



Governance in Latin America in the face of COVID-19

By Isabel de St. Malo

The current crisis

Humanity faces probably the worst crisis since World War II. As a result of a health emergency, the world as we know it came to a halt to stop the spread of a virus. Far from being just a health crisis, the consequences have transformed into cost of life, jobs, income generation, the flow of goods and services and risk to the very livelihoods of millions of people around the world, particularly the most vulnerable. International economic organizations

predict a global recession, with significant drops in gross domestic product; the ILO estimates that millions of people will lose their jobs; FAO points to significant impacts on supply chains including for food and UNDP is calling it a governance and a human development crisis.

In Latin America the pandemic arrived in a scenario of pre-existing weaknesses and conditions. New tensions setting over pre-existing tensions unleashed inequalities and vulnerabilities that must be addressed in a systemic fashion and with renewed

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tools. Lack of trust towards leaders in general does not provide the ideal scenario for change and transformation. But times of crisis represent opportunities as much as challenges.

The virus and the measures to stop the spread do not represent the same for everyone

Inequality has emerged in a cruder fashion. Essential workers cannot carry out their work remotely and students from many families, especially in the underdeveloped world, do not have the minimum conditions at home to be able to study remotely and avoid the risk of missing the school year. According to UNICEF, more than 95% of children in Latin America and the Caribbean are out of school with effects beyond education, as nutrition programs benefit more than 80 million children in the region.

The most basic recommendation, hand washing, is not available to more than half of the world's population without access to safe sanitation services. The most vulnerable: migrants, migrant families that once depended on remittances, refugees, women, children, the elderly and informal workers are affected the most.

The poorest, who depend on day-to-day generation of income and lack savings, face a very different quarantine from that of middle- or high-income families. The family experience of quarantine is different depending on the physical space and conditions of the home. While for many confinement has represented opportunity to reconnect and have more family time - while remaining able to continue uninterruptedly working or studying from home - for others crowded in smaller spaces, co habiting has increased stress and tension.

Capacity of Governments to respond

Response to the crisis has been different across countries showing institutional capacity or the lack of it. It has an impact if: i) the country has savings or it does not, ii) it has the capacity and fiscal space to borrow, iii) the health system is robust , iv) schools are able to carry out distance education, v) there are agile mechanisms for cash transfers in place, vi) inter-institutional coordination works. The crisis highlights the capacity of the state, of its institutions, in order to respond to the expectations of the population.

The crisis has placed the state at the center, showing its relevance, its importance. It highlights the risks and costs of having ineffective and inefficient institutions. Those countries with more robust systems - which have given value and importance to the strengthening of their capacities - are today reaping the benefits of that effort, showing what strengths allow in times of crisis and the need to adapt our institutions to the challenges of today and the future.

Governance in Latin America and the Caribbean

Latin America had already recognized its weakness in terms of governance. Lack of trust in institutions and leaders has been a part of the region's diagnosis for decades. A middle-income region without a consolidated middle-class. While governments require their citizens to comply with the quarantine, a vast majority of the population are informal workers and need to work for daily subsistence. As a result, even though the region has had the longest quarantines, it is today the epicenter of the pandemic. Institutions have proven ineffective to respond and citizens have not abided by the quarantine mandated by governments.

The historical lack of trust in governments has become evident as efforts to address the crisis have not worked. Further, the under investment in social services resulted in schools moving to remote learning without the adequate infrastructure to do so and governments increasing their cash transfers without adequate data and tools to do so. I support the notion that Covid – 19 represents for the region a governance crisis that needs to be addressed collectively to work towards new social contracts that inspire and facilitate long overdue reforms.

Risk of regression

Many of the achievements the region has had during the last decades face the risk of regression. According to the Human Development Report Office, conditions have returned during the crisis to levels of deprivation last seen in the 1980s. The proposal is then to shape the response taking into consideration equity, capabilities and a multidimensional approach.

We must keep long-term goals in mind when addressing the short-term realities of the crisis. Long-term goals of building a better “normal” after the crisis enabling the ability of achieving the 2030 Agenda. One with human development, expanded capabilities and inclusion. There are examples that prove that it is possible to advance amidst crisis - the way Sierra Leone diminished its multidimensional poverty index while facing the Ebola crisis.

The risk of the loss of decades of work and the expansion of marginality must also be addressed from the governance perspective. If our institutions are not capable of responding to citizen's expectations, of caring for the vulnerable population, of leading our countries in an adequate transition, the region runs the risk of further deepening mistrust and governance. Lack of confidence in institutions, in governments and the political class if deepened, can create greater governance crises, social problems and unrest than already present in several countries of the region, prior to COVID-19.

The Future of the Economy

With the world in emergency mode, we are already beginning to think about reconstruction and recovery. We must not aspire to return to the economy of yesterday but to transition to the economy of the future. Some countries are already responding with greener solutions, bicycle lanes as an alternative

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to public transportation, digital spaces as an alternative to meeting in person just to name a few.

Recognizing the obstacles to progress towards the achievement of the 2030 Agenda, COVID-19 and the inequities and lack of institutional capacity that it reveals, urges us to renew commitments and push change.

Taking the necessary steps to build the economy of the future with inclusion, human development, sustainability and opportunities. The decisions taken to respond to the emergency have the ability to gradually define this future economy. The United Nations, with its global presence, is urging countries to have this reflection in the face of decision-making. The experience of the 2008 crisis showed us that it is possible to rescue companies without rescuing people, calling for us to place human beings at the center of decision making.

On the positive side the crisis has pushed for advances that promise to stay. Technological transformation and digitalization have speeded with commerce increased digital services making it possible to continue delivering goods and services during lockdowns. Teaching platforms have been designed and deployed with massive training efforts to train teachers in order to ensure home schooling. Private and public sector have accommodated tele work for millions of employees that would otherwise have been denied that possibility. Policies are being designed to respond to the crisis incorporating internet access as a priority.

It's still early to predict the long-term impact of digitalization but it is safe to expect that many practices will remain with us contributing to greener cities due to reduced transportation needs and emissions, and more work life balance for employees with the possibility of enhanced opportunity for working from home and spending more time with the family. Impact on real estate markets is also expected as the need for office space has been affected and the need for home space as well.

Shared responsibility, Global Solidarity

This crisis must lead the world to understand that the solution to global problems requires cooperation and that the vehicle is multilateral spaces. Given the call of the UN Secretary General, Antonio Guterres, to address the crisis with shared responsibility and global solidarity, calling for unprecedented multilateral action, it is now time to respond and build together a different post-COVID-19 reality. Regional collaboration is also very difficult in Latin America; regional multilateral spaces such as the OAS, CELAC and others have been for years plagued with ideology and division, making it impossible to achieve agreements on main issues.

The ability to harness lessons learned from other countries to more effectively prepare mitigation measures has been critical to the response and could have been better utilized. For challenges that are global, as it is in the case of COVID 19, the response must be global and coordinated. Decisions made by some countries to withdraw from multilateral organizations have not helped. If we succeed in stressing the importance of the multilateral system and understand that collaboration is necessary, perhaps in five years we can look back and see this crisis as the decisive moment that opened the possibility of building back-better and achieving the global development agenda.

At national levels solidarity has also played a key role as individual citizens, Ngo's

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and the private sector have mobilized to support vulnerable populations affected by the pandemic. The economic impact on families has resulted in job and income loss - particularly in a region where informal workers represent over half of those economically active, - and efforts to assist those in need has proven of the utmost importance in this region.

The Way forward

History has proven time and again that crisis may represent a turning point. The United Nations itself was created to ensure and maintain peace after a war. The most successful reconstruction efforts have also come after devastation. Collaboration at the national, regional and global level is the way forward. For Latin America the establishment of a New Social Contract is necessary, one that includes all sectors of society and addresses the future the region wishes to build and everyone's role in the process. Addressing issues like fiscal reform, inclusion, participation, transparency, human development, citizen's rights and responsibilities is necessary. Latin America has for too long been a region of privileges, where contacts work for contracts with the government, job placement and even business licenses. This has resulted in increased inequality and exclusion. Change can be either imposed by violence or revolution or agreed upon by consensus. Citizen led movements that have sprung in the region in the last decades prove that expectations are not being met and people are losing patience.

Communications and sharing information are crucial to re-establish trust. Ensuring that the public is informed about the measures that are being taken, at every step, in a timely and transparent manner, becomes essential to build trust. Maintaining an open dialogue with the population, with the business sector, can also contribute to reducing uncertainty

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during the crisis. The establishment of open consultation tables, making use of technology, can also contribute to unite with a common agenda. Efforts are already underway in this regard, to promote dialogue and consensus, build a common understanding and a common solution to old problems.

Conclusion

The time has come to change the normal prior to COVID - 19 and for us to work hard for the paradigm of human development, putting people at the center, generating opportunities, from the multilateral sphere and the institutions that together we have created for it. Crisis represent challenges and opportunities and this one may be the turning point the region needed to build forward better. If COVID - 19 is a serious enough crisis to change the way of doing things in the short term; environmental, economic and social sustainability is serious enough to change them in the long term. Perhaps this time Latin American leadership will rise to the occasion and make change a priority.



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