

Priorities for a fair recovery from COVID-19 in Latin America

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Key messages



Latin America has been hit the hardest by the pandemic within the developing world. This is evident from the sanitary and economic impact of the virus; labour income losses, high number of recorded deaths, and increase in gender, ethnic, and racial inequalities.



In the region, the pandemic has amplified a governance crisis. Countries in the region need to build the political consensus to adopt viable long-term reforms to promote an equitable recovery. Such policies include renewing fiscal policies, strengthening democratic processes and participation, ensuring transparency and accountability of public services, and effective regional cooperation.



Governments in the region must encourage inclusive economic growth and labour formalisation, strengthening and increasing coverage of social protection systems (especially for vulnerable groups), improving healthcare systems, and making vaccines available for all.



To strengthen and incentivise the creation of small enterprises, governments need to invest in better technological infrastructure and lower the barriers to formal entrepreneurship.

On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak could be characterised as a pandemic. Since then, Latin American countries have worked to mitigate the spread of the virus and curb contagions. Though the region was home to just 8% of the world's population in 2020, it accounted for 19% of cumulative COVID-19 infections and 28% of deaths as of December 2020 (United Nations Economic Commission for Latin America and the Caribbean [ECLAC], 2021).

Prior to the onset of the pandemic, most Latin American countries had made steady advancements towards the Sustainable Development Goals (SDGs). Much of this progress has been jeopardised by the effects of the pandemic. Even as governments took actions to mitigate the increase in poverty, there has been a 12-year setback in poverty and a 20-year setback in extreme poverty, increasing the vulnerability in the region (ECLAC, 2021).

Latin American governments are facing several simultaneous challenges due to the social and economic effects of the pandemic. The majority of these challenges are a result of an amplification of pre-existing structural problems like poor governance, poverty, insufficient health and social protection, unemployment, labour informality, inequality, population displacement, and insufficient education infrastructure, among others.

During the pandemic, most Latin American countries put in place measures to slow down the spread of the virus and equip their healthcare systems to respond to the pandemic. These measures varied in each country, but most of them included travel bans, limiting the concentration of people indoors, closed markets, mandatory mask requirements in public spaces, and suspending face to face education in schools and universities. Many of them also declared a state of emergency in response to the pandemic. Even in rural communities, where government presence is minimal, the populations established their own quarantine zones and traffic restrictions to prevent the spread of the disease.

Some governments are still implementing conservative recovery policies that do not fully address the substantial challenges their citizens are facing. Targeting vulnerable groups through public policy responses was especially difficult for governments due to poor social protection coverage and a widespread informal economy.

Countries in the region should focus their resources on building a fair recovery, and effective public policies are required to address the immediate aftermath of the pandemic. These policies must promote a

transformative recovery that places equality and sustainability at the centre. Latin America must rebuild with a special focus on the most vulnerable and affected groups.

The following paper highlights the results of a prioritisation exercise conducted using literature review, a consultation process among think tanks in the Latin American region (which included 23 experts from 15 think tanks across 11 countries), and an expert opinion survey in which 24 researchers participated from Southern Voice members in the region. The main purpose was to identify the priorities that Latin American governments should incorporate in their public policies to ensure a fair and equitable recovery from the pandemic.

To present the regional priorities, this paper first introduces an overview of the most important consequences of the pandemic in the region, with a particular emphasis on its impact on inequality. Then, it presents the priorities for a fair recovery in relation to governance, work, entrepreneurship, technology infrastructure, and social investment, with a special focus on vulnerable groups affected by the pandemic. Finally, a brief summary of the potential opportunities and implications of the pandemic in the 2030 Agenda is provided.



Social and economic consequences of the pandemic have caused a 12-year setback in poverty and a 20-year setback in extreme poverty in Latin America, despite efforts made by governments to mitigate any increase.



Consequences of the COVID-19 pandemic in Latin America

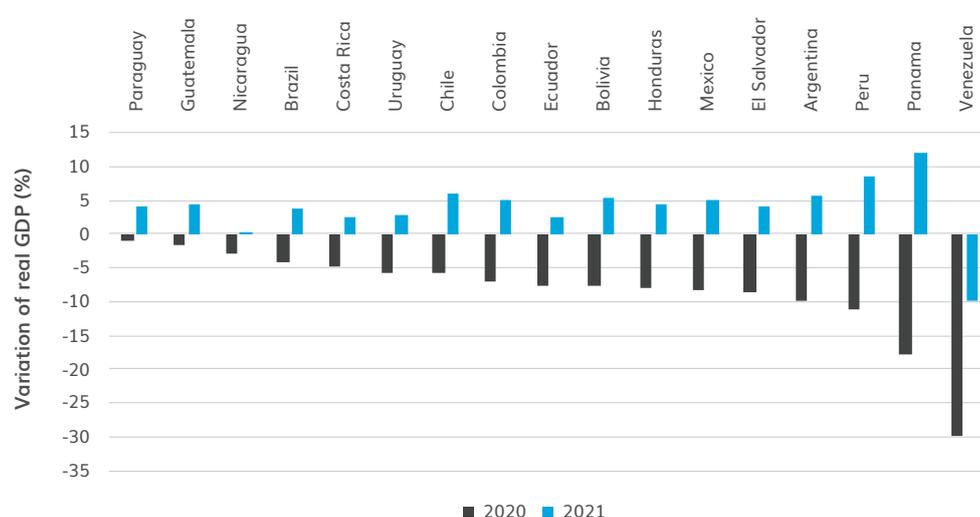
The COVID-19 pandemic and the associated lockdowns imposed in the region have not only shed light on some of the structural problems the Latin American region faces, but also given rise to new concerns. In particular, the pandemic has affected individuals and communities that were already being excluded from social and economic progress.

In relation to structural concerns, the pandemic has accentuated the region's poor governance. For the last decade, the quality of democracy has been questionable in several Latin American countries. Even before the pandemic, weak democracies were perceived as the main cause for the high levels of inequality, food insecurity, and poverty. The region has been characterised by weak institutions, corrupt practices, and high levels of unemployment and violence. The pandemic has exacerbated these factors, leading to increased protests in the region since late 2020.

Lockdowns and containment measures to mitigate the pandemic have caused new concerns. These have particularly hit micro, small and medium-sized enterprises (MSME's) and low-paid and informal workers

who rarely have access to any kind of social protection. Moreover, school closures and confinement measures have increased school dropout and domestic violence rates, have negatively impacted people's mental health. The prolonged period of restrictions has led to an adverse impact on economic activity. The International Monetary Fund (IMF) (2021b) estimates that the region's GDP growth in 2020 was negative 7%, making it the worst affected region in the world. In addition to the deterioration of economic activity, there has been a rise in inequality, poverty, and unemployment. Figure 1 shows the percentage change in the real GDP of the countries in the region.

■ **Figure 1. Percentage change of real GDP in 2020 and 2021 in selected countries.**



Note. Reconstructed from 'World Economic Outlook Projections' by IMF (2021b).

Rapid but limited policy responses

During the regional consultations, all experts agreed that the adverse economic impacts of the pandemic have affected the vulnerable populations and minorities the most. Therefore, it is crucial for governments to implement public policies targeting vulnerable groups to prevent this setback from deepening inequalities. Most Latin American governments have reacted rapidly to the pandemic; however, their efforts have not been sufficient in addressing the challenges of exclusion and inequality.

For example, countries such as Bolivia, Brazil, Colombia, Ecuador, Mexico, and Uruguay already have large-scale conditional cash transfer (CCT) programmes that were used as mechanisms to transfer resources to households that are, on average, poorer than others. However, governments had difficulty reaching some populations that were not part of existing social registries, particularly those in urban settings with informal jobs.

Fiscal and monetary policies play a critical role in mitigating the pandemic's adverse economic and social effects. However, most countries are facing limitations as public revenues have contracted and the fiscal space remains limited. International financial institutions, including the IMF, Inter-American Development Bank (IDB), and World Bank, have significantly increased their lending in the region. As a result, public debt levels have increased, putting long-term recovery opportunities at risk. In addition, the rollout of vaccines in the region has been slow, with only a few exceptions. Furthermore, forecasts suggest that vaccine access in some countries could be delayed until 2022 or early 2023. This will further delay the region's economic recovery.

The adoption of digital technologies and access to the internet have been crucial for maintaining continuity in business and education during the pandemic. However, the lack of rapid investment in technological infrastructure has prevented many, especially the most vulnerable, from reaping the benefits of these solutions.

Despite this seemingly bleak outlook, experts believe this might be an opportunity to make structural changes, strengthen public services, enact sustainable and inclusive development models, and increase cooperation between countries.

Further exclusion of vulnerable groups during the pandemic

The severe impacts of the pandemic on the economy and limited policy response have translated into further exclusion for some specific groups, such as women, indigenous populations, migrants, and the elderly.

Women have been deeply affected. The progress achieved in labour markets during the last decade has been lost. Domestic responsibilities increased with the lockdowns, and many women were forced to quit their jobs despite needing the income. This has led to further impoverishment of women as their wages are on average lower than men's. Domestic violence rates have also increased throughout the region, affecting mainly women and children. Adding to the woes of women, since contact-intensive occupations are more common among women and informal workers, their ability to work remotely has not been possible. On the other hand, high-skilled workers and people who have broadband internet access and technology resources have found less obstacles to sustaining their daily economic activities through the pandemic.

Some governments and international organisations are supporting gender equality with plans and strategies to end gender-based violence in its many forms, and to close the gender gap in education and vocational training. These are key policies that should become a permanent feature

in the policy landscape of the region, even after the pandemic ends. Including women in planning and decision-making processes is crucial to achieving sustainable progress in countries' economies, and for improving the quality of life of women in Latin America.

Historically perpetrated structural inequalities make the effects of the pandemic especially hard on the indigenous people in Latin America, resulting in an increase in poverty and marginalisation. The consultations among Latin American think tanks revealed that even within these groups, women, children, and young adults were affected the most. Indigenous populations have lost their sources of livelihood and economic activities, with a few exceptions in rural regions where there has been an increase in farming activities, such as in Bolivia. To date, there is not enough information on how Latin American governments are trying to mitigate and contain the virus in indigenous populations or the specific policies implemented to improve their economic and social conditions (IDB, 2020). According to ECLAC (2020), many indigenous populations created their own mechanisms to cope with the pandemic because of the governments' abandonment. These coping mechanisms included the creation of support networks, the establishment of temporary quarantine zones for protection, and the use of traditional medicine to treat the symptoms of COVID-19.

Migrants have been exposed to various risks at different stages of the migration cycle. Many have irregular migrant statuses or work informally, which limits their access to formal employment conditions and social protection. They also have limited access to regular health services due to unemployment, inefficient legal provisions, and inadequate information due to non-inclusive delivery of public health communications.

In addition to this, migrants have been affected by the closure of borders and changes in migration policies across Latin America. Several migrants have been left stranded in a foreign country, unemployed and without any means of returning to their home countries to seek their own government's or family's support during long periods of time, increasing their vulnerability even more. On the other hand, those migrants who were able to return to their home countries are now being forced to face the poverty, danger, social injustices or violence from which they had initially fled. This has resulted in migrants being included among the poorest segments of the population.

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About 13% of Latin America's population (85 million people) is over 60 years of age (ECLAC, 2020c). This older population has faced difficulties

in adapting to social distancing and increased use of technology while struggling with protocols to join social protection programmes. Analysing the mortality rate due to COVID-19, it is estimated that, up to October 2020, COVID-19 mortality was higher among older adults, and the main impacts are evident in the lack of social protection and healthcare systems (ECLAC, 2020d).

■ **Priorities for a fair recovery**

Recovering from the pandemic is a difficult process, and equity must be a central concern. A fair recovery must prioritise human rights, particularly of those historically disadvantaged population groups such as indigenous, low income, and rural populations as well as women, children, and the elderly. In order to achieve this, we must begin with re-establishing governance and freedom of association, protecting the workforce, incentivising entrepreneurial activities, strengthening social protection systems, and improving information technology infrastructure.

Keeping governance at the centre of a fair recovery

The COVID-19 pandemic has accentuated a crisis in governance. Even before the pandemic, public satisfaction with the quality of democracy in several Latin American and Caribbean countries was diminishing. The 2018-19 Americas Barometer public opinion survey showed the lowest level of satisfaction with democracy since the poll began in 2004 (Latin American Public Opinion Project [LAPOP], 2019). After the pandemic hit the region, most Latin American leaders lost popularity due to their management of the pandemic. The uneasy and unsatisfied population is now confronted with increasing government debt, poverty, loss of jobs, reduced GDP, and decreased quality of life.

The current state of the region has caused political polarisation and unrest among the population. In Central America, most of the population distrusts Congress, political parties and local governments. Most people also believe that their rights are not adequately protected by the political system and that they should be allowed to peacefully protest their disagreements with the government's handling of the pandemic, even during the most restrictive times (Asociación de Investigación y Estudios Sociales [ASIES], 2020). The disapproval of the governments, coupled with an unsteady economy, have created an unstable political climate and an uncertain future for Latin America.

In addition, there have been concerns about some governments taking advantage of the pandemic to advance their own agendas and restrict freedom of expression along with other human rights, often with the overuse of force. Venezuela and Cuba particularly received accusations

of abusing states of emergency to limit the freedom of their population far beyond preventing the spread of COVID-19.

Re-establishing political legitimacy and approval of public institutions need to be prioritised. Without these preconditions, further reforms on public spending and taxation to support the most vulnerable and promote equity will not be feasible.

In the same way, strong democratic processes and citizen participation must be strengthened. The capability of the electoral processes to adapt during the pandemic has been a major topic in the region. This includes voter safety, adaptation of the electoral system to new voting behaviours and practices, and electoral reforms. To preserve democracy and promote electoral participation in a safe environment, urgent measures must be taken, especially in the context of several countries having imminent electoral processes.

Public financial management and fiscal policies

The Latin American region established many policies directed towards preventing poverty and addressing inequality through large-scale cash transfer programmes. In fact, governments in the region announced packages of fiscal support in the wake of the pandemic, amounting to 8% of GDPs on average. However, these programmes are insufficient to reduce inequality and are commonly ridden with corruption. Many have also claimed that states of emergency were abused to mismanage state funds.

It is critical to find ways to quickly address emergencies without limiting or eliminating transparency in government spending. Reforms must be made to maintain the rule of law and transparency, prevent corruption, ensure the continuity of justice and penitentiary services, guarantee that no human rights are violated (especially during emergencies and future crises), and ensure that transparency and accountability are guaranteed even during a state of emergency.

Latin American countries accrued great amounts of debt due to increased spending in facilitating COVID-19 relief packages. They also experienced a decline in revenue induced by the slowdown of economic activity. As a result, overall fiscal deficits in Latin America and the Caribbean rose from about 3% of the GDP in 2019 to 8.3% of the GDP in 2020, while public debt rose from 58% of the GDP in 2019 to 72% of the GDP in 2020 (Cavallo, 2021).

Every country in the region is currently struggling with their public finances. To rebalance their budgets and enable their economies to

recover, governments must control their spending and re-evaluate and enforce taxation laws. Revising taxation laws to increase pressure on higher-income sectors, as well as on sectors that are expanding in the current economic context, will make the tax systems more progressive, and ensure the recovery is fair. Furthermore, it will incentivise growth in lower growth sectors and facilitate recovery. Countries must investigate and prevent tax evasion, avoidance, and illicit financial flows to increase tax collection. Tackling these issues, which are particularly common among higher-income groups, will go a long way towards building equity in Latin American societies.

Workforce considerations during and after the pandemic

Addressing unemployment

MSMEs, which represent 99% of all companies in the region and generate more than half of all jobs, were hit the most in the pandemic. Millions of them went bankrupt by the end of 2020 (IMF, 2020b), and job loss was higher among MSMEs and self-employed workers than among wage earners.

According to the International Labour Organization (ILO) (2020), total employment in Latin America experienced unprecedented contractions, making unemployment reach its highest level in more than a decade. As a result, 23 million people went into inactivity and stopped seeking employment, making the labour force participation rate declined to 57%. In this context, governments in the region have acted quickly by expanding or implementing new programmes to support their workforce and mitigate the devastating effects of the pandemic on individuals and households. For example, Chile took significant measures, such as suspending the payment of provisional monthly income tax by companies for three months; postponing VAT payments by companies for three months up to a certain threshold based on sales and income tax payments; bringing forward income tax refunds for MSMEs; refunding tax withholdings to self-employed workers, and accelerating payments to state suppliers. Furthermore, the government approved a USD 500 million capitalisations for the Banco del Estado de Chile to provide funding to MSMEs and individuals (ILO, 2020).



Since contact-intensive occupations are more common among women and informal workers, many of them are now exposed to higher risk work environments and have fewer opportunities to continue working remotely.



Women and young people are most affected by the current job losses, thus amplifying existing labour and social gaps, especially gender gaps. Despite the governments' efforts to protect employment, limited mobility and the fear of contagion has significantly reduced the demand for

contact-intensive sectors, such as hospitality, entertainment, and tourism. Informal workers have been especially affected by this.

Governments and companies must take targeted actions to facilitate the reintegration of women and young people into the workforce. For instance, the reactivation of restaurants and contacting customer service must be a priority, considering that these sectors employ mainly young and inexperienced people. Additionally, mass testing should be implemented so that the un-infected workforce can resume economic activities at pre-pandemic levels, protecting workers and minimising the spread of the virus.

Reducing informality

The Latin American region had, even before the pandemic, one of the highest levels of labour informality in the world. Tackling informality is a long-studied mission for governments in the region, and it's one of the key pieces to address social and economic inequalities.

Informal and self-employed workers were badly affected by work losses in the Latin American region during the pandemic. For example, in Brazil, Chile, and Peru, work losses among informal and self-employed workers accounted for two-thirds of all employment losses between the first and second quarters of 2020. In Mexico, they accounted for 85% of the losses (IMF, 2020b).

As containment measures are lifted, the rates of informal employment are quickly rising, even above pre-pandemic levels. However, with so many uncertainties regarding how the pandemic is unfolding, any economic recovery achieved during 2021 will most likely be very modest.

Although there are diverse factors leading to informality, according to the IDB (2021), there are three main factors that explain why it is so prevalent in the Latin American region, which are:

1. Low levels and deficient quality of human capital, hindering workers' entrance into the formal labour market.
2. High non-wage labour costs discourage employers from hiring workers legally (for instance, some employers try to avoid paying social security contributions and other payroll taxes).
3. Cash transfer programmes for workers in the informal sector were developed to bridge an important gap in access to traditional social security, which was only available to formal workers. However, this disincentivises formal work.

In this context, the challenges for public and fiscal policy in the region include finding alternative systems with as few disincentives to formality

as possible, advancing into the implementation of more permanent labour guarantees, as well as structuring comprehensive and equitable employment policies that may incentivise the growth of the formal labour market.

In this sense, a few Latin American countries are already deliberating the improvement of their unemployment insurance programmes, healthcare policies, and even considering the implementation of universal basic income programmes. Such policies should be structured to become a mainstay of the region's labour policies.

Entrepreneurship

Extensive rules and prerequisites to develop new enterprises are common in Latin America. The limitations on entrepreneurship mostly affect disadvantaged populations who lack the resources and time to register their enterprises legally. In fact, creating a startup company legally requires an abundance of capital, paperwork, and time. According to the World Data Bank databases, the Latin American region takes 30 days or more to create a new business, as opposed to the world average of 19 days.

Another indicator for ease of starting new businesses is the cost of business startup procedures in terms of the percentage of GNI per capita; Latin America's cost is 30%, while the world average is slightly under 20%. This often hinders lower-income groups from legally creating new businesses, thereby limiting entrepreneurship and propagating informality, resulting in lower tax collection.

It should be a priority for governments to ease regulations for new businesses, particularly for those sectors where new businesses can be opened by low-income individuals. Additionally, the possibility of expanding the formal sector, which would lead to better worker protections and more tax collection, should be explored. Creating an environment where small and new enterprises succeed, and flourish is necessary. It will also increase competition, diversify the means of production, and increase economic resilience.

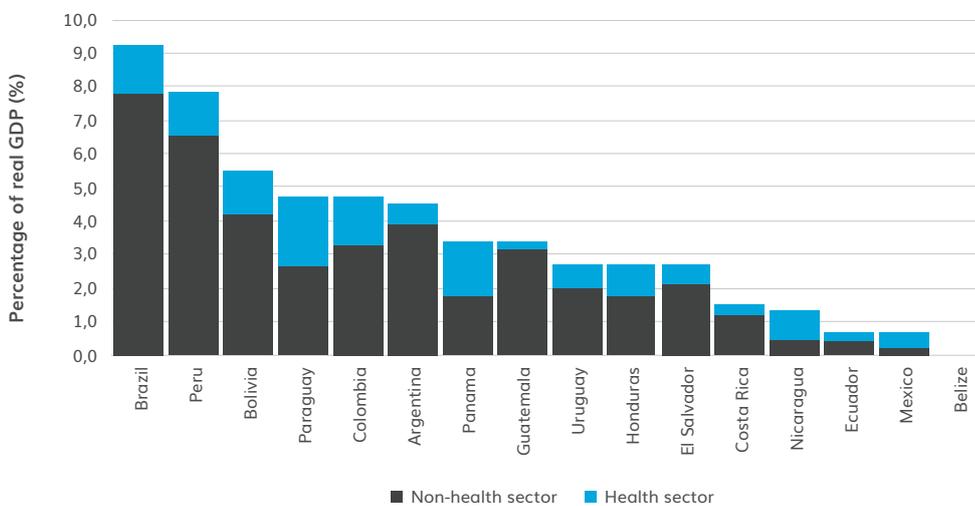
Governments can incentivise entrepreneurial activities by optimising and facilitating the registration processes. For example, online registration can greatly reduce the travel time required to open an enterprise. Additionally, by creating an alternative registration tier for small, upcoming enterprises, it is possible to create a faster, cheaper and attainable registration route for entrepreneurs. Facilitating and incentivising entrepreneurial activities would give disadvantaged populations, primarily the youth and women, the opportunity to create and develop their own enterprises along with economic experience and

independence. Public policies in Latin American countries must focus on making the region a better place for entrepreneurship.

Social investment and reforms

Many governments in the region have already increased spending to mitigate the negative effects of the pandemic. Figure 2 below shows the amount of additional spending or foregone revenue since the pandemic across the Latin American countries. The proportion of additional spending used in the health sector also varies significantly within the region.

■ **Figure 2. Above the line fiscal measures¹ in response to COVID-19 in selected countries (% of 2020 GDP).**



Note. Reconstructed from 'Database of Fiscal Policy Responses to COVID-19' by IMF (2021a).

Despite the increase in public spending, social indicators have eroded, and inequality has increased. The regional think tank consultation revealed that some of the most impacted services during the pandemic included education, healthcare, and social protection. As a consequence, there was a significant setback in regional human development indicators, especially those related to poverty and inequality. Because of this, it is imperative for governments to address these issues through long-term programmes and policies, beginning with recovery of education, healthcare and improving access to social protection systems.

Recovery of education

During 2020, more than 160 million students in Latin America and the Caribbean were unable to attend classes (ECLAC, 2020a). According

¹ Above the line measures include additional spending or foregone revenues as of June 2021.

to the World Bank (2021), as of February 2021, around 120 million school-age children had already lost or were at risk of losing a full academic year of in-person education. If negative impacts are not addressed, future costs for children and youth between 10 and 19 years old, in terms of income and access to the labour market, will be significant.

The mobility restrictions forced students to attend online school. This kind of schooling is difficult for numerous rural and lower-income families. In some Latin American countries, local radio stations, television programmes, and other governmental and non-governmental organisations focused on imparting educational resources to prevent these students from falling behind. In spite of these efforts, the pandemic strongly affected low-income, rural, and large families by preventing children's access to education (Cardini, 2020). In fact, even though innovative practices have been implemented in record time to guarantee educational continuity, the asymmetries in access to technology and connectivity limit their impact. Only around 57% of students have laptops at home, which shows the great gap in access to technology that persists in the region (ECLAC, 2020a). And beyond access, experts also remain concerned with the quality of online education.

Remote education brings forth an opportunity to spread digitalisation. Whilst governments must continue to focus on implementing strategies to ensure safe and effective school reopening. They also need to improve the effectiveness of remote learning and prepare for blended learning. Regional experts mentioned that efforts must be made to ensure that children across the region have access to the minimum digital infrastructure that allows them to receive remote education, especially for those in rural areas and from low-income families. Latin American countries need well elaborated and implemented digital strategies to ensure the proper outreach and utilisation of technology in schools. These strategies should include strengthening teachers' digital, pedagogical, and evaluation competencies, implementing complementary programmes to promote educational technologies, safeguarding resources and financing mechanisms, and supporting school directors during the implementation of these strategies (Cuellar-Marchelli, 2021).

Governments also need to implement special measures to recover the lost school weeks caused by school closures. Government strategies must focus on low-income families and rural areas, which are more likely to be behind on their learning. For these students, alternative learning pathways are needed. For example, transferable course equivalencies, reassessment of examination structures, and entry and exit-level requirements could also be considered in these situations (Srivastava et al., 2020). Simplifying curricula (while maintaining learning standards), modifying academic calendars, and removing high stake examinations

to level and adapting to the new reality are other alternative approaches (World Bank, 2021).

Strengthening healthcare

The region paid a high toll in terms of infections and deaths relative to its population. Hospital capacity was stretched thin, while testing and vaccine capacity remains low compared to advanced and other emerging economies, despite the investments made in 2020.

One priority should be to ensure adequate resources for health care systems, especially in the rural areas, where health coverage is often unavailable or limited. In this sense, fiscal policy must remain flexible and supportive of health care systems until the pandemic is controlled (IMF, 2021c).

Special attention must be paid towards the availability of medical supplies, and in the current context, access to vaccines must be ensured. Rapid, inclusive, and efficient vaccination needs to be treated as one of the most important priorities that governments must address in the short term. As stated in an IMF (2021c) report:

“If progress in vaccination is accelerated to reach everyone, the health, economic, and social benefits would be enormous. Even a narrow focus on tax revenues identifies potential gains of more than USD 1 trillion for advanced economies alone over the medium term. Global vaccination may well be the public project with the highest return ever identified” (p. ix).

In addition, as poverty and economic hardship increased during the pandemic, other health and wellbeing related issues worsened as well. Even before the pandemic, malnutrition was a prevalent problem in some Latin American countries. Governments must continue to implement food security programmes and improve health emergency response, guaranteeing access to all.

Improving access to social protection systems

Almost 40% of the people in the region did not have access to any social protection benefits in 2018 (Escaroz & Rubio, 2020). In the region, the social protection system includes pensions, health insurance, accidents and unemployment benefits, and social assistance programmes for those in conditions of extreme poverty. The lack of access to social protection systems hindered the implementation of aid packages during the pandemic and left a lot of people without access to income and health benefits. With full coverage of social protection, the social cost of workers living in poverty would have been minor (ASIES, 2020).

In response to the pandemic, many existing and new programmes have been implemented through existing social protection systems. This made these systems extremely important, as they were a vehicle to deliver the necessary aid to people who needed it the most. Nevertheless, targeting vulnerable groups through these systems was especially difficult because of poor coverage of social registries.

Increasing coverage in social protections systems requires injecting more resources to expand assistance. In the case of the employed population, governments must incorporate as many of them as possible, especially those who evade taxes and those who have not been reached by the legislation (ASIES, 2020). Legislation to expand the formal sector so more workers can become contributors to the social protection system would increase coverage and funds available. For vulnerable populations who are unable to fully comply with contributions, the government can provide support through partial subsidies (ASIES, 2020).

Merely increasing coverage is not enough; improving the quality of services must also be considered as a priority. Due to limited resources, the focus should be on prioritising quality instead of quantity of programmes, and monitoring the evolution of the needs of vulnerable families in order to adjust social protection measures accordingly (Cuéllar-Marchelli, 2020).

Social protection is essential for recovery. In the short term, it must seek to safeguard household income and consumption levels. In the medium and long term, it must reduce inequalities, promote inclusive growth and strengthen social cohesion. It must also consider universal social protection and special attention for vulnerable groups (Cuéllar-Marchelli, 2020; ECLAC, 2020b).

Establishing better technological infrastructure

Technology is the main adaptation strategy to the enforcement of the new conditions of social distancing, and is becoming central to the new social and work environment. Latin America has significant connectivity issues and still lacks electricity in most rural territories. Both of these resources are vital in today's society and must be recognised as one of the priorities for social and economic development. Focusing investments in technological infrastructure will prevent rural and lower-income territories from further exclusion.

The pandemic demonstrated how much Latin America had understated the importance of developing a stable and wide-reaching technological infrastructure. Investing in roads and connectivity is the best way to accelerate development in rural territories. It creates a path for electric distribution and simultaneously integrates the local economy with the

rest of the country. Investment in connectivity is necessary for economic inclusion. Ultimately, connectivity is about increasing interactions, productivity, competition, and market opportunities between territories (Straub et al., 2008).

Latin American countries must work on enabling access to the digital space to enable equitable recovery from the pandemic and adapt to the new labour and education policies. It has been proven that internet access improves competitiveness, survivability, and profits for SMEs, while improving health, education, and social and economic inclusion. This especially applies to disadvantaged groups who can properly share their experiences and points of view publicly within online spaces (Guerreiro, 2015).

Introducing technology in governmental procedures will make them swifter and consistent, thus improving governance. Improved connectivity will enable development in both the private and public sectors, opening up opportunities that were previously only available to the urban territory. This access to technologies and the development of technological infrastructure will also facilitate the achievement of the SDGs.

Regional alliances and negotiation

When it comes to international negotiation, Latin American countries rely on alliances with larger economies to protect their interests. This is reflected in the current attempts to acquire vaccinations, where most Latin American countries were dependent on donations. The waiting lists for new vaccines prioritised larger economies, leaving Latin America and other southern countries as an afterthought. Most southern countries, excluding Chile and Brazil, only managed to acquire vaccines nearly 2-4 months after the large Western economies (Mathieu et al., 2021).



Re-establishing political legitimacy and approval of public institutions need to be prioritised. Without the population's support, any actions to increase equity and support the most vulnerable will not be sufficient.



The interests of Latin American countries are not being prioritised during international negotiations. Hence, the establishment of a unified and cohesive regional bloc should be prioritised by leaders to defend Latin Americas' own interests. Through cooperation, the region could work together to create a stronger presence in international negotiations.

The 2030 Agenda has been significantly hindered by the pandemic. Addressing the previously stated priorities will help the Latin American region recover to pre-pandemic levels, but even so, significant work is needed to achieve the SDGs.

New opportunities have arisen to make structural reforms that put wellbeing and sustainability at the centre, based on stronger social protection systems, innovative product development strategies, new governance models, and more robust and inclusive public finances. It is important that these reforms ensure the inclusion of all vulnerable and minority groups.

Although many Latin American countries face a difficult political climate, other countries have taken the opportunity to reflect and reach a consensus among several actors to achieve rapid public policy responses. There is a window of opportunity for Latin American countries to have discussions on structural reforms and prioritising the 2030 Agenda.

Having a fair, resilient and sustainable economic recovery implies that sustainable economic recovery public policies should be prioritised over unsustainable ones. This means that governments must not only take into account the short term (the emergency) when they formulate their recovery policies, but also the medium and long term. Public policies must be articulated to shift the development model towards productive transformation, accompanied by sustainability and equality. Finally, Latin American countries must integrate and act as a region to achieve more. The region needs public policies that operate towards regional integrated development. The collaboration and support shown during the pandemic must be used as a precedent to develop long-term strategies to establish cooperation in times of crisis.

Sustainable development requires certain key elements to come together, including universal access to education and health services, technological innovation, environmental protection, financial inclusion, gender equality, racial equality and inclusion, and support for entrepreneurs. Tackling corruption at all levels, while establishing a stable social, legal, and political environment coupled with good governance will be key in reaching the SDGs.

The pandemic took attention and efforts that were being given to the environmental issues in order to achieve the 13th, 14th, and 15th SDGs. These efforts need to be rekindled in order to mitigate and prepare for the future hardships that climate change will have on the region. Latin America's location, geographical profile, and continuous

mismanagement of environmental hazards make it particularly vulnerable to natural phenomena and environmental disasters.

The pandemic has presented the region with an opportunity to establish and nourish social bonds through collaboration, support and solidarity. It is essential to incorporate innovation, collaboration, and regional integration into COVID-19 recovery plans in order to rise from this pandemic and achieve the 2030 Agenda. The private sector, governments, international organisations, and individuals must address the SDGs as the common roadmap and the only sustainable and robust way forward.

Most governments in Latin America understate the importance of sustainability and inclusivity. Policies to alleviate and mitigate the impact of the pandemic have mostly focused on alleviating the immediate damage instead of creating long-term strategies to adequately address the root of the issues. The pandemic has provided an opportunity to reinvent economic and public infrastructures. Emphasising the importance of sustainability and inclusivity during the recovery process will lead to a better long-term result.

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