

Updated March 11, 2021

Latin America and the Caribbean: Impact of COVID-19

The Coronavirus Disease 2019 (COVID-19) pandemic is having widespread economic, social, and political effects on Latin America and the Caribbean. As of March 9, 2021, the region had over 22 million confirmed cases (18.9% of cases worldwide) and almost 704,000 deaths (26.9% of deaths worldwide). Brazil, Mexico, Colombia, Argentina, and Peru had the highest numbers of deaths in the region, and Brazil and Mexico had highest death tolls worldwide after the United States. The regional rankings change when examining deaths per 100,000—using this measurement, Mexico had the highest rate in the region, followed by Peru, Panama, Brazil, and Colombia (see **Table 1**). A University of Washington COVID-19 projection model (updated March 6, 2021) forecast deaths in the region could reach over 885,000 by July 1, 2021.

On March 10, 2021, the Pan American Health Organization (PAHO) reported on the surge of infections and deaths in Brazil due to a new, more transmissible variant of the virus. World Health Organization officials expressed concerns that neighboring countries could be affected unless Brazil takes aggressive health measures. PAHO also noted rising infections in Paraguay, Uruguay, and Chile and declining infections in Mexico and Central America, except in some areas of Guatemala and Panama. In the Caribbean, PAHO described a mixed picture, with infections falling in some countries and rising in others, including Cuba and the Bahamas.

PAHO has played a major role in supporting countries in their pandemic responses. When the pandemic began to surge in the region in May 2020, PAHO Director Dr. Carissa Etienne expressed concern about the poor and other vulnerable groups at greatest risk, including those living in the Amazon Basin, particularly indigenous communities; women, who make up 70% of the health workforce in the Americas; people of African descent; migrants in temporary settlements; and prisoners in crowded jails.

The rollout of vaccines in the region has been slow, with some exceptions; there is concern that widespread vaccine access in some countries could be delayed until 2022. As of March 9, according to the *New York Times* vaccine tracker, Chile was the leader in the region, with almost 23% of its population having had at least one dose; the Chilean government aims to vaccinate 80% of its population by July 2021. As of March 9, Barbados had 17% with at least one dose and Dominica had 10%, with both countries receiving donations from India. Remaining countries in the region have vaccinated less than 5% of their population, with most countries having less than 1% vaccinated.

PAHO has helped countries prepare for a vaccine rollout and facilitated access to vaccines through the COVAX

Facility, a mechanism developed by global health organizations for pooled procurement and distribution of vaccines; 22 countries in the region have signed agreements to access vaccines through the facility. In addition, 10 countries in the region—Bolivia, Dominica, El Salvador, Grenada, Guyana, Haiti, Honduras, Nicaragua, St. Lucia, and St. Vincent and the Grenadines—are eligible to benefit from the COVID-19 Vaccines Advance Market Commitment (COVAX AMC), launched by Gavi, the Vaccine Alliance, to provide donor-funded vaccines for low- and middle-income economies worldwide.

Table 1. COVID-19 Cases, Deaths, and Mortality Rates in Latin American/Caribbean (LAC) Countries
(countries with more than 2,000 deaths, as of March 9, 2021)

Country	Cases (millions)	Deaths	Deaths per 100,000
Brazil	11.122	268,370	128.12
Mexico	2.138	191,789	151.98
Colombia	2.282	60,676	122.21
Argentina	2.162	53,352	119.68
Peru	1.380	48,163	150.56
Chile	.864	21,182	113.10
Ecuador	.295	16,069	94.06
Bolivia	.246	11,858	104.45
Guatemala	.180	6,493	37.65
Panama	.346	5,944	142.31
Honduras	.175	4,297	44.82
Paraguay	.172	3,360	48.30
Dom. Rep.	.244	3,191	30.03
Costa Rica	.208	2,848	56.97
Total LAC	22.254	703,852	—
United States	29.095	527,643	161.28

Source: Johns Hopkins University School of Medicine, Coronavirus Resource Center, "Mortality Analyses," March 10, 2021, updated daily, at <https://coronavirus.jhu.edu/data/mortality>.

On March 1, Colombia became the first country in the region to receive vaccines through COVAX; the region is expected to receive 27.8 million doses in a first distribution round through May 2021. Many countries in the region also have signed commercial agreements with pharmaceutical companies, and several countries have begun to use Chinese and Russian vaccines. Cuba is making progress on a vaccine it is developing.

Economic Impact

In its January 2021 *World Economic Outlook Update*, the International Monetary Fund estimated a 7.4% economic contraction for the region. Economic recovery may be a protracted process in countries that rely heavily on global trade and investment. Caribbean nations that depend on tourism face deep economic recessions, several with projected gross domestic product declines well over 10% in 2020. Likewise, several South American nations hard hit by the pandemic are projected to register economic contractions over 10%. Although most countries in the region are expected to begin economic recovery in 2021, the IMF regional growth forecast of 4.1% lags behind the expected world economic growth forecast of 5.5%.

The economic contraction in 2020 has increased poverty and exacerbated income inequality in the region. Latin America already was the most unequal region in the world in terms of income inequality, according to the U.N. Economic Commission for Latin America and the Caribbean (ECLAC). A March 2021 ECLAC report said 22 million people in Latin America moved into poverty in 2020, with overall poverty rising to 33.7% of the region's population from 30.5% in 2019.

In response to the vast need for financing to respond to the pandemic and the associated economic downturn, international financial institutions have increased lending to countries throughout the region.

- The IMF reported, as of March 4, 2021, \$68.3 billion in lending to 21 countries in the region contending with the pandemic's economic impact, including Chile (\$23.9 billion), Colombia (\$16.9 billion), Peru (\$11 billion), and Ecuador (\$7.1 billion).
- The Inter-American Development Bank (IDB) reported in December 2020 that its response totaled nearly \$8.1 billion, focused on financing for immediate public-health needs, safety nets for vulnerable population, economic productivity and employment, and fiscal measures to mitigate economic impacts. In December 2020, the IDB announced it would mobilize \$1 billion to help countries acquire and distribute vaccines.
- The World Bank reported, as of January 18, 2021, that it had delivered \$7.4 billion to 21 countries in the region. Assistance focuses on minimizing the loss of life, strengthening health systems and disease surveillance, mitigating the pandemic's economic impact, and addressing supply-chain issues and delivery.
- The Development Bank of Latin America announced in July 2020 that it had provided \$4.9 billion in financing to address the effects of the pandemic across the region.

Political Impact

Even before the pandemic, public satisfaction with the quality of democracy in several Latin America and Caribbean countries was eroding. The 2018-2019 Americas Barometer public opinion survey showed the lowest level of satisfaction with democracy since the poll began in 2004. Several broad political and economic factors drove the decline and help explain the eruption of social protests in the region in 2019. Political factors include an

increase in authoritarian practices, weak democratic institutions, politicized judicial systems, corruption, and high levels of crime and violence. Economic factors include stagnant or declining growth; high levels of inequality and poverty; and inadequate public services, social safety net programs, and advancement opportunities. The pandemic has exacerbated these factors, which could stoke social unrest similar to that in 2019.

Human rights groups and other observers have expressed concern about leaders taking advantage of the pandemic to advance their own agendas and restrict freedom of expression. In Bolivia, the former interim government twice postponed presidential elections, prompting widespread protests, until elections were held in October 2020. In Venezuela, the government and security forces have used a state of emergency imposed to curb the virus's spread as an excuse to crack down on dissent. Cuba also has used regulations designed to prevent the spread of COVID-19 to repress government opponents.

U.S. Policy Considerations

The 116th Congress passed two supplemental appropriations measures in March 2020—P.L. 116-123 and P.L. 116-136—that provided nearly \$1.8 billion in aid to respond to COVID-19 globally. The State Department reported that, as of August 2020 (latest information made available), the United States was providing \$141.4 million in new and previously announced assistance to help countries in the region respond to the pandemic.

In December 2020, Congress approved the Consolidated Appropriations Act, 2021 (P.L. 116-260), which included \$4 billion in emergency Global Health Programs assistance for COVID-19 vaccine procurement and delivery, with funds made available as a contribution to Gavi, the Vaccine Alliance. As noted, Gavi supports COVAX AMC and coordinates implementation of the COVAX Facility, both of which benefit countries in the region. P.L. 116-260 also appeared to fully fund the U.S. government's \$65.2 million assessed FY2021 contribution to PAHO. (See CRS Report R46514, *U.S. Foreign Assistance to Latin America and the Caribbean: FY2021 Appropriations*.)

The 117th Congress may consider additional support for the region's pandemic recovery. For example, legislation introduced near the end of the 116th Congress, S. 4997, would have authorized \$24 billion for a capital increase for the Inter-American Development Bank, in part to help countries address the pandemic and its economic impact. Some Members of Congress have called for President Biden to prioritize Latin American and Caribbean countries in donating surplus vaccines to countries in need. Other Members have argued for and against a proposal at the World Trade Organization to waive intellectual property rights for COVID-19 vaccines.

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IF11581

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