
Special Commentary:
COVID-19: Shaping a Sicker, Poorer,
More Violent, and Unstable Western Hemisphere

May 15, 2020 | Dr. R. Evan Ellis

The COVID-19 pandemic will have profound and enduring negative effects on Latin America and the Caribbean, significantly impacting the security, interests, and strategic position of the United States. Department of Defense and other US senior leaders should begin planning now to mitigate or manage the consequences.

The effects of COVID-19 on Latin America and the Caribbean, as in many other parts of the developing world, [will be far more significant](#) than is commonly anticipated for two reasons. First, the virus will likely play out across the region over an extended length of time owing to a variety of factors discussed later. Second, the pandemic's mutually reinforcing health, economic, social, and political effects will combine to [wreak far more havoc](#) than anticipated in analyses that only consider disease propagation or effects on commerce. Together, these two dynamics of COVID-19 will leave a Latin America that is *far sicker, poorer, beset by crime, violence, social unrest, and political instability* than today. It will also leave a region with expanded People's Republic of China (PRC) commercial presence and political influence, even while being more resentful of it.

MORE PROTRACTED, DEBILITATING HEALTH EFFECTS THAN ANTICIPATED

The public health crisis wrought by COVID-19 in Latin America and the Caribbean will not disappear with the reopening of the region's economies. It will likely extend for a year or more and be even more debilitating [than now anticipated](#). The great density of commerce-related human interactions between the PRC, Europe, and the United States caused the pandemic to [take off there](#) far more rapidly than in Latin America and other parts of the less-developed world. The [curfews](#), [quarantines](#), [border closures](#), and [other measures](#) adopted by [some Latin American countries](#), as they witnessed the virus [ravage Europe](#) and the United States, delayed its spread and created the illusion that it would not affect the region as badly. Such hopes were mistaken.

COVID-19 is just now beginning to explode in Latin America [and the Caribbean](#). By May 7, the region had over [three hundred thousand confirmed cases, and seventeen thousand deaths](#). Countries such as [Brazil](#), [Ecuador](#), [Peru](#), [Mexico](#), and even [Bolivia](#), [Chile](#), and [Colombia](#), are suffering significant numbers of cases and [accelerating rates of lethality](#). On May 13, Mexico and [Brazil](#) recorded [record numbers of deaths](#), while Peru, with [76,306 cases](#), recorded a massive jump of [4,247 cases in a single day](#). The onset of winter in the Southern Hemisphere [may further exacerbate](#) the spread in more temperate climates there, including Uruguay and the south of Chile and Argentina.

The disease may ultimately spread further, and [last longer](#), in Latin America than elsewhere for a number of reasons. The relative [normalcy of physical contact](#) in business and social interactions, combined with [many economically vulnerable “informal” workers](#) who [must leave their homes](#) to make a living, and [small businesses that will go bankrupt if they stay closed](#), makes social distancing measures and business shutdowns less effective and less sustainable than in the West. Indeed, some countries in the region are already [relaxing COVID-19 related restrictions](#) and [reopening businesses](#) even as the rate of infections continues to climb. In Brazil, as six states reported [demand for intensive care unit beds and services had exceeded supply](#), Minister of the Economy Paulo Guedes warned of an [economic collapse in Brazil within thirty days](#) if commercial activity was not resumed.

[Limited testing](#) and contact tracing capabilities, and the [sparse implementation](#) of such measures by some governments, [impedes knowledge of who is infected](#) and where social distancing measures can safely be lifted. Because it will also be some time before effective vaccines are tested and distributed throughout the region, and because the virus may [continue to mutate](#) during this time, COVID-19 will likely [continue to break out](#), and then die down again, in different parts of the region for some time.

The takeoff of the virus [in Venezuela](#) provides an apt example. Venezuela’s government has almost no capacity to test for COVID-19 and lacks any semblance of transparency. The country also suffers from a [collapsed healthcare system](#) that [lacks even the most basic](#) medical and hygiene supplies (including regular access to [running water and electricity](#)). Even if current numbers of infected in Venezuela are as low as reported, tens of thousands of Venezuelans are currently [returning home](#) from neighboring countries where infection rates are higher, and some will bring COVID-19 with them into Venezuela.

The weakened state of millions of Venezuelans, [without adequate access to food](#) and necessities, and [their movement](#) in often crowded, unsanitary conditions across the country and [to neighboring countries](#), will serve as a transmittal mechanism for accelerating the spread of the virus throughout the region. This migration will [sew sociopolitical conflicts](#) along the way as local populations see Venezuelans as a [dual threat](#)—potentially carrying the disease and competing with local populations for scarce healthcare and other services.

Amidst a backdrop of the widespread persistence of the virus across the region, its lethality will likely be far greater than in the United States and Europe due to the [relative shortage](#) of

intensive care unit and other [hospital beds](#) and [equipment](#) (e.g., [ventilators](#)) for treating seriously ill patients. As the crisis stretches out in time, it will increasingly expose the shortcomings of the public health sector in the region. The limited number of [medical personnel](#), and the limited resources of governments in the region to correct such deficiencies, will increase the entire population's vulnerability to infection over a year or more. The relative [youth of the region](#), however, means that COVID-19 will kill not just the elderly, but also an important portion of the current and future workforce.

ENDURING ECONOMIC DISTORTIONS AND IMPAIRED GOVERNMENT PERFORMANCE

The International Monetary Fund predicts that Latin America's gross domestic product will [contract by 5.2 percent](#) in 2020 due to the pandemic, devastating the region's [already weak economies](#). Even more important than the anticipated contraction, COVID-19 may produce devastating [long-term economic effects](#) in the region, including enduring changes to the structure of economies as well as a loss of resources available to states for effective governance. Governments already facing [high debt levels](#) will be unable [to continue borrowing](#) enormous sums to fund programs protecting small businesses and workers, particularly if disease outbreaks and associated restrictions on human and commercial interaction extend into 2021. The harm to businesses and the informal sector, as well as the loss of tax revenue to governments, could worsen by continuing low demand for their exports and decreased [tourism revenues](#) from the United States and the European Union.

Amidst protracted malaise and fiscal limits in the ability of governments to help, a significant portion of temporarily closed small businesses is likely to disappear permanently through bankruptcy. Similarly, [vulnerable Latin America-based financial institutions](#) may also consolidate, compounding the liquidity crisis faced by Latin American businesses.

Manufacturing in the region, such as the [automotive sector](#) in Mexico and Brazil, is likely to be particularly hard hit by continuing weak demand for goods both domestically and in export markets. While some sectors such as agricultural exports, mining, and petroleum may rebound with resumed PRC and global demand, the permanent contraction of other sectors—including small and medium businesses, manufacturing, and tourism—will eliminate an important part of the economic base sustaining the region's middle class and impose severe pressures on the region's social fabric.

Beyond the economic effect, the combination of reduced government revenue streams and greatly increased debt service will oblige governments to cut spending, even more than during [debt crises of the twentieth century](#), on everything from social and infrastructure programs to the military and national security. In some cases, such as Argentina, governments may [default on their debts](#), locking them out of Western credit markets. Some countries may then [turn to the PRC](#) for new lending, [agreeing to conditions](#) which dramatically expand PRC influence. Such

agreements effectively redirect a sizeable portion of economic activities to [benefit Chinese](#) rather than host-nation companies in exchange for short-term relief.

EXPANDING CRIMINALITY AND VIOLENCE

The enduring disappearance of tens of millions of jobs across the region, and the evaporation of opportunities in the informal sector, is likely to push a portion of the greatly expanded mass of desperate persons into criminal acts and make them vulnerable to recruitment by criminal groups. At the same time, gangs such as Mara Salvatrucha (commonly known as MS-13), Barrio 18, and other territorially focused criminal groups may seek new revenue streams and [become more aggressive](#) as traditional sources of illicit income—such as extorting nightclubs and small shops—[are limited](#) by social distancing measures and depressed economic activity.

Other criminal groups such as drug cartels, human traffickers, smugglers, money launderers, and illegal miners will also be adversely affected as the enduring shutdown of borders makes revenue-generating smuggling activities [more complicated](#) and [disrupts supply chains](#). Indeed, the supply chain for fentanyl and precursor chemicals for synthetic drugs from the PRC to Latin America has [already been affected](#). Illegal mining will be affected by everything from possible difficulties in obtaining mercury, to the devastation of their workforce with disease transmission through unregulated prostitution and unsanitary, crowded living conditions.

In other ways, COVID-19 may expand criminal opportunities, including for [contraband medicine and equipment](#), [cybercrime](#), and the [robbery, extortion or embezzling of COVID-19 related aid](#). The pandemic will similarly give criminal groups new opportunities to enhance their control over local populations by [handing out food](#), medicine, and other [needed goods](#) or [enforcing curfews](#) in areas they dominate, as has occurred in [Mexico](#) and [Brazil](#). Increased common crime, recruitment opportunities for criminal groups, and pressures on those groups to [adapt their behavior](#) and expand into new territories and revenue streams, will likely increase insecurity and [violence](#).

Police and other security services will be ill equipped to respond. On one hand, with the continuing threat of contagion, they will be hard pressed to engage in the close-contact community policing necessary to combat the expanded crime and violence. At the same time, their limited resources will probably continue to be diverted to respond to the pandemic itself: enforcing [curfews](#) and maintaining checkpoints, [helping to deliver](#) or providing security for deliveries of medical equipment, food, and eventually, vaccinations. As noted previously, debt-hobbled governments will have few additional resources for security forces to aid them in performing their expanded responsibilities.

TAKEOFF IN SOCIAL UNREST AND POLITICAL INSTABILITY

As restrictions on human interaction are lifted in Latin America, the social unrest that began to [sweep the region](#) in the fall of 2019 is [likely to reappear](#) on a [far greater scale](#). Mass protests that shook Ecuador, Chile, and to a lesser degree Colombia, [reflected the hardships of the region](#) and the widespread [discontent with government performance](#) in addressing them. Although COVID-19 temporarily suppressed such protests, it also greatly expanded those hardships and causes for discontent with governments. The new grievances include the ongoing public health crisis, mass unemployment, evaporation of businesses, and likely expansion of crime and violence in the coming months. Dissatisfaction with governments for their response to the crisis includes several cross-cutting issues. Anger over the [economic damage inflicted](#) by shutdowns is amplified by perceived [violations of rights](#) and liberties and [excesses in restricting the movement](#) of persons. Alternatively, others seethe over lives lost due to the government's perceived slowness in imposing shutdowns, the perceived inadequacies in the public health system in confronting the crisis, inefficiencies in the government's response, and [corruption associated with emergency spending](#) on both [medical goods](#) and [social protection programs](#).

The previous round of mass social protests that shook Latin America were enabled in part by [social media](#). Given the [expansion of virtual connectivity](#) that COVID-19-related social distancing [has obliged](#), these social media tools will probably play an even greater role in the spread of the new round of mass mobilizations.

EXPANSION OF CHINESE POLITICAL AND ECONOMIC INFLUENCE

The biggest winner as the crisis in Latin America deepens is likely to be the PRC. As occurred during the global economic crisis in 2008, the PRC will likely expand its commercial presence and political influence in Latin America and the Caribbean. The PRC is emerging from the pandemic crisis [more rapidly](#) than the United States and the West. Chinese companies will be well positioned, with the help of PRC government and financial partners, to expand their role in global supply chains, acquiring the strategic assets that bankrupted or distressed local and Western companies will seek to sell.

The PRC's expanding commercial presence in the region, and associated assertiveness in protecting its interests there, will generate frictions with local workers, businesses, and politicians, just [as it did after 2008](#). Such frictions will feed off and reinforce existing distrust and resentment toward the PRC, including the perception that its secrecy and mismanagement of the response to COVID-19 [substantially contributed](#) to the pandemic.

At the same time, expanded PRC economic and [political leverage](#) will [help it to suppress](#) open discussion of such grievances among politicians, businessmen, and scholars in the region. Additionally, the PRC will benefit to some degree from its donations of [testing kits](#), [medical equipment](#), [personal protective gear](#), and other needed goods. Governments in the region will also perceive, as in 2008, that PRC loans, investments, and resumption of demand for primary

products and foodstuffs is a desperately needed economic lifeline as demand from Western purchasers, investors, and lenders remains limited. Some in Latin America will see the PRC's emergence from the pandemic relatively sooner than Western governments as evidence that the PRC's state-led authoritarian approach to governance is superior. Despite this model running roughshod on numerous rights and freedoms, it may appear better able to protect citizen health and welfare, and avoid other risks of the global interdependent economy, than the more chaotic Western model of democracy and free markets.

POLITICAL CHANGE

The reinforcing effect of the health, economic, and public security crises in the region, the reemergence of mass protests, and the new economic and political dynamics afforded by the PRC's expanded presence will transform politics in the region. Not only may many governments change, but parties, movements and ideological cleavages may shift dramatically, too. COVID-19 will drive a reexamination of the fundamental responsibilities of government and the standards on which regimes should be judged. It will also cause reconsideration of the [appropriate balance](#) between rights, liberties, and opportunities versus citizen health, economic, and physical security. Even more than in [prior eras](#), beleaguered Latin American and Caribbean citizens may consider more favorably authoritarian models, such as the PRC's, which seem to offer some level of social order and economic stability, for the price of rights and liberties traditionally seen as inviolable in the West.

CONCLUSIONS

The deterioration of conditions likely to occur in Latin America and the Caribbean in the coming year will present significant challenges to US interests and strategic positions in multiple areas and in many ways (via US physical, commercial, and human connectivity to the region). The protracted health crisis in the region will threaten new outbreaks of the pandemic in the United States through the many people who regularly cross the US border for commerce, work, tourism, and family ties. The economic crisis in the region will impact US businesses operating there, including those that rely on production facilities in Mexico, Central America, the Caribbean, and elsewhere. Bankruptcies, supply chain interruptions, and defaults in the region will also affect US investors and bondholders.

Beyond such business and supply chain effects, the crisis, and the associated expansion of criminality and violence in the region, will create pressures for expanded migration to the United States on an unprecedented scale. Expanded illicit activities such as narcotics, goods, human trafficking, and weapons smuggling will involve criminal groups in the United States as well as those in the region. The weakening of governance in Latin America and the Caribbean will create expanded sanctuary for terrorists and provide them opportunity to plan and conduct operations against the United States from the region. As these worrisome dynamics play out, the

political upheaval in the region, combined with the expanded PRC presence and influence, will decrease US latitude to work with beleaguered partners there to combat such threats.

Insofar as the crisis is likely to continue through the coming year, whoever is in the Oval Office on January 20, 2021, will be obliged to make fundamental policy decisions about protecting the United States from the threats from the region (and elsewhere). Such protection could come via significantly expanding controls over the flows of people, goods, and money with the region to achieve for the United States greater commercial self-sufficiency and diversity of supply. But, sound policy must also consider working with the region on an unprecedented scale to strengthen its governance, security, human and commercial health, in order to reestablish together a hemisphere that is more secure and prosperous for all.

The views expressed in this Special Commentary piece are those of the author and do not necessarily reflect the official policy or position of the Department of the Army, the Department of Defense, or the US Government. This article is cleared for public release; distribution is unlimited.

Organizations interested in reprinting this or other SSI and USAWC Press articles should contact the Editor for Production via email at usarmy.carlisle.awc.mbx.ssi-webmaster@mail.mil. All organizations granted this right must include the following statement: "Reprinted with permission of the Strategic Studies Institute and US Army War College Press, US Army War College."

All Strategic Studies Institute (SSI) and US Army War College (USAWC) Press publications may be downloaded free of charge from the SSI website. Hard copies of certain reports may also be obtained free of charge while supplies last by placing an order on the SSI website. Check the website for availability. SSI publications may be quoted or reprinted in part or in full with permission and appropriate credit given to the US Army Strategic Studies Institute and US Army War College Press, US Army War College, Carlisle, PA. Contact SSI by visiting our website at the following address: <http://ssi.armywarcollege.edu/>.