



Updated September 3, 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 September 1, 2021, the region had 43.3 million confirmed cases (almost 21% of cases worldwide) and more than 1.4 million deaths (almost 32% of deaths worldwide). Brazil, Mexico, Peru, Colombia, and Argentina had the region’s highest numbers of deaths. Looking at mortality (death) rates per 100,000 population, Peru had the highest recorded COVID-19 mortality rate in the region, followed by Brazil, Argentina, Colombia, and Paraguay (see **Table 1**).

In its weekly press briefing on the pandemic on August 25, 2021, the Pan American Health Organization (PAHO) reported that COVID-19 infections continued across Latin America and the Caribbean, with Mexico and Brazil having the highest number of cases and many Central American countries experiencing a rise in infections. Although hospitalizations were decreasing in much of South America, PAHO reported that infections remained high. In the Caribbean, PAHO reported steep increases in new infections and deaths in Jamaica and some smaller islands, such as Dominica and St. Vincent and the Grenadines. In its September 1 briefing, PAHO noted high rates of infection in Belize, Costa Rica, St. Lucia, and Suriname.

Since the start of the pandemic, PAHO’s director has expressed concern about the poor and other vulnerable groups at greatest risk, including those living in the Amazon Basin, particularly Indigenous communities; women, who comprise 70% of the health workforce; people of African descent; migrants in temporary settlements; and prisoners in crowded jails.

The rollout of vaccines has varied considerably, and there is concern that widespread vaccine access in some countries could be delayed until 2022 or 2023, making populations vulnerable to new waves and more transmittable variants of the virus. According to PAHO’s director, as of September 1, 2021, 25% of the population of Latin America and the Caribbean had been fully vaccinated. Chile and Uruguay were leaders in the region, with 72% of their populations fully vaccinated. In contrast, countries with less than 10% of their populations fully vaccinated included Guatemala, Jamaica, Nicaragua, and Haiti, which had less than 0.1% of its population fully vaccinated (See **Table 1**.)

PAHO has helped countries prepare for vaccine rollout and has facilitated access to vaccines through the COVID-19 Vaccines Global Access (COVAX) Facility, a mechanism developed by global health organizations to facilitate equitable distribution of COVID-19 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.

Table 1. COVID-19 Deaths, Mortality Rates, and Vaccinations in Latin American & Caribbean
(countries with more than 1,000 deaths, as of Sept. 1, 2021)

Country	Deaths	Deaths per 100,000	Fully Vaccinated (percentage)
Brazil	580,413	275.01	29.10
Mexico	259,326	203.27	26.59
Peru	198,263	609.84	25.10
Colombia	124,945	248.20	29.17
Argentina	111,812	248.81	32.02
Chile	36,937	194.9	72.06
Ecuador	32,244	185.59	49.28
Bolivia	18,452	160.27	23.04
Paraguay	15,767	223.82	23.59
Guatemala	11,926	71.83	7.21
Honduras	8,850	90.81	13.42
Panama	7,061	166.28	38.45
Uruguay	6,032	174.25	72.46
Costa Rica	5,506	109.08	24.16
Cuba	5,303	46.79	33.00
Venezuela	4,010	14.06	11.70
Dom. Rep.	4,008	37.32	43.38
El Salvador	2,918	45.22	42.74
Jamaica	1,518	51.49	4.90
Trinidad & Tobago	1,291	92.55	28.61
Total LAC	1,439,648	—	—

Source: Johns Hopkins University School of Medicine, Coronavirus Resource Center, “Vaccination Progress Across the World,” at <https://coronavirus.jhu.edu/vaccines/international>, and “Mortality Analyses,” at <https://coronavirus.jhu.edu/data/mortality>, Sept. 1, 2021. For Cuba, the vaccination data source is Josh Holder, “Tracking Coronavirus Vaccinations Around the World,” *New York Times*, Sept. 1, 2021.

Note: Peru revised its official COVID-19 death toll in May 2021 to account for excess deaths attributed to COVID-19 not previously counted, which tripled the country's reported death toll.

Latin American and Caribbean countries have been acquiring COVID-19 vaccines from a variety of sources. As of September 1, PAHO reported that over 36 million doses had been delivered or were in transit through COVAX. Vaccine deliveries through COVAX have been slower than expected due to supply problems and other challenges. Many countries also have signed commercial agreements with pharmaceutical companies. Both China and Russia have sold, and in some cases donated, COVID-19 vaccines to countries in the region, and the United States ramped up donations beginning in June 2021 (see below). In terms of COVID-19 vaccine manufacturing in the region, Cuba has developed and produced two vaccines, two Brazilian companies have manufactured some COVID-19 vaccines, and two other companies from Brazil and Chile announced plans to manufacture vaccines in 2022. In August 2021, PAHO announced it would start a program to boost COVID-19 vaccine manufacturing in the region.

Economic Impact

In the July 2021 update of its *World Economic Outlook*, the International Monetary Fund (IMF) estimated the region registered a 7.0% economic contraction in 2020. 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 estimated economic declines over 15% in 2020. Several South American nations hard-hit by the pandemic registered economic contractions over 10%. Most countries in the region are expected to begin recovery in 2021, with the IMF projecting 5.8% regional economic growth. The course of the pandemic, including governments' responses and vaccine availability and distribution, is an important factor in the region's recovery.

The regional economic contraction in 2020 increased poverty and exacerbated income inequality. Latin America already was the most unequal region in the world in terms of income. A March 2021 U.N. Economic Commission for Latin America and the Caribbean report estimated 22 million people in Latin America moved into poverty in 2020, with poverty rising to 33.7% from 30.5% in 2019.

Numerous countries in the region have implemented relief programs to help protect their economies and vulnerable populations, and many have needed external financing to address the pandemic and associated economic downturn. In response, the IMF, Inter-American Development Bank, and World Bank, significantly increased lending to countries in the region.

Political Impact

Even before the pandemic, public satisfaction with the quality of democracy in several Latin American and Caribbean countries was eroding. 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 exacerbated these factors, contributing to increased protests in the region since late 2020. In 2021, pandemic-related protests have erupted in several countries, notably in Colombia, Cuba, and Brazil. Human rights groups and other observers also have expressed concern about leaders taking advantage of the pandemic to advance their own agendas and restrict freedom of expression.

U.S. Policy Considerations

Congress has provided some \$17 billion in international affairs funding (through two FY2020 supplemental appropriations measures, P.L. 116-123 and P.L. 116-136; the Consolidated Appropriations Act, 2021, P.L. 116-260; and the American Rescue Plan Act of 2021, P.L. 117-2) to help countries worldwide respond to COVID-19. The funding supports global health interventions, humanitarian assistance, and contributions to multilateral efforts. For example, P.L. 116-260 included \$4 billion as a contribution to Gavi, the Vaccine Alliance, which supports COVAX AMC and coordinates implementation of the COVAX Facility, both of which benefit Latin American and Caribbean countries. As of June 2021, the U.S. Agency for International Development had obligated nearly \$218 million to support the region's pandemic response. Congress is now considering the Biden Administration's FY2022 budget request, which would provide nearly \$2.1 billion of aid to help the region recover from the pandemic and address other challenges.

Some Members of Congress called for President Biden to prioritize Latin America and the Caribbean in donating vaccines to countries in need. The Biden Administration pledged to donate 580 million doses of COVID-19 vaccines globally through mid-2022, with a yet-to-be-determined amount for Latin American and Caribbean countries. The vaccines are being provided bilaterally and through the COVAX Facility and COVAX AMC.

As of late August 2021, the United States had delivered 40 million vaccine doses to 26 Latin American and Caribbean countries, according to the State Department (at <https://www.state.gov/covid-19-recovery/vaccine-deliveries/#wha>). Top recipients of the U.S. vaccine doses include Colombia (6 million), Mexico (5.8 million); Guatemala (4.5 million); Argentina (3.5 million); Brazil, Honduras, and El Salvador (3 million each); Paraguay, Peru, and Ecuador (2 million each); Bolivia (1 million); and Costa Rica, Haiti, Panama, and Uruguay (0.5 million each). In August 2021, the State Department announced it would donate nearly 5.5 million vaccine doses to Caribbean Community (CARICOM) countries.

Some Members have argued for and against a proposal at the World Trade Organization to waive intellectual property rights for COVID-19 vaccines. In May 2021, the Administration announced its support for negotiating such a waiver due to the pandemic's extraordinary circumstances. The proposal has yet to be adopted, however, due to opposition from the European Union and others.

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