www.ameliarueda.com/nota/subsidio-temporal-empleo-por-covid-19-costa-rica-decreto>

Table 6
Countries that implemented hiring subsidies, 2021

Country	Name	Target audience	Design elements
Argentina	"Te Sumo" program, promotion of youth employment (18-24 years) in MSMEs	MSMEs that hire (dependency relationship) young people with completed secondary education. The Profit increases if you hire women or non-binary people.	Cubre entre 50%-90% del salario del nuevo empleado por 12 meses, según el tamaño de la empresa (ARS 18,000 pesos en microempresas, ARS 14,000 en empresas pequeñas y ARS 11,500 en medianas). Los subsidios se suman a las deducciones impositivas y, en el primer año, alcanzaría 95% en contrataciones de mujeres o personas no binarias y 90% en ingresos de hombres.
	Registered Program	Hiring and registration of workers in private homes	The employer registers the worker in the AFIP and pays her contributions, which opens an automatic and free account in the worker's name with the Banco de la Nación; the State transfers 30%-50% of the salary and the employer covers the remaining percentage.
Chile	IFE labor: monthly subsidy that encourages the formalization of workers	Workers with labor relations started since august 1st 2021	Direct delivery to the worker (until December 2021): - Men 25-55 years: 50% of the MBR, up to CLP 200,000. - Women, young people (18-24 years), men over 55, people with disabilities or disability: 60% of the MBR, up to CLP 250 000.
	Línea Regresa: monthly benefit on return after contract suspensions	Companies that reinstate workers on furlough by the Employment Protection Act	Monthly deliveries (until December 2021): - Men 24-55 years: CLP 160,000. - Women, young people (18-24 years), men over 55 years, and people with disabilities: CLP 200,000.
	Línea Contrata: monthly incentive for hiring and maintaining new workers	Companies that hire new workers	Monthly deliveries (until December 2021): - Men 25-55 years: 50% of the MBR, up to CLP 200,000. - Women, young people (18-24 years), men over 55 years, and people with disabilities: 60% of the MBR, up to CLP 250,000.
Colombia	Promoting youth employment: Sacúdete Strategy	Companies that link young people (18-28 years old)	25% of a current legal monthly minimum wage.

Source: based on ECLAC/ILO (2021c).

TAX RELIEF

This category provided individuals and businesses with extra liquidity to counteract the effects of the crisis and, later, to revive economic activity. Financial relief came from facilities for tax obligation payments and access to tax benefits, among others.

Argentina: temporarily postponed/exempted social security contributions within highly affected productive sectors, as part of the ATP. This reduced up to 95% of employers' contributions to SIPA. Besides, there were some deferrals on export duty payments for MSMEs⁴⁴.

Brasil: postponed the payment of social security and employer contributions (April-June 2020); and, the payment of simple taxes (for 6 months). The drawback regime, which suspended or eliminated taxes on imported inputs to be used on exports, was extended for one year⁴⁵.

Chile: returned Income Tax (IT) withholdings to independent workers (approximately 10%) associated with electronic slips issued between January and February 2020, benefiting 772,348 independent workers⁴⁶. A one-time-only IR early refund was also established in April 2020, covering 341,687 SMEs⁴⁷.

In April 2020, it established regulations on the treatment of tax debts of SMEs and people with lower incomes with the Republic General Treasury. This enforced payment flexibilities and suspended interests, fines, forced collections and clearings⁴⁸.

Colombia: changed the generation conditions and payments of IT, VAT and import tariffs. Likewise, it eased the compensation and return of pending values to taxpayers⁴⁹, to protect the consumption capacity of vulnerable groups during the health emergency. It benefited 1 million households, returning USD 20 in five bi-monthly cycles between 2020 and 2021.

⁴⁴ <https://cepalstat-prod.cepal.org/forms/covid-countrysheet/index.html?country=ARG&theme=3>

⁴⁵ It extended for one year the term of the export tax benefit "drawback regime", according to which taxes on imported inputs are suspended or eliminated for its Use in the exported product.⁴⁶ Véase: <https://reporte.hacienda.cl/devolucion-de-retencion-de-impuesto-de-enero-y-febrero-de-2020/>

⁴⁷ <https://reporte.hacienda.cl/devolucion-anticipada-de-impuesto-a-la-renta-2/>

⁴⁸ <https://dds.cepal.org/observatorio/socialcovid19/fichamedida.php?id=CHL010>

⁴⁹ Decree 535 of April 10, 2020

Costa Rica: established Law 9830, on Corporate Tax Relief, which extended the payment of VAT, Utilities, Selective Consumption and Import Tariffs, from March to May 2020. In 2021 it extended the VAT exemption for commercial leases (January to March) and postponed the payment of taxes of affected sectors such as tourism, where the tax of USD 15 and 5% to the issuance of air tickets was postponed 4 months due to the closure of air flights, covering 50,000 agencies.

Ecuador: extended payment terms and enabled the proration of corporate income (2019 fiscal year) and VAT (April–June 2020)⁵⁰. The measure focused on microenterprises (regardless of their economic activity⁵¹), exporters, taxpayers from Galapagos and those within the most affected sectors (airlines, tourism or agriculture)⁵².

In addition, it encouraged the granting and restructuring of credits in private financial institutions by reducing 50% of their IT and exempting them from the corresponding legal domestic contribution⁵³. Finally, taxes deadlines were extended for companies covered by the incentives stipulated in the Law for Productive Promotion, Investment Attraction and Employment Generation and in the Law of Simplification and Tax Progressivity.

Table 7: Summary of tax relief measures

Country	Type	Objective tribute	Beneficiaries
Argentina	Postponement/waiver	Social security contributions	Enterprises
	Deferment	Export duties	MSMEs
Brazil	Postponement	Social security contributions and Simple taxes	Enterprises
	Extension	Benefit " return regime"	
Chile	One-time return	IT	Self-employed workers and SMEs
	Special treatment	Tax debts	
Colombia	Extension of deadlines	IT	Taxpayers in general
	Expedited procedure	IR and VAT return/compensation	
Costa Rica	Moratorium	VAT, Utilities, Consumer Selective and Import Tariffs	Enterprises
	Postponement	Specific taxes	Tourism
Ecuador	Extension	Corporate IT and VAT	Microempresas; export.; resid. de Galápagos y sectores afectados

Source: Authors

⁵⁰ Available at: <https://cutt.ly/LEtVOT7>

⁵¹ Those with annual gross revenues of up to USD 300,000 in fiscal year 2019.

⁵² This activity must represent at least 50% of their income

⁵³ Compulsory and differentiated contributions to the Deposit Insurance and the Liquidity Fund, defined in the Monetary and Finance Code. See <http://www.pge.gob.ec/documents/Transparencia/antilavado/REGISTROOFICIAL332.pdf>

PAYMENT FACILITIES AND ACCESS TO CREDITS

Other measures provided financial support to companies and individuals, through payment facilities for debts with the financial system and access to credit for economic reactivation.

Payment facilities and debt restructuring

Brasil: suspended requirements for companies and individuals to acquire credit operations with financial institutions, until June 2021. This sought to streamline the analysis and release of credits while facing the economic impacts produced by the pandemic⁵⁴.

Colombia: boosted debt capitalization, liabilities discharges and sustainable debt pacts (Decree 560 of 2020). This initiative intended to resolve debt crises and avoid debt liquidations and the consequent job losses. At the same time, capital and interest grace periods were enabled on housing loans and housing leasing contracts.

Costa Rica: readjusted payment instalments of public banks' loans (April to June 2020), a measure that later permeated private financial institutions. This authorized public and private banks to renegotiate conditions of individual and corporate loans of at least USD 170,000, within 24 months, without tagging them as special (renegotiated). The three state banks lowered their interest rates, extended payment deadlines, provided extensions and legitimized extraordinary payments to capital, benefiting mainly companies. In addition, an emergency corporate loan portfolio of USD 973 million was opened to finance seed capital, inputs purchases and payroll payments.

Ecuador: promoted the redefinition of credit conditions and interest rates (May 2021). It established mediation processes to restructure debts and obligations between those who exercise commercial, economic, cultural and recreational activities and their creditors. In addition, it aimed to make contracts more flexible when their fulfilment was not possible in the original terms.

Access to credit and promotion of economic reactivation

Funds and guarantees were created to protect businesses' liquidity and facilitate their access to credit, especially within sectors with greater affection or potential.

⁵⁴ <https://dds.cepal.org/observatorio/socialcovid19/fichamedida.php?id=BRA014>

Argentina: implemented the Guarantee Fund (FOGAR), which supported 56,000 SMEs and 550,000 small taxpayers or self-employed agents through subsidized rates on productive loans and working capital. These instrumented 326,000 loans to more than 48,000 SMEs in 2020 (ECLAC)⁵⁵. The total investment included USD 4.573 billion in expenses and exemptions and USD 10.616 billion in loans and guarantees; 57% of the total aid package.

Brazil: established a USD 1.4 billion credit line for MSMEs, with a 40% reduction of interest rates for 2020—from 1.59% to 1.19% monthly—, grace periods of up to 12 months and payback periods of up to 36 months. The National Support Program for MSMEs (Pronampe) also created the Operations Guarantee Fund (FGO), to back up 4.5 million MSMEs in need of working capital. It covered up to 100% of the operation or 85% of the portfolio, investing USD 2.757 billion.

Chile: strengthened its Guarantee Fund for SMEs (FOGAPE), injecting USD 3 billion and relaxing financing requirements for affected companies⁵⁶ with annual sales of less than one million Development Units (UF)⁵⁷. Its coverage included capital needs, wages, rents, supplies, pending invoices, tax obligations and other operational needs. The credit could not exceed 25% of their annual sales or the equivalent to 3-month sales, with a payback period between 24 and 48 months and, at least, a 6-month grace period for the first instalment. It implicated 283 thousand operations for 324.6 million UF in 2020.

It was replaced with FOGAPE Reactiva in 2021, extending payback periods for state-guaranteed loans until 2028. Its scope also expanded to investments, working capital and refinancing of other debts, especially in MSMEs. The allocated resources exceeded USD 2 billion, to support 207,372 operations valued at 224,745 million UF. MSMEs constituted 96.95% of beneficiaries and qualified for 57.9% of the total financing⁵⁸.

Likewise, a USD 1,300 Relief Bond was granted to SMEs, plus an additional variable bonus, equivalent to their 3-month average VAT declared in 2019 and with a USD 2,600 cap.

⁵⁵ <https://www.cepal.org/es/publicaciones/46743-analisis-politicas-apoyo-pymes-enfrentar-la-pandemia-covid-19-america-latina>

⁵⁶ UF value as of November 29, 2021 was USD 30,981.77

⁵⁷ https://www.cmfchile.cl/portal/estadisticas/617/articles-46781_doc_pdf.pdf

⁵⁸ https://obtienearchivo.bcn.cl/obtienearchivo?id=repositorio/10221/32790/2/Creditos_Fogape_29_nov2021_DVF.pdf

These bonuses were 20% higher when women owned individual limited liability companies. In total, it benefited 820,545 individuals⁵⁹.

Colombia: requested the implementation of direct credit lines to mitigate the impacts of Covid-19 and optimize capital usage of state financial entities⁶⁰. It transferred resources to the National Guarantee Fund (FNG) to be issued as new loans for MSMEs or individuals who stopped receiving income (independent or unemployed). It also structured the United for Colombia program, which disbursed USD 5,442 million: 72% to working capital; 3.66% to independent workers; 5.48% to microfinance; 2.98% to large companies; and, close to 1% to housing.

FNG also enabled business loans for employment protection, through a 90% guarantee of credits destined for payroll payments. Included three lines of guarantees: payroll payment—USD 3.2 million and 90% coverage; working capital (USD 812 million, up to USD 600,000 per company and an 80% coverage); and self-employment—\$270 million, for up to 25 minimum wages⁶¹.

Costa Rica: The Costa Rican Central Bank (BCCR) created a particular credit line for USD 1,166 million⁶². The resources were channelled through financial entities supervised by the General Superintendence (SUGEF), whose review and approval were required to activate the transfer.

Among the programs to support specific sectors, USD 500,000 were allocated to finance 60 rural-women-led tourism initiatives and created a USD 800,000 fund to finance furniture, equipment, remodelling and working capital of tourism cooperatives and small associations. There was also a designation of USD 5.6 million (USD 4 million in non-reimbursable funds and USD 1.6 million in reimbursable funds) for exporter MSMEs in the agricultural, food, industrial or service sectors. However, as there are very few MSMEs that export, this measure mostly benefited medium-sized companies. Finally, Banco Popular opened a credit line for USD 16 million, to support affected MSMEs with their payroll, operation costs and supplies.

⁵⁹ <https://www.cepal.org/es/publicaciones/46743-analisis-politicas-apoyo-pymes-enfrentar-la-pandemia-covid-19-america-latina>

⁶⁰ UF value as of November 29, 2021 was USD 30,981.77

⁶¹ https://www.cmfchile.cl/portal/estadisticas/617/articles-46781_doc_pdf.pdf

⁶² https://obtienearchivo.bcn.cl/obtienearchivo?id=repositorio/10221/32790/2/Creditos_Fogape_29_nov2021_DVF.pdf

Ecuador: entre 2020 y 2021 canalizó USD 872 millones a través de entidades públicas y del sistema financiero nacional para fortalecer el sector productivo, parcialmente gracias al acceso a fondos de organismos multilaterales. Reactívalo Ecuador es de los programas más relevantes, con la entrega de créditos a MiPymes, artesanos y organizaciones de la Economía Popular y Solidaria (EPS). El plan era ambicioso, pero no se cumplió a cabalidad porque: no ingresaron todos los fondos que se esperaban; las condiciones no eran atractivas para el sistema financiero; y, la inestabilidad del contexto contrajo la demanda de créditos⁶³.

Resurgimos Ecuador was created as an improved version, with governmental funds (USD 100 million), and channelled by private banks and EPS entities, to cover more productive sectors, particularly those with greater financing needs. At the same time, the program reduced referential interest rates: 25% for the business segment and 30% for SMEs and microcredit⁶⁴.

The Emprande Fund financed ventures with seed capital for the implementation of productive ideas and productive innovations (with risk capital for the expansion of consolidated projects). It offered two lines: Capital Crece, with USD 1 million for entrepreneurs and USD 7 million for MSMEs; and, Capital Progreso, with USD 2 million for MSMEs.

Table 8
Summary of financial measures

Country	Payment facilities and debt restructuring	Access to credit and promotion of economic reactivation
Argentina	Nd	FOGAR, aimed at SMEs, small taxpayers and the self-employed, which subsidized the rates for productive loans and working capital.
Brazil	Suspension of requirements to facilitate access to credit for companies and individuals	Line of credit to support SMEs with a state guarantee, reduced rates and longer grace period.
Chile	Nd	FOGAPE: finances working capital, salaries, leases, outstanding invoices, tax obligations and other operational needs.

⁶³ <https://cutt.ly/PEtBtMN>

⁶⁴ <https://cutt.ly/NEtVLDy>

Colombia	Debt capitalization, discharge of liabilities and sustainable debt pact, to resolve debt crises and avoid liquidation; grace periods in loans for home acquisition.	FNG: supports new loans for MSMEs and individuals. Its structuring led to the creation of the United for Colombia program.
Costa Rica	Credit readjustment (public and private banks). Renegotiation of individual and corporate loan conditions. State banks: lower interest rates and extensions of payback periods.	A special line of the BCR channelled through financial institutions; Sector-specific and MSMEs programmes, usable in payroll costs, operating expenses and payments to suppliers.
Ecuador	Redefinition of credit conditions and interest rates; the restructuring of debts and obligations to creditors.	Reactivate Ecuador: loans to MSMEs, artisans and EPS organizations from public and private financial entities, with reduced interest rates. Fondo Emprende: fideicomiso para financiar el emprendimiento y la innovación productiva.

Source: Authors

The diversity of interventions in their application, objectives and results is confirmed. The next paragraphs highlight those that positively or negatively stand out in terms of their impact.

In **Argentina**, the IFE and the ATP were the most important. The IFE had remarkable coverage, reaching 9 million—or 1 in 5—citizens, with amount transfers similar to the minimum salary. In addition, it helped with structural improvements such as the financial inclusion of beneficiaries and gender equity (by preferring accreditation to women). The ATP, despite being conceived to promote production and employment, was executed with irregularities in at least 2,000 beneficiary companies that used the funds for market speculation and/or profit distribution. Even if the funds were fully recovered after filing complaints and requesting refunds, we remark on the consequently limited control capabilities that allow for social and economic inefficiencies/costs, impossible to neglect in a context of crisis.

In **Brazil**, the AE program for informal workers, unemployed and Bolsa Familia beneficiaries (66 million people, almost a third of the population) stands out for its coverage to tackle the lack of income and inequality, with 5 deliveries, each one of around a minimum wage.

The non-immediate availability of public funds through public and private financial institutions observed in **Ecuador** and **Brazil** stands out as limiting. Although the liquidity was used to expand States' operational capacity and access to funds, this caused slower responses given the emergency contextual conditions. At the same time, programs aimed at smaller enterprises did not fully achieve their goals because of the associated processes and requirements.

2.2 FINANCING OF IMPLEMENTED INTERVENTIONS AND MEASURES

The ability of countries to implement support measures depended highly on their fiscal space and their available financing options, either with their own resources or by resorting to debt (bond issuance or multilateral financing). To maintain the liquidity of the banking system and ensure payability in the production chain, central banks chose measures that reduced reserve requirements and benchmark interest rates.

The initial source to act against the health emergency was the mobilization of own resources: adjusting national, sectoral, regional and local budgets. **Costa Rica** resorted to this reorganization, complementing it with emergency budgets and financial reserves from the pension system. **Brazil** financed its measures by expanding its fiscal deficit and public debt, extending its legal margins due to the exceptional nature of the situation. Ecuador supplemented its financing with multilateral loans; the largest creditor was the IMF (USD 7.143 billion or 71% of the emergency budget), followed by the World Bank, the IDB and the CAF.

As the crisis progressed, governments activated measures to redistribute and sustain purchasing power, expanding their need for resources. The establishment of extraordinary taxes on large fortunes (10,000 individuals with assets greater than USD 1.7 million) allowed **Argentina** to recover some USD 3.157 billion⁶⁵.

⁶⁵ Its application was legislated as follows: 20% of the proceeds will be destined to purchase and manufacture medical supplies and equipment; another 20% for subsidies to Small and Medium Enterprises; another 20% will go to finance the Progresar educational scholarships; 15%, 15% will go to housing improvement works in vulnerable neighborhoods and 25% to natural gas production programs through the state company of IEASA energy.

Colombia and Ecuador approved solidarity taxes of a different nature: the extraordinary contributions fell on public servants⁶⁶. In Colombia⁶⁷, the USD 10 billion used to form FOME were raised with mandatory investments of credit institutions in Solidarity Bonds (TSD)⁶⁸.

2.3 SUBREGIONAL RESPONSES TO COVID-19

Sub-regional measures aimed to facilitate international trade, joint purchases of inputs, joint research, mutual support for nationals' repatriation and economic reactivation.

Central American Integration System: established measures to ease the trade of critical goods: food, fuel and medical, sanitary and hygiene supplies or equipment. They were exempted from in-force movement restrictions, approving simplified customs processes and eliminating or deferring custom duties in most countries. Moreover, deadlines for other internal taxes were extended and protocols to facilitate border controls were established.

It resulted in a *Regional Contingency Plan*⁶⁹ (March 2020), with 5 elements: i) Health and Risk Management; (ii) Trade and finance; (iii) Security, justice and migration; (iv) Strategic communication; (v) International cooperation management. It added recommendations to protect women's rights, food security and the promotion of research.

As a complement, Biosafety Guidelines for Central American Land Transport⁷⁰ (IDB-INTAL, 2021) were created, consolidating regulations related to the Central American free trade zone.

Andean Community: Its response was less immediate and aimed at maintaining the continuity of regional trade in the midst by adapting commercial processes to biosafety requirements, simplifying procedures to secure urgent supplies and promoting digitalization

⁶⁶ For the Constitutional Court, this decree is declared as unenforceable, through judgment C-293 of 2020, considering that "it violated the principles of generality of the tax and tax equity, since the present tax was intended only for public employment, and in his opinion this should also include natural persons with incomes equal to or greater than ten million pesos (COP 10,000,000)" (Ernst & Young, 2021).

⁶⁷ <https://id.presidencia.gov.co/Paginas/prensa/2020/Gobierno-Nacional-crea-el-Fondo-de-Mitigacion-de-Emergencias-para-atender-necesidades-del-sector-salud-200323.aspx>

⁶⁸ Decree 562 of April 15, 2020. A TDS was issued for a value of USD 2.638 billion.

⁶⁹ Disponible en https://www.sica.int/documentos/plan-de-contingencia-regional-del-sica-frente-al-covid19_1_121512.html

⁷⁰ This document was adopted by a Joint COMIECA-COMISCA Resolution on May 28, creating an important regional normative precedent that entered into force on June 7, 2020. For the first time, a regulation is developed jointly between entities of two Subsystems: Economic Integration and Social Integration. conjunto entre entidades de dos Subsistemas: Integración Económica e Integración Social.

mechanisms/protocolos de At the same time, established protections for particularly vulnerable segments. This included the creation of biosafety protocols for agriculture and rural areas, MSMEs support with trade promotion and e-commerce insertion and a common guide to coordinate humanitarian assistance in member countries.

When face-to-face activities returned, member countries developed protocols and transition guides specific to their context and productive sectors. For the economic reactivation phase, the work focused on developing strategic agendas (digital, agricultural, environmental) and promoting regional linkages (Pedraza, 2021).

Pacific Alliance: designed a joint work plan in favor of the group's economic reactivation⁷¹. The measures had partial financing from multilateral organizations such as IDB or CAF and focused on 13 areas: information exchange, trade facilitation, productive chains, support for MSMEs, tourism, culture, services, e-commerce, trade promotion, fellowships, gender, cooperation fund and innovation.

MERCOSUR: its members agreed to facilitate citizens' repatriation⁷², with periodic information exchanges about ongoing processes and boarder measures to be adopted. Regarding trade, the commitment included evaluating tariffs' reductions on disease prevention or health care products. It also offered some free movement of cargo and the adoption of economic measures, such as access to credit with international organizations (IDB, FONPLATA and CAF)⁷³ and the creation of a USD 16 million fund for a multi-national project on research, education and biotechnology applied to Health⁷⁴, which led to the instauration of a regional network⁷⁵. Out of this amount, USD 5.8 million served to strengthen Covid-19 diagnostic capacities, with equipment and supplies to detect contagions and protect health operators detección⁷⁶.

71 Disponible en: https://alianzapacifico.net/wp-content/uploads/PLAN_TRABAJO_COVID_19_.pdf

72 Véase: <https://www.mercosur.int/los-presidentes-del-mercosur-acuerdan-medidas-contr-el-coronavirus/>

73 Véase: <https://www.mercosur.int/los-presidentes-de-la-region-acuerdan-medidas-para-combatir-el-covid-19/>

74 MERCOSUR solidarity mechanism of own financing aimed to reduce the financial asymmetries of the block.

75 Institute of Biomedicine of Buenos Aires (IBIOBA-CONICET) of Argentina, the Oswaldo Cruz Foundation (FIOCRUZ) of Brazil, the Central Public Health Laboratory (LCSP) and CEDIC in Paraguay and the Pasteur Institute of Montevideo in Uruguay

76 Véase: <https://www.mercosur.int/esfuerzo-regional-contr-la-pandemia-el-mercosur-aprobo-un-fondo-de-emergencia-de-us16-millones-que-seran-destinados-en-su-totalidad-al-combate-coordinado-contr-el-covid-19/>

Comunidad del Caribe (CARICOM): managed a surveillance protocol and minimum standards around the Covid-19 outbreak⁷⁷ and an agri-food plan that will reduce the import of these products by 25% over the next 5 years⁷⁸. It also implemented a regional initiative to revive tourism, which was not only the most affected sector and was important for the whole subregion. For example, the requirement for PCR tests for low-risk travel was abolished⁷⁹ and an alert and monitoring network for suspect cases was created⁸⁰. In addition, an economic program was launched to ensure fiscal liquidity in the process of economic revitalization, with debt refinancing and measures to protect the balance of payments and boost regional production.

Overall, the responses from sub-regional blocs were diverse in approaches and dynamics (Annex 2). The immediacy of SICA's reaction is highlighted and it is observed that many actions arose to counteract the scarce productive diversification in the region. Therefore, access to a greater variety of suppliers, countries and companies must be part of the regional agenda, even to the point of relocating strategic production and technological processes⁸¹. The importance of orienting geopolitics to strengthen regional governance and to clarify joint action priorities, as well as to complement productive, commercial and technological capacities, was also confirmed⁸². Tax justice is key in the provision of resources to promote such transitions.

2.4 CONCLUSIONS

Despite the region's financial and structural constraints, all countries responded to the crisis caused by Covid-19. The central approaches of these actions did not vary much, but their scope, temporality, coverage and associated costs did.

In the social sphere, the analyzed countries granted monetary and non-monetary transfers, with a particular role of bonds or direct subsidies. Regardless of whether these answers came from new or pre-existing programs, common limitations arose. Registries for the identification and provision of the

77 Véase: <https://www.sela.org/es/prensa/servicio-informativo/20200302/si/62645/caricom>

78 Véase: <https://www.sela.org/es/prensa/servicio-informativo/20200728/si/66173/caricom>

79 Véase: <https://www.sela.org/es/prensa/servicio-informativo/20200923/si/69113/caricom>

80 Véase: <https://www.sela.org/es/prensa/servicio-informativo/20201022/si/69445/caribe>

81 CEPAL (23.07.2020) CEPAL insta a una cooperación regional urgente más allá de la pandemia para propiciar mayor integración y evitar una crisis alimentaria

82 CEPAL (27.09.2020) Cumplimiento de Agenda 2030 en el mundo post COVID-19 exige un nuevo pacto global y regional: CEPAL <https://www.cepal.org/es/noticias/cumplimiento-agenda-2030-mundo-post-covid-19-exige-un-nuevo-pacto-global-regional-cepal>

approved benefits or control systems to ensure their efficient implementation were among the most common. On the other hand, we emphasize on the potential of implementations that addressed immediate needs while building capacities to reduce structural gaps.

With regard to economic and productive measures, the emphasis was on employment resilience by protecting the liquidity and subsistence of affected productive units. Its coverage was important, but the requirements and processes associated with these benefits left out key segments such as MSMEs and informal entities. It was possible to improve the result with monitoring and control systems that prevented the inappropriate use of these funds.

In addition, some groups with specific characteristics of vulnerability did not receive targeted actions—or these were very limited—, as is the case of indigenous populations, older adults and people in conditions of unregulated human mobility. Further improvement is expected from defining specific actions and resources to be used with a gender focus or to be dedicated to addressing environmental crises triggered by the pandemic.

As for the sources of financing, ordinary public budgets were not sufficient, even after the internal redistribution and adjustments of priorities. Given this, Latin American economies had little real decision-making space and their action depended mostly on external resources and public debt—with bond issuances or loans from international organizations.

To leave the problem behind and start building solutions, it is recommended to develop more sustainable alternatives that allow for alleviating this excessive burden that countries face in the short term and, in the long term, to strengthen the fiscal balances by enabling alternative sources of income and achieving greater efficiencies in its use.

III. IMPACT OF THESE ACTIONS AND ASSOCIATED CHALLENGES

3.1 IMPACTS UNDER THE APPROACH OF TAX JUSTICE AND SOCIAL EQUITY

The measures reviewed in the previous section, with their strengths and weaknesses, were instrumental to contain the health and economic consequences that, while differing among countries, responded to common systemic and historical gaps.

According to ECLAC (2022a), between March 2020 and October 2021, 468 non-contributory social protection (assistance) measures were implemented in the region. Out of these, 207 were cash transfers: 34% from pandemic-specific programs; 6% amplified existing programs; and, 2% increased the coverage of previous initiatives.

Su alcance y efectividad para promover la equidad social depende de varios componentes. Uno relevante fue la posibilidad de identificar a la población vulnerable y responder focalizadamente a sus necesidades, dada la escasez de registros integrales y con actualización continua (CEPAL, 2022). Esto fue crucial tras la ola migratoria que vivió la región y con los cambios bruscos de tejido social que causó la pandemia. Varios gobiernos crearon métodos emergentes de identificación y registro (Palomo et al, 2022a), pero persiste la necesidad de crear sistemas de información apropiados.

Another critical component was the quality, coverage and adaptability of countries' social protection systems. Although social protection spending climbed to USD 86 billion in 2020, almost twice the 2018 allocation (ECLAC, 2021a), its levels were insufficient. The difference is massive when comparing values in developed and developing countries—16.4% vs 1.1% of their GDP, respectively, 1.25% in LAC. This becomes more critical once considering that the estimated investment required to guarantee basic social coverage in low-income countries is 15.9%⁸³.

Regarding inequality, as mentioned above, the regional Gini index increased only by 1% instead of the predicted 4% that would have occurred without emergency transfers (ECLAC, 2021a). Brazil's AE can be considered the most ambitious measure in the region⁸⁴, preventing 15 million

⁸³ https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_817653/lang--en/index.htm

⁸⁴ BID. (2021b). *Stock and characterization of programs to support incomes in LAC in the face of COVID-19*.

Brazilians from falling into poverty (IDB, 2021b) during its implementation. Unfortunately, programs with ambitious scopes are complex to sustain and this was not an exception. The budgetary constraints outlined above prompted the transition to more limited versions of the program, with the consequent impact on poverty and inequality. Thus, other lessons include the cruciality of measures' effective delimitation, both in their coverage and amounts, and their linkage to sufficient and continuous sources of resources, to achieve the needed sustenance.

Other interventions that deserve to be highlighted given their focus or structural implications are the Universal Child Allowance in Argentina, which introduced care value for the economic performance and production. There were also transfers for children, adolescents and older adults in Colombia. Along these lines, Lustig et al (2021) simulated the effects of the pandemic and the public response on Brazil, Argentina and Colombia's poverty levels, concluding that the losses were greater in deciles of intermediate income, as measures cushioned impacts on the lowest deciles. The net effect of implemented measures also vary depending on the fiscal efforts (investments) involved in their implementation (ECLAC, 2022a).

In-kind transfer programmes were also important. Among these, the adaptation of school feeding programs to virtuality was common. The opportunities for improvement around these interventions lie in their format and accessibility. For example, some programs established hours, delivery locations, and enrollment requirements that excluded the most vulnerable from the target audience. Overall, cash and in-kind transfers in response to the pandemic covered on average, at least once, nearly half of the Latin American population (ECLAC, 2021a).

As for employment policies, there were two stages. In 2020, they focused in jobs' maintenance, while in 2021 they encouraged new hires and the resumption of suspended contracts. Paradoxically, despite the high levels of informality in the region, these measures were mostly directed at the formal sector. In addition, these interventions vaguely included the largest and most at-risk productive segment: MSMEs (only 9% managed to access them). And beyond budget constraints, institutional weaknesses in their implementation and oversight resulted in abuses or funds misuse. Their adaptability, financing and supervision are a challenge for the social and labor entities that implement them (ECLAC/ILO, 2021c, p. 37).

In many cases, liquidity measures for enterprises failed to cover MSMEs' specific needs. Even where they were intended to do so, the associated requirements and conditions did not suit their characteristics. As a result, these programs did not place all the appointed resources or did so within audiences and sectors different to those initially chosen (i.e. larger companies).

The undertaken actions could also be improved in their sensitivity to territorial, life-cycle, ethnic and gender inequalities (Robles & Rossel, 2021). There were very few programs with a gender focus in their design and implementation, which is unfair when there is evidence of women being the most affected by the pandemic, both in immediate and amortized impacts. In this new phase of the crisis, measures must combat fundamental inequalities and lay the foundations for development that prioritizes social well-being and values care (ECLAC, 2022b).

The rural population, food supply guarantors during the confinement, was not compensated nor supported through usual problems, less in the extraordinary ones brought by the pandemic. In this regard, public policy must look after them by allowing their access to inputs, productive financing and public-private coordination mechanisms to ensure that their work translates into value (fair prices) and that their products reach the demand (ECLAC/FAO, 2020).

On the financing behind these interventions, out of the six analysed countries, only Argentina expanded its tax sources. The Extraordinary Solidarity Contribution of Great Fortunes, valued at USD 3,157 million per year, is a referential fiscal measure although not very popular, since it requires countries to reform their tax systems towards a more progressive approach.

3.2 RECOVERY AND PREPAREDNESS FOR POTENTIAL CRISES

Three components are highlighted to lead the regional social structure: 1) flexible, up-to-date and comprehensive registers; 2) the establishment of a new social pact; and, 3) the development of the necessary infrastructure.

A popular quote states that improvement is not possible on what cannot be measured. The pandemic confirmed that: the limitations of governments to identify and grant the available benefits and interventions were crucial. A civil society contribution on this line is the Atlas of Vulnerabilities⁸⁵, prepared by LATINDADD and Jubilee USA. However, countries' specificities require their investment to build tools and channels with maintenance processes that do not necessarily depend on the public budget, for them to be continuously fed, according to the structural and contextual characteristics specific to each country.

⁸⁵ Measures vulnerabilities to the pandemic in a holistic and multidimensional way, for 24 countries in the region <https://vulnerabilityatlas.org/hallazgos?lang=es>

The establishment of a new social pact must build upon the foundations of a welfare state. Beyond regional protection systems' heterogeneity, it is essential to clarify the ideas of what is their primary aim. This will help countries prioritize and decide the order in which the several identified gaps can be worked. Such a task gets particularly difficult when governments are elected, on average, every 4 years, a period in which they must show results. The identification and socialization of successful initiatives of this kind, inside and outside the region, serve to promote the consolidation and strengthening of this new pact. Examples include progressive and sustainable taxation; valorization of care; the vindication of historically excluded peoples and nationalities; and, the provision of more homogeneous access to basic needs.

The concept of infrastructure in the context of this process towards preparedness is broad. On the one hand, productive infrastructure would allow migrating towards processes and activities that generate greater and sustainable added value. On the other hand, inclusive social access to technological infrastructure is required, seeking its use for capacity building and people development. Finally, no transformation will be possible without human infrastructure, without the bottom-up generation of social actions and demands, as well as specific knowledge for this transition.

The pandemic should be seen as an opportunity to establish new development strategies that generate broader and more comprehensive social well-being, promote the transition to a caring society, and promote forms of adaptable production and work. A society that takes advantage of technological changes and responds to the evolution of social demands and contextual evolutions, and that mobilize citizen action towards the construction of inclusive and sustainable societies.

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ANNEXES

Annex 1:
Measures taken by Latin American and Caribbean countries in the face of Covid-19

	Antigua y Barbuda	Argentina	Bahamas	Barbados	Belice	Bolivia	Brasil	Chile	Colombia	Costa Rica	Cuba	Dominicana	Ecuador	El Salvador	Granada	Guatemala	Guayana	Haiti	Honduras	Jamica	México	Nicaragua	Panamá	Paraguay	Perú	República Dominicana	Saint Kitts y Nevis	San Vicente y las Granadinas	Santa Lucía	Suriname	Trinidad y Tabago	Uruguay	Venezuela
	35	262	29	40	88	89	255	454	242	239	105	34	66	265	59	245	55	62	96	67	75	55	179	105	144	221	24	30	69	100	59	86	51
Vaccination	0	38	0	4	2	7	3	55	55	27	5	0	0	64	2	55	15	1	3	0	6	21	74	3	27	30	0	0	11	7	0	0	0
1. Vaccination measures		38		4	2	7	3	55	55	27	5			64	2	55	15	1	3		6	21	74	3	27	30			11	7			
Intra and Inter-country mobility	13	13	7	6	17	15	9	58	13	20	19	7	8	23	26	31	10	10	6	16	2	4	20	27	5	29	8	4	20	48	11	8	11
1. Restrictions or prohibitions to foreigners' entry	4	4	1	1	3	2	6	9	4		3	2	1	3	3	5	3	3	2	3	1	2	5	3	1	3	4	1	4	1	2	1	1
2. Border closures and controls	4	1	2	1	3	1	1	12	5	3	1	2	3	4	5	2	1	2	1	7		1	4	3	1	1		2	1	12	1	5	1
3. Border controls	2	1	1	1	4	1		8		5	2			2		2		3	1			1		1	2			4	2	4	1	1	
4. Restrictions and closures of public places and reunions	3	2	2	2	5	11	2	24	2	8	4	3	3	9	17	4	5	1	1	5	1		9	21	1	2	4	1	10	28	2	1	5
5. Other		5	1	1	2			5	2	4	9		1	5	1	18	1	1	1	1			2		1	21			1	5	2		3
Health	9	24	5	3	24	7	82	195	28	37	13	6	10	71	5	49	5	18	26	16	11	9	21	9	21	55	4	6	8	6	10	7	8
1. Emergency actions	2	2	1		7	1	1	4	7	7	2	1	1	1		4	1	6	1	8	6		2	2	3	13	2	1	4		1	1	1
2. Compulsory coverage		1				1	1		1		1		1	2				1					1	1	1	3					1	1	
3. Compulsory confinement for foreign travellers and contagions		1	1	1	6		3	2	1	1	2		1	1	2	1	1	2	1	3		1	2	1	1	1	2	2	1	3	1	1	1
4. General compulsory confinement		4	1		5		9	151	10		1		3	3		1	1	1	1	4	1		6	1	5			2		1	2	2	
5. Detection tests (universal, reduced, to focus groups..)	3	2		1	2		1	4	2	2	1		1	8		2	1	1	1		1		3	1	4	3		1		1	1	1	1
6. Expansion of detection tests' coverage		2	1		2		1	1	1	1	1		1	7		2	1		1		1		1	1		1			1	1	1	1	1
7. Hospitals' equipment (ICU, protection materials, temporary areas, etc.)		7		1	1	1	4	29	2	10	1	2		18	1	13			14	1	1	1		1	5	11					1		2
8. Other	4	5	1		1	4	62	4	4	16	4	3	2	31	2	26		7	7		1	7	6	1	2	23		2		1	3		
Economy	5	95	6	8	25	29	88	61	87	79	27	11	16	48	10	55	13	17	24	15	28	9	33	26	41	63	2	8	13	22	17	34	14
1. Fiscal policy		10	3	1	5	15	17	10	17	29	4	1	4	10	3	11	7	2	3	5	2	1	7	10	10	20	2	1	4	4	1	3	2
2. Monetary policy		2	2	1	7	1	22	5	12	4					1	5		5	6	3	12	3	1	7	4	12			2	4	2	1	
3. Entreprises' policy	2	23	1	2	4	7	37	21	39	25	6	4	3	11	4	11	4		1	2	2	1	9	2	19	15		3	1		5	11	4
4. Restriction of economic activity	1	1		1	2	1	1	7	7	3	1	4	1	4	1	3	1	2	1	2	3		2	2	4	2		4	13	2	3	1	
5. Supply price and quantity controls		9				1	1	3	2	1	4		2	3		2		1	2				1	1		2					3	3	
6. Economic stimulus (fiscal measures' value-added aside credit guarantees)	1	31		1	2			14	4	2	3		2	2		8			7	1	5		7	2		1		1		1	4		
7. Hygiene and cleaning products' market regulation		1			2		1		5	1	3		1			2			1	1			1	1	1			1				3	
8. Debt alleviation and service payment suspension	1	15		1	2	3			1	5	1	1	1		1	3	1			1	2	2	2			1			1	1		7	1
9. Other		3		1	1	1	9	1		9	5	1	2	18		10		7	3		2	2	3	1	3	10		2	3	1	1	2	

	Antigua y Barbuda	Argentina	Bahamas	Barbados	Belize	Bolivia	Brasil	Chile	Colombia	Costa Rica	Cuba	Dominicana	Ecuador	El Salvador	Granada	Guatemala	Guayana	Haití	Honduras	Jamica	México	Nicaragua	Panamá	Paraguay	Perú	República Dominicana	Saint Kitts y Nevis	San Vicente y las Granadinas	Santa Lucía	Suriname	Trinidad y Tabago	Uruguay	Venezuela
	35	262	29	40	88	89	255	454	242	239	105	34	66	265	59	245	55	62	96	67	75	55	179	105	144	221	21	30	69	100	59	86	51
Employment	0	19	2	1	7	10	24	13	15	15	11	2	9	17	2	14	5	4	4	2	4	1	8	7	12	11	0	3	3	1	7	8	7
1. Employment protection		7	2	1	5	5	17	9	7	9	8	2	3	11	2	7	3	3	1	1	4	1	4	2	9	6		2	3		2	8	3
2. Elective work license						1	1		1							1			1				1							1		1	
3. Working hour' reduction		1				3	2			2			2			1	2	1	1	1			1	2		1				1		1	
4. Layoffs ban		5			1	1	1		2		1			1		1			1				1		1							1	
5. Other		6			1		3	4	5	4	2		4	5		4			1				2	2	3	3		1		1	3		1
Social protection	3	28	5	6	6	12	28	30	19	21	11	0	6	10	6	17	3	8	21	8	3	1	12	14	17	15	2	5	3	1	7	12	2
1. Cash transfers (new, extensions of existing ones in scope, amount, etc.)		19		2	2	7	8	19	13	9	3		2	3	3	10		4	1	8	3		4	8	13	7	1	2	1	1		4	1
2. Food and in-kind transfers	1	1	2	2	1	1	3	3	2	2	1		2	2		4	2	1	14			1	2	3	1	3		2				4	
3. Basic services guarantees	2	5	1		2	2	4	1	1	2	5		1	1	3	2			3				3	3	1	2	1	1	1			1	1
4. Other		3	2	2	1	2	13	7	3	8	2		1	4		1	1	3	3				3		2	3				1		7	3
Education	1	5	1	4	4	2	6	16	7	11	4	4	5	23	5	10	3	2	2	7	3	1	6	4	9	9	3	2	8	9	4	9	6
1. Classes suspension	1	2	1	2	2	1	1	3	2	3	2	2	2	2	4	1	2	1	1	3	2		3	2	2	1	2	1	4	8	2	4	1
2. Provisions to migrate toward virtual activities		1		2	1	1	3	8	1	4	1	2	1	13		4	1		1	3	1		3	1	3	3		1	2		1	2	4
3. Scholar lunch adaptation					1		2	2	1	1				1		1			1				1	1	1	1	1					2	1
4. Other		2						3	3	3	1		2	7	1	4		1				1			3	4			2	1	1	1	
Gender	3	39	3	8	3	5	11	25	18	25	10	4	11	8	2	7	1	1	10	3	18	8	3	14	12	5	5	2	2	6	2	8	3
1. Gender violence prevention	2	9		3	2	1	7	6	7	5	2	1	6	3		5	1	1	8	1	5	3	3	5	6	3	1			4	1	4	1
2. Care Economy		14				2		3	2	3	4		3	2							2			1	2	1				1	1		
3. Employment and revenue support		6	1	1			1	7	5	7	1	2		1	1	1			1		5	1		1	1		1						1
4. Transfers and benefits	1	5	2			1	1	3	1	2				1	1	1			2	3	1		1	1	1	1	2	1	2	1		2	1
5. Digital Participation		1					3	1	3													1		3	1								
6. Other		4		4	1	1	2	3	2	5	3	1	2	1					1		3	2	3	1			2		1		1		
Gender	1	1	0	0	0	2	4	1	0	4	5	0	1	1	1	7	0	1	0	0	0	1	2	1	0	4	0	0	1	0	1	0	0
Last update	21/08/2020	10/08/2020	11/10/2020	22/03/2021	9/03/2021	18/03/2021	7/04/2021	24/01/2022	29/05/2021	13/08/2021	9/04/2021	23/06/2020	05/08/2020	14/01/2022	8/12/2021	07/12/2021	14/08/2021	4/02/2022	21/04/2021	28/08/2020	7/12/2021	20/12/2021	18/01/2022	18/03/2021	23/06/2021	20/08/2021	26/06/2020	24/06/2020	11/04/2021	29/04/2021	26/06/2020	22/08/2020	27/07/2020

Source: COVID-19 Observatory in Latin America and the Caribbean: actions by country / Preparation: Own

**Anexo 2:
Medidas de los bloques regionales frente al Covid-19**

				
<p>WORK PLAN AGAINST COVID-19</p> <p>1. <u>Exchange of information</u>: exchange of information on all measures taken in the context of the pandemic.</p> <p>2. <u>Trade facilitation</u>: non-digital certificates of origin were accepted for preferential tariff treatment. Logistics automation processes related to the clearance of goods through VUCEs.</p> <p>3. <u>Productive chains</u>: 58 products, inputs and finished products are identified to promote productive chains between countries and identify suppliers to address the health emergency.</p> <p>4. <u>Support for SMEs</u>: Establishment of projects aimed at strengthening the digital skills of SMEs, and their incorporation into electronic commerce.</p> <p>5. <u>Tourism</u>: The reactivation plan for the tourism sector was designed, with the support of the IDB and the European Union.</p>	<p>1. Response to the pandemic</p> <p><i>Trade facilitation</i>: Extension of the validity of the Certificates of Suitability, Certificates of Qualification and the Crew Notebook. Facilities for the Issuance and receipt of certificates of digital origin. Simplification of procedures to market domestic, personal and cosmetic hygiene products in the region. Digitalization of procedures facilitation of Community customs transit.</p> <p><i>Support for SMEs</i>: Promotion of this business segment's participation in the macro Biosafety protocol to protect the Agricultural sector; "General biosecurity guidelines for the prevention of the risk of contagion of Covid-19 in rural areas". virtual business; as well as training through the "Exporting SMEs against Covid-19" program. Insertion of SMEs in e-commerce.</p> <p><i>Agricultural sector</i>: 28 resolutions have been issued linked to the Andean Price Band System, in addition to establishing a biosafety protocol to protect the agricultural sector; "General biosecurity guidelines for the prevention of the risk of contagion of Covid-19 in rural areas".</p> <p><i>Humanitarian Assistance</i>: Guide for the Coordination of Humanitarian Assistance of the Member Countries of the Andean Community.</p> <p>2. Post-pandemic measures and promotion of economic reactivation</p>	<ul style="list-style-type: none"> - Facilitate the return of citizens and residents of MERCOSUR States Parties to their origin places. - Notify other States of the adopted measures at the border. - Free cargo movement, merchandise and inputs, as well as the adoption of economic measures. - Assess the advisability, opportunity and possibility of lowering tariffs applied to products and inputs for disease prevention and health care. - Share good practices in Health, Interior/Safety. - Access to loans with international organizations such as the IDB and CAF. 	<p>"REGIONAL CONTINGENCY PLAN"</p> <p>1. Health and risk management: established prevention and containment measures; patient management; harmonization of informational preventive messages; and access to medicines, medical devices and other goods of health interest.</p> <p>2. Trade and finance:</p> <p><i>Trade</i>: maintaining full freedom of transit of goods, means of transport and the people who drive them. Tariff reductions on critical products, Strengthen border coordination in controls at border posts. Identification of logistics corridors. Reduce the negative impact on MSMEs and involve them in government procurement and contracting.</p> <p><i>Finance</i>: through CABEL, Create an Emergency Fund (USD 1 million per country); activate the Contingent Fund to sustain central bank liquidity (\$1 billion); the Liquidity Program for commercial banks (USD 350 million); and a Fiscal Emergency Fund (USD 350 million); manage funds for tests' acquisition. Promote economic reactivation.</p>	<ul style="list-style-type: none"> - Surveillance protocol and minimum standards to prevent an outbreak in the Covid-19 region. - Agri-food plan as a response to Covid-19. - A regional initiative to revive tourism in the region, the "travel bubble" programme was established. - Programa de Recuperación y Transformación Económica (CERT) de la CARICOM.

<p><u>6. Culture:</u> promotion of creative industries, online public-private dialogues on the digitisation of creative industries.</p> <p><u>7. Services:</u> Detection of barriers to trade in services for a post-pandemic world, with special emphasis on e-commerce.</p> <p><u>8. Electronic Commerce:</u> use of digital tools as a measure to face the effects of the pandemic. It was agreed to accelerate the implementation of the recognition of the cross-border advanced electronic signature.</p> <p><u>9. Commercial Promotion:</u> Virtual Roundtables of Sectorized Businesses, called E-Wheels, in order to generate business opportunities.</p> <p><u>10. Fellows:</u> support for young fellows from PA countries. Facilities for the return to their countries.</p> <p><u>11. Gender:</u> Promoting economic empowerment: women's participation in foreign trade.</p> <p><u>12. Cooperation Fund:</u> 4 projects were implemented Promotion Plan for the reactivation of Tourism; the Social Observatory; Strengthening tourism; Strengthening Basic Education digital competencies.</p> <p><u>13. Innovation:</u> Setting the COVID-19 Challenge for innovators, entrepreneurs and researchers.</p>	<p><u>Andean Digital Agenda:</u> Its purpose is to consolidate the development of the Andean digital ecosystem, seeking in this way to improve production processes, innovation, integrate digital markets and boost regional e-commerce.</p> <p><u>Andean Agricultural Agenda:</u> Seeks to strengthen rural and agricultural development, strengthen family farming, and food security; promote competitiveness and agricultural productivity.</p> <p><u>Andean Environmental Charter:</u> Seeks to comprehensively protect the use and conservation of biodiversity, ecosystems and oceans, in order to promote a "green, inclusive and resilient" post-pandemic recovery</p> <p><u>Regional linkages:</u></p> <p>diagnose and identify productive linkages in the primary sectors, manufacturing and services, with regional potential, in order to develop a strategy that benefits all countries.</p>	<p>- The (FOCEM) allocated USD 16 million to the Plurinational project "Research, Education and Biotechnologies applied to Health", which will be allocated in its entirety to the coordinated fight against COVID-19.</p>	<p>3. Security, justice and migration: Application of measures for the prevention, containment and referral of possible outbreaks of COVID-19 in the exercise of the tasks that are implemented to guarantee the services and attention of the security, justice and migration sector, as well as the populations. Comprehensively strengthen cross-border security</p> <p>4. Strategic Communication: Systematize and disseminate information to the population on the concrete actions carried out to comply with the Regional Contingency Plan.</p> <p>5. Cooperation Management: Necessary actions before international financial organizations to obtain the resources that enable the implementation of the contingency Plan.</p> <p>6. Additional Recommendations in areas such as protection of women's rights, food and nutrition security, Scientific research and development.</p>	
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Source: Official pages of AP, CAN, MERCOSUR, SICA, SELA / Own elaboration

