



COVID-19 in Latin America: Perspectives from Multilateral Organizations and International Cooperation

A Discussion Paper by Gino Pauselli, University of Pennsylvania

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Economic interdependence—travel, trade, tourism—together with the communities that are produced by it, create benefits but also vulnerabilities. The COVID-19 pandemic has put global interdependence in check, and in face of its momentary freeze, the benefits it has generated are seen as never before. Today it is clear that the benefits outweigh the potential vulnerabilities, evident in that all governments are considering how to return to a situation of economic interdependence similar to before the pandemic.

International cooperation is necessary and useful in cases where there is an absence of global goods, but also when network goods are needed. As Andrés Malamud pointed out in a May 2020 article in *El Economista*, the fight against COVID-19 is similar to the provision of a network good.¹ Network goods are those whose usefulness increases with their dissemination: the more users who have it, the better. Similarly, “network ills” would be those whose ability to inflict damage increases with their spread, such as viruses. The biggest difference between global and network goods is that with global goods, an actor with sufficient resources must provide them. In the case of network goods, cooperation is necessary for all actors—big and small, rich and poor. So, in the current international context, cooperation between states becomes necessary. In turn, the main instrument states have found to coordinate national policies have been multilateral organizations.

At the international and regional levels, it appears that the response to COVID-19 was fragmented and lacked coordination by Latin American governments. In turn, one of the main challenges

in advancing multilateral cooperation is related to problems that existed prior to the pandemic: an absence of institutional capacities. Over the past decade, the region has witnessed disinvestment of spaces for multilateral policy coordination. For example, along with the abandonment of the Union of South American Nations (UNASUR) by the majority of its founding members, the South American Health Council has disappeared as a coordinating space for ministries of health at the subregional level.

However, multilateral organizations are providing information and reducing transaction costs to implement policies in a context of uncertainty, which are the main functions of international institutions according to the functionalist theory. These organizations are currently warning about the dimensions of the pandemic and providing evidence on prevention efforts. More specifically, there are multilateral organizations at the international and regional levels where there is active cooperation on issues related to combating and mitigating the effects of COVID-19.

The most important case is that of the World Health Organization (WHO), an institution that has been making recommendations since the outbreak began in China. WHO has the key instrument in combatting a pandemic with the characteristics of the current one, and those are the International Health Regulations (IHR). The IHR are a legally binding international agreement between WHO member states with the purpose and scope to prevent the international spread of diseases and provide protection, control, and a public health response against the threat of such viruses and



diseases. Its binding nature makes the IHR a powerful instrument in the current pandemic situation.

At the same time, other multilateral agencies unique to the Latin American region have been active in coordinating specific actions and providing useful information for decision making in a context of uncertainty. The Pan American Health Organization (PAHO) regularly publishes recommendations and good practices to take measures that facilitate economic reactivation without harming the health system. The Community of Latin American and Caribbean States (Comunidad de Estados Latinoamericanos y Caribeños, or CELAC) created a Network of Experts in Infectious Agents and Emerging and Re-Emerging Diseases (Red de Expertos en Agentes Infecciosos y Enfermedades Emergentes y Reemergentes) to share experiences around applied treatments and protocols executed for COVID-19 care. Against a backdrop of a shortage of information on effective policies and treatments, these actions provide valuable insights for decision making.

The Central American and Caribbean region is the most active in using multilateral agencies to provide network goods. The Caribbean Community (Comunidad del Caribe) has organized emergency meetings among heads of government and has approved strategies leading to the reopening of regional economies. For its part, the Central American Integration System (Sistema de Integración de Centroamérica) has launched a regional contingency plan aimed at complementing national efforts for the prevention, containment, and treatment of COVID-19. This plan contains five axes—health, trade and finance, security, justice, and migration—and involves the disbursement of \$1.9 billion. Finally, the Association of Caribbean States has been coordinating efforts to conceptualize a combined regional response and strategies to address the mortal COVID-19 pandemic by arranging a meeting of technical experts.

In South America, for its part, the MERCOSUR Structural Convergence Fund (Fondo para la Convergencia Estructural del MERCOSUR) has refocused projects to invest resources in research and education to combat COVID-19. The project Research, Education, and Biotechnologies Applied to Health will allocate \$16 million to strengthen the capacity for diagnosing the virus through the purchase of equipment, supplies, operator protection materials, and virus detection kits. The new funds will allow, according to the schedule of priorities of each country, the development of the serodiagnostic technique that detects the antibody response of patients. The Andean Community (Comunidad Andina de Naciones, or CAN), for its part, has played a central role in the postcoronavirus reactivation process, according to heads of state from member countries. Specifically, CAN has provided key information for private actors affected by the pandemic through training programs for small and medium-sized exporter enterprises.

In short, multilateral agencies and international cooperation have been very active in providing information and reducing transaction costs between governments that must implement measures

in a context of great uncertainty. However, these activities have been mainly focused on addressing the health crisis, and relatively little has been done to coordinate actions to address the economic crisis. Furthermore, these actions have been ignored in the analyses of the multilateral response to the pandemic because in a context of uncertainty, demands for concrete actions are increasing. In the face of this, it is important to remember the role of multilateral organizations: to provide information and reduce transaction costs, not implement or impose decisions.

The greatest challenge for multilateral organizations in the postpandemic world is the loss, still greater, of legitimacy as a result of the invisibility of their actions during the health and economic crisis.

Policy Recommendations

- Publicize actions taken at multilateral levels to make the role of international cooperation visible in times of crisis. For instance, follow the example of the heads of state in the Andean Community, who highlighted the organization's role in post-COVID-19 reactivation.
- Reduce expectations around what international agencies are meant to do and promote a more accurate reading of what they can actually do.
- Share experiences of multilateral cooperation at the regional level with other multilateral institutions such as with cooperation donors who are willing to support experiences that replicate successful regional cooperation practices.
- Use existing channels and enhance existing technical and operational cooperation that is currently providing information and reducing transaction costs between governments in the region, such as PAHO publications and the network created by CELAC.
- Promote greater multilateral coordination in the economic field where development banks, such as the Inter-American Development Bank or the Development Bank of Latin America (Corporación Andina de Fomento), participate actively.

Endnotes

- ¹ Helena Carreiras and Andrés Malamud, "Geopolítica del coronavirus," *El Economista*, May 10, 2020, <https://eleconomista.com.ar/2020-05-geopolitica-del-coronavirus/>.



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