



Legislating for Post COVID-19 Economic Recovery: Cooperative Dialogue between Presiding Officers of Parliaments of the Americas

#ParlAmericasSDG #COVID19

The high-level dialogue organized by ParlAmericas, [Legislating for Post COVID-19 Economic Recovery](#), aimed to explore the legislative and public policy response needed to promote a sustainable and equitable economic recovery, in line with the 2030 Agenda goals.

 Access the recording of the session [here](#) (in Spanish)

THEME

Economic Recovery, Sustainable Development, Inclusion

LOCATION

Virtual meeting

DATE

June 5, 2020

PARTICIPANTS

Over 100 parliamentarians, parliamentary staff and embassy representatives from 16 countries



This activity is aligned with SDG 16.

Summary

This activity was inaugurated by Member of the National Assembly **Elizabeth Cabezas** (Ecuador), president of ParlAmericas, followed by a keynote address by **Alicia Bárcena**, Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC), on the socioeconomic impact of the pandemic in the region and proposals for mitigating its effects. Senator **Rosa Gálvez** (Canada), Vice President of the ParlAmericas Parliamentary Network on Climate Change, moderated the high-level dialogue between presiding officers of parliaments who spoke about the economic actions and measures adopted in response to COVID-19.

As parliamentarians, we need to find a way to make our proposals truly meaningful beyond the realm of rhetoric, and we need to ensure that they are effective; in these times, there is no margin for trial and error when it comes to regulations and public policy. It is vital that we legislate strategically, on the basis of medium- and long-term forecasts; stop-gap measures and their constant reforms generate a climate of legal uncertainty with severe consequences for investment and development.

Member of the National Assembly
Elizabeth Cabezas (Ecuador),
President of ParlAmericas



It is essential that the policies and measures adopted be congruent with the efforts we're already making to mitigate climate change, prioritizing a green and inclusive recovery with a focus on the most vulnerable sectors that the pandemic has brought to the forefront, such as Indigenous communities, afro-descendants and those living in poverty or extreme poverty, while adopting a gender perspective.



Senator **Rosa Gálvez** (Canada), Vice
President of the ParlAmericas
Parliamentary Network on Climate Change

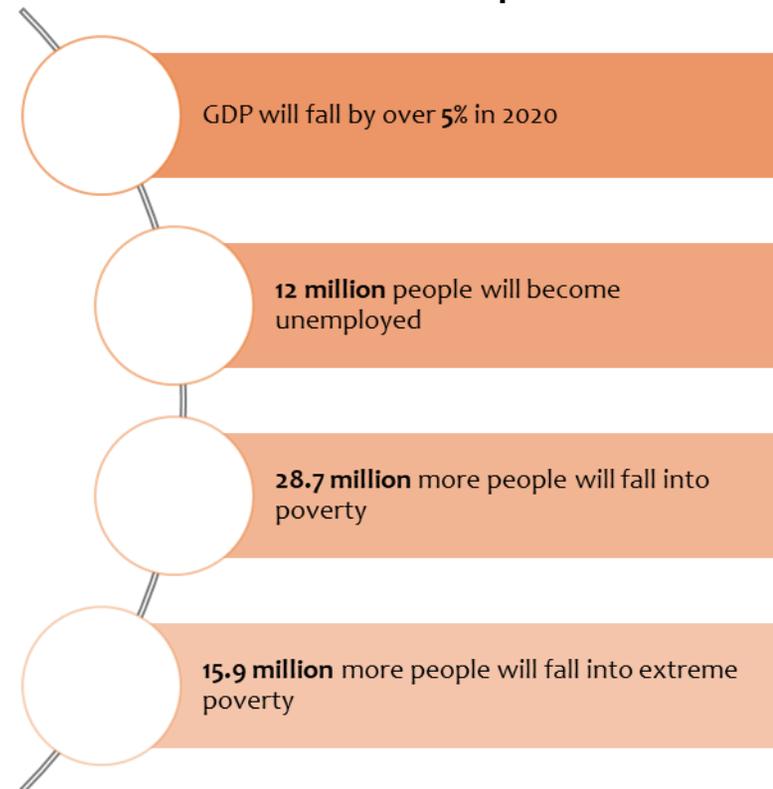
The economic and social effects of COVID-19 in Latin America and the Caribbean

The keynote address by **Alicia Bárcena**, Executive Secretary of ECLAC ([presentation](#)), began by pointing out that even prior to COVID-19, the region was already showing a low growth rate, limited fiscal space, and growing social conflict, with the current crisis revealing structural deficiencies, especially in healthcare systems, as well as in the historic weaknesses in productivity.

In this regard, Ms. Bárcena highlighted that the direct effects of the pandemic have cast an extraordinary burden on healthcare systems and resulted in unequal access to medical treatment, while there have been indirect effects on supply and demand, as seen in the suspension of domestic production with a significant impact on three sectors, namely: trade, tourism and services in general; manufacturing; and primary economic activities, such as mining and agriculture.

In addition, she highlighted that the impact has differed across population groups with varying response capabilities. Although the first COVID-19 cases were detected among groups and urban areas with higher incomes, more resources and better health, new cases are currently being detected in lower income areas with greater economic vulnerability and more restricted access to healthcare services. She also indicated that only 20% of people can access telework and telelearning due to unequal access to internet and broadband services, and that the informal labour force, disproportionately made up of women, has been the most affected sector.

The socioeconomic impact in numbers



Strengthening the work of parliamentarians is essential. We have seen here that there is a broad consensus among all of you in terms of how to respond to the pandemic, with a sense of urgency and opportunity, and in a very straightforward fashion. When people ask, "What do we do first?" I say we should protect the vulnerable sectors of society, protect people's incomes, which is very important, and protect our productive capacity. Lastly, we have to think about building a better future for our peoples through more inclusive welfare systems, green sustainability and strategies for ensuring a higher commitment from businesses by giving them the support they need to protect jobs. And, of course, plans on how to transition toward strategic sectors that would allow us to achieve greater environmental and social sustainability.

The challenges posed by this pandemic can be placed into two broad categories: health sector challenges around treatment, preventing the spread of the virus, providing critical supplies and managing healthcare systems—actions which are also affected by health behaviours at the population level; and the economic productivity challenges around maintaining or resuming economic activities, supporting households and businesses, producing critical equipment domestically, such as ventilators, and restoring the supply chain, especially in the food sector.



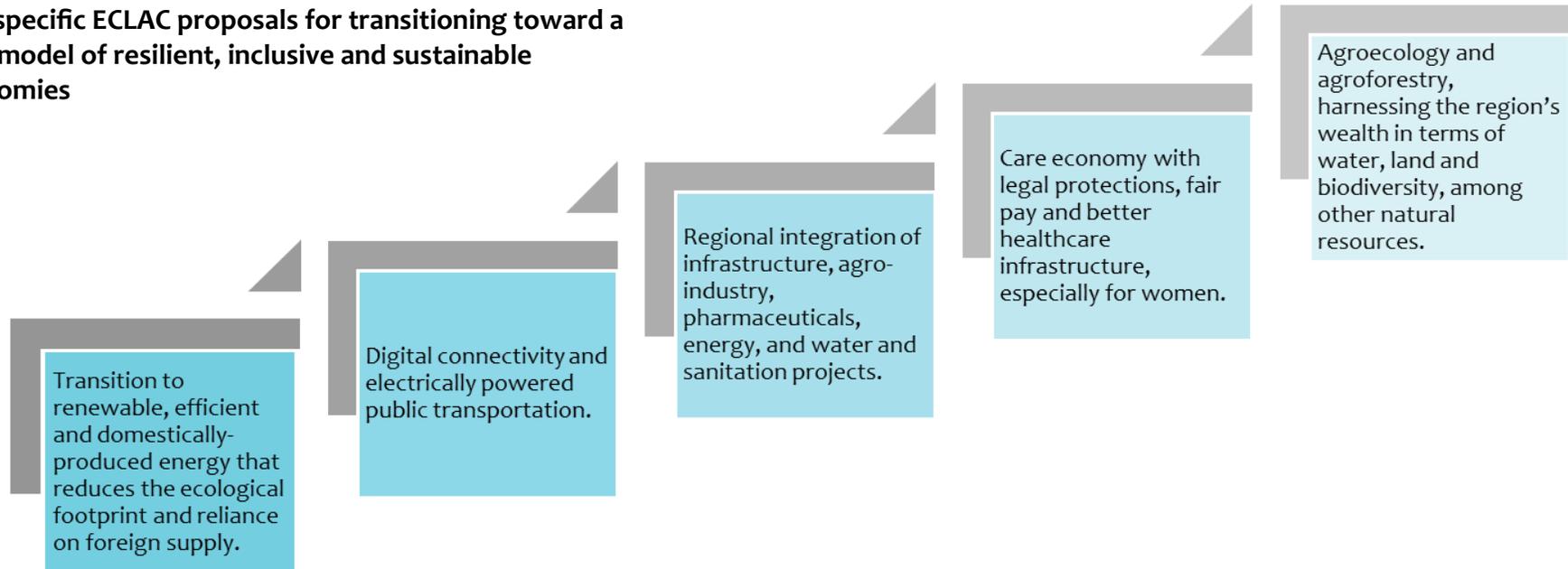
Alicia Bárcena, Executive Secretary,
ECLAC

In this sense, Ms. Bárcena stressed that the current crisis calls for parliaments that are more effective, efficient and open. She stated that the public is demanding greater and better access to public information that is both timely and reliable, as well as mechanisms and institutions to ensure its participation in decision-making, thereby guaranteeing good governance. Consequently, she underscored the valuable role of parliamentary oversight to ensure transparency in the implementation of government measures, which, in turn, will contribute to keeping civil society informed on such measures, strengthening public trust in the response to COVID-19. She also noted the importance of opening institutional channels for dialogue and civil engagement that could help guide post-crisis actions.

ECLAC proposals for responding to the current crisis

The ECLAC proposals presented by Ms. **Bárcena** included providing emergency basic income over a period of six months for sectors of the population living in poverty; preventing the destruction of productive capacities by issuing subsidies in accordance with business size (small, medium and large enterprises) and their respective commitment toward their employees; changing the economic model in favour of a production structure with greater equality and environmental sustainability; establishing a new social pact that provides for universal healthcare, which is the basic infrastructure for human life and has been neglected for decades; and promoting regional integration within a new economic landscape, given that companies are now seeking resilience above efficiency, which makes it important to remain vigilant about the role that Latin America will play in this new landscape.

Five specific ECLAC proposals for transitioning toward a new model of resilient, inclusive and sustainable economies



To this end, Ms. **Bárcena** highlighted the important role of parliaments in implementing the proposals outlined in her presentation. This role entails deliberating and arriving at political agreements to redesign the current economic model and establish a more inclusive welfare regime; reforming social security, care economy policies, the labour market and healthcare and education systems, with the aim of ensuring universal public services; and enacting fiscal reforms in accordance with more progressive tax systems, which incorporate higher income and wealth tax collection, as well as broadening towards the taxation of the digital economy and environmental and health-related taxation. She also emphasized that the leadership of parliamentarians is fundamental to the democratic and political legitimacy of recovery processes and economic and social rebuilding.

Furthermore, she noted that the post-pandemic world would require a higher degree of collaboration and integration, making it necessary to conceive a new economic landscape so as to reduce reliance on imported manufactured goods and seek to establish regional value chains. To this end, the region will need industrial policies and new strategic sectors to avoid a single focus on primary economies in the region, with the aim of adding value to production via technological innovation. She also highlighted the fact that an integrated market in a region composed of 650 million people would be a very strong one and would reach the scale and resilience needed to avoid future economic shocks. Lastly, she underlined the importance of building trust among the public with a new system of universal social protection as a result of inclusive and sustainable governance in line with the goals set forth in the 2030 Agenda.

[COVID-19 Observatory for Latin America and the Caribbean: measures by country](#)

ECLAC's COVID-19 Observatory presents national-level measures adopted by the 33 countries in Latin America and the Caribbean in response to COVID-19. The measures are classified into seven categories: movement restrictions within and between countries, health, the economy, employment, social protection, education and gender. It also includes related ECLAC information, news and activities.

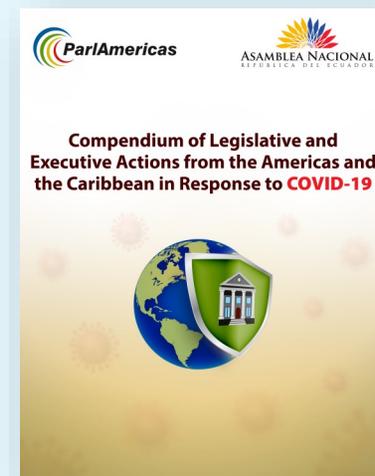


High-level dialogue between presiding officers of parliaments in the Americas

The high-level dialogue was moderated by Senator **Rosa Gálvez** (Canada), and included the participation of presiding officers of parliaments representing 15 countries in the Americas. Officers highlighted the measures for economic recovery taken by their respective institutions, such as support for workers and small and medium enterprises, and resources provided to the health sector and to vulnerable families and population groups, among other actions.

[Compendium of Legislative and Executive Actions from the Americas and the Caribbean in Response to COVID-19](#)

This joint ParlAmericas and the National Assembly of Ecuador publication provides an overview of legislation and executive orders adopted by governments in the hemisphere in response to the COVID-19 pandemic until the end of April. These include keywords that highlight the main topics addressed by each measure.



We've created a comprehensive social protection network employing 7% of GDP for the purpose of preserving jobs through a law called "ProEmpleo", which is designed to ensure that workers do not lose their income when employment is suspended. We've also taken measures to guarantee direct income for Chilean women and men, such as an Emergency Family Income for three months and a COVID Bonus, which have been approved thanks to an accelerated process to pass bills in the Chamber of Deputies.



Member of the Chamber of Deputies
Diego Paulsen (Chile), President of the Chamber of Deputies

Representative **Óscar Villamizar**
(Colombia), First Vice President of the Chamber of Representatives



An issue like the one we are facing requires that the region have common policies in place, which would allow us all to be a lot closer—much more united. This is a situation that allows us to support each other in the new world to come, where the scope of the crisis has yet to be determined.



Member of the Chamber of Deputies
Álvaro González (Argentina), First Vice President of the Chamber of Deputies

We have undertaken an exhaustive review of the decrees issued by the government in response to this situation. We have noted a lack of solidarity from the financial system toward businesses in our country, considering that big, medium and small enterprises are the greatest sources of employment. Therefore, at the Chamber of Representatives we believe it is crucial to reactivate the economy in this sector and promote employment.

Member of the Legislative Assembly
Jorge Fonseca (Costa Rica), Vice
President of the Legislative Assembly



We have enacted 16 COVID-related laws, three of which are essential given the needs and urgency arising from the new levels of unemployment. The first was a tax relief bill that defers income tax and the VAT for at least three months. The second is a law authorizing the reduction of the working day, so that, instead of employers laying off workers, they can reduce the working day and preserve 50% of employee salaries. The third one is a law that aims to provide an early withdrawal of savings accumulated in the Labour Capitalization Fund [unemployment fund], which every Costa Rican worker is entitled to by virtue of the Worker Protection Act.

Cuba has based itself on its Public Health Law to develop a strategy encompassing over 500 measures within the framework of a free and universal healthcare system that has allowed us to combat and mitigate the COVID-19 pandemic and its effects, with representatives of the National Assembly involved in the implementation and monitoring of the strategy. The country has set forth economic measures benefitting workers and companies, such as salary guarantees for those whose employment has been affected, tax benefits for state-run and privately-owned economic entities, the use of duly compensated remote work, and the adjustment of our national economic plan for the year 2020. We are also assessing a potential adjustment to the State Budget Law for the current year.



Member of the National Assembly **José Luis Toledo** (Cuba), Chair of the
Constitutional and Legal Affairs Committee
of the National Assembly

The Ecuadorian parliament has moved from in-person to online meetings, which has allowed us to enact trade agreements needed to address the problems emerging from the health emergency. We have also passed legislation related to tax adjustments, humanitarian issues and school food programs, and we have continued the work of parliament, which is not limited to legislating, but also involves oversight. About five ministers have attended these online sessions, which has allowed us to continue to exercise our oversight duties—a necessary counterweight that all parliaments should provide, regardless of whether or not we're in a state of emergency.



Member of the National Assembly
César Solórzano (Ecuador), First Vice
President of the National Assembly

Member of the Legislative Assembly
Mario Ponce (El Salvador), President
of the Legislative Assembly



As a parliament, we have supported the executive branch in all measures aimed at addressing the current situation. Our concern at present is on deciding how to build agreements within the executive and legislative branches that can define stages and protocols in managing cases, as well as the process of reopening the economy.

Member of Congress **Sofía Hernández**
(Guatemala), First Vice President of
the Congress of the Republic



We have set party differences aside to support various bills addressing this emergency, such as an emergency law to protect Guatemalans from the effects generated by the pandemic. This was an immediate response aimed at tackling hoarding and overseeing price monitoring and the dissemination of information. In addition, we passed the Economic Bailout Law to assist families and mitigate the effects of the economic crisis, and we've granted two loans for public criminal defense, the Public Prosecutor's Office and other judicial institutions. As legislators, we have also been in charge of oversight of the various executive branch levels, both through regular congressional committees and new committees established by congressional leadership for the purpose of overseeing and supporting government agencies.

In our view, one of the most difficult aspects is employment, and we have maintained a constant focus on this issue, working with all of the social welfare institutions to ensure that they are responsive. With regard to the private pension system, Congress reformed the law to allow all workers to access their contributions, but this is not enough to cover the need on a national level, considering all the men and women who have lost their jobs. This is an issue we are debating at length within Congress, and we are also supporting all of the government bills aimed at addressing the issue.



Member of Congress **Felícito Ávila**
(Honduras), Fifth Vice President of
the National Congress

We are doing our part in the Mexican Congress; perhaps the most relevant action we have taken under the circumstances is the amendment of our Constitution in order to have an article that guarantees social programs for senior adults and people with disabilities, as well as scholarships for students at every level, and the provision of healthcare. In the Mexican Senate specifically, we are currently analyzing the relevant issues and administrative reforms to initiate the Free Trade Agreement between Mexico, the United States and Canada on July 1st. We also agree on the need to open new channels for the purpose of transparency and dialogue with the citizenry and believe in universal basic access to a state-run welfare system, which is something we need to strive for.



Senator **Mónica Fernández**
(Mexico), President of the Senate of
the Republic

Member of the National Assembly
Maritza Espinales (Nicaragua), Vice
President of the National Assembly



From the Parliament, we have maintained our functions, activity around an integrated socioeconomic sphere and the legal framework, especially the General Health Law and the General Disaster Response Law, which has allowed us to follow a very unique strategy, given that we have not imposed a lockdown or taken drastic measures. We have taken gradual measures according to the progression of the pandemic. We have passed a General Budget of the Republic, which has prioritized investment in health and education since 2007, so that we now have 19 functioning hospitals, three of which are assigned specifically to COVID patients. Our model of family and community health has allowed us to provide medical care for all cases within our country and territory.

Member of the National Assembly
Marcos Castillo (Panama),
President of the National Assembly



Our proposals include sustainable and equitable economic recovery in line with the Sustainable Development Goals of the 2030 Agenda, such as laws in favour of education, healthcare, the micro-economy, small and medium enterprises, the informal economy and economic reactivation. We also include telework laws implemented during quarantine for the purpose of preserving jobs, public-private partnerships, a national system of medicines, programs for education and combating multidimensional poverty, and the creation of the Centralized National System for 911 Emergencies.

Currently, the Congress of Paraguay continues to work with a mixed system, with some members of the Chamber of Deputies working from home and others in the Chamber, in order to continue our functions in the unfavourable situation we are facing and to attend to programs and initiatives that require legal coverage. Through the emergency law, for example, we have sought to strengthen the health system and expand its capacity and follow-up ability, and we have also put efforts into economic recovery to finance the activities of micro, small and medium-sized companies, financially support Paraguayan families and safeguard employment.



Member of the Chamber of Deputies **Julio Enrique Mineur** (Paraguay), first Vice President-elect of the Chamber of Deputies

From the legislature, we have had to figure out how to support the citizenry beyond the universal and family-oriented economic aid bonuses established by the executive branch. To this end, we decided to legislate on the issue of citizen contributions collected through pension fund administrators. We were able to grant a significant assignment of one tax unit, which is approximately \$1,200, thereby allowing citizens to cover expenses. We are also demanding that the government ensure economic recovery go hand in hand with solutions to address deficiencies in healthcare infrastructure and treatment.



Member of Congress **Manuel Merino de Lama** (Peru), President of the Congress of the Republic

Member of the National Assembly **Juan Guaidó** (Venezuela), President of the National Assembly



Democracy is always at stake, and the way to address this situation is with strong institutions and a democracy at the service of the citizenry. That is where parliaments have a key role in dialogue, in channeling that social demand and the need to articulate solutions with the different branches of government in order to assist our people. We have determined that the vulnerable sector that is on the frontlines against the virus is the healthcare sector: today, a nurse earns \$4 a month in Venezuela, so we have decided on a direct health bonus for these frontline workers.

Conclusions

To conclude the meeting, Member of the National Assembly **Elizabeth Cabezas**, president of ParlAmericas, thanked the presiding officers of parliaments for their participation, highlighting the importance of countries standing united in order to strengthen the actions adopted in response to the complex situation at hand, especially considering the changes needed and the opportunity to implement new mechanisms and laws for promoting employment and more environmentally-friendly systems, with a special focus on and consideration of the most vulnerable groups.

Key considerations for parliamentary work on economic recovery in the region

Promote greater and better access to information in a timely and reliable fashion, allowing citizens to participate in decisions affecting them.

Continue promoting oversight actions in order to ensure transparency in the application of government measures, which, in turn, will contribute to informing civil society on these measures and building public trust in the response.

Create institutional channels for dialogue and engagement with civil society, which are needed to guide the post-crisis process.

Build political agreements that can redesign the current economic model and call upon a broad social pact in favour of a more inclusive welfare system.

Enact reforms to social security systems and care economy policies in order to improve social protection and reinforce healthcare and education systems to achieve universal and high-quality coverage of public goods and services.

Debate and enact fiscal reform in order to create more progressive tax systems with greater income tax collection.

Parliaments present



Argentina



Costa Rica



Guatemala



Panama



Canada



Cuba



Honduras



Paraguay



Chile



Ecuador



Mexico



Peru



Colombia



El Salvador



Nicaragua



Venezuela



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