



BANK OF ENGLAND



# Guido Di Tella Memorial Lecture

## Economic Challenges to Latin America from the Pandemic

Silvana Tenreyro

May 2021,

Latin American Centre, University of Oxford

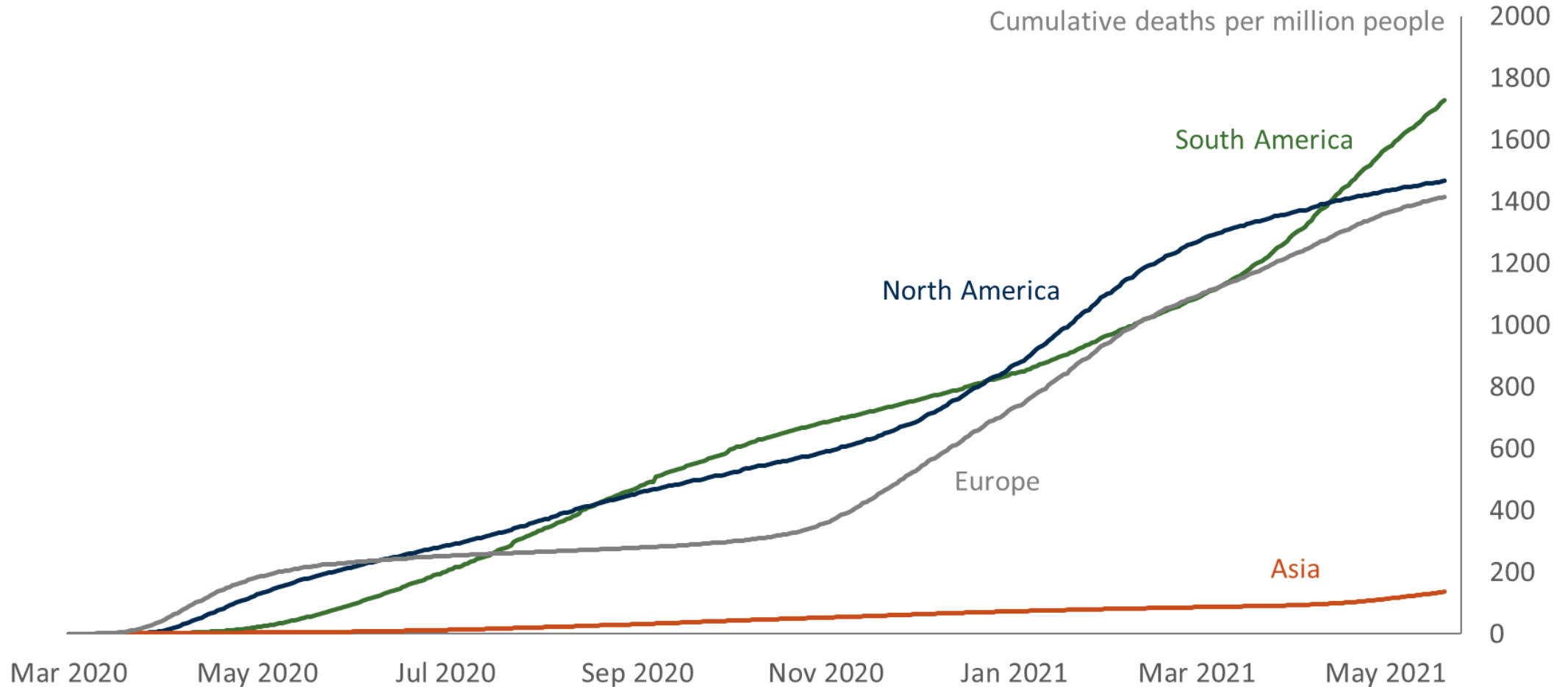


# The Pandemic

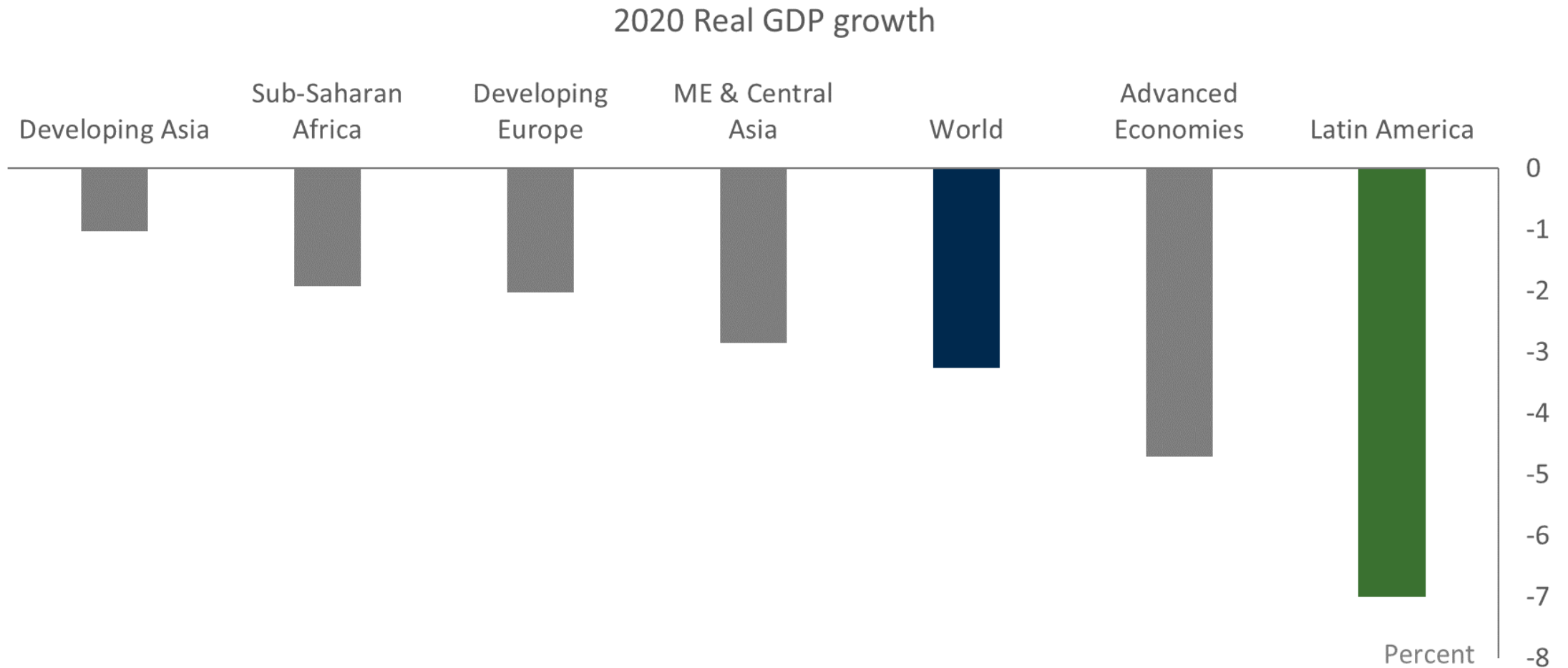
- Health and economic outcomes
- Long term scarring: education
- Policy space in the recovery: a role for monetary policy

1. Looking back, the pandemic has hit Latin America particularly hard

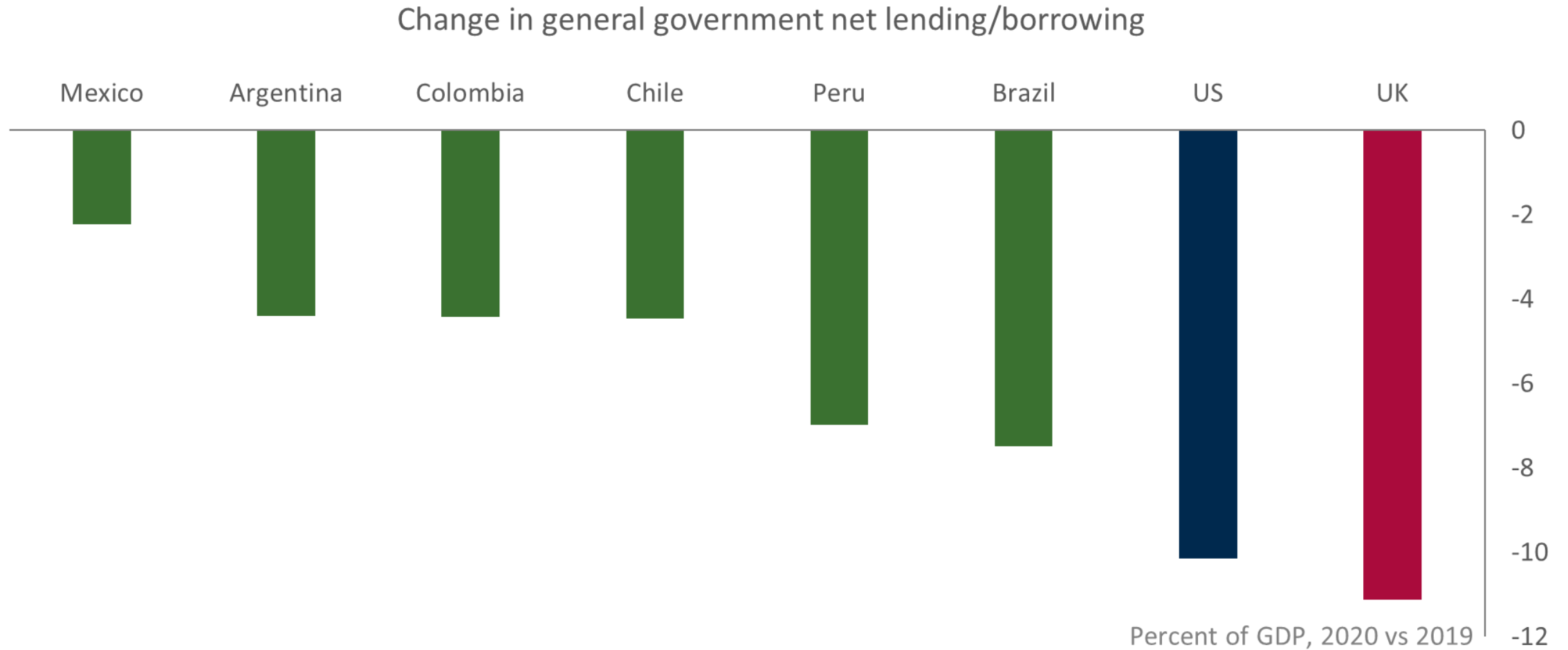
# Covid-19 mortality has been high in Latin America



# Latin American economies were hit hard by the pandemic

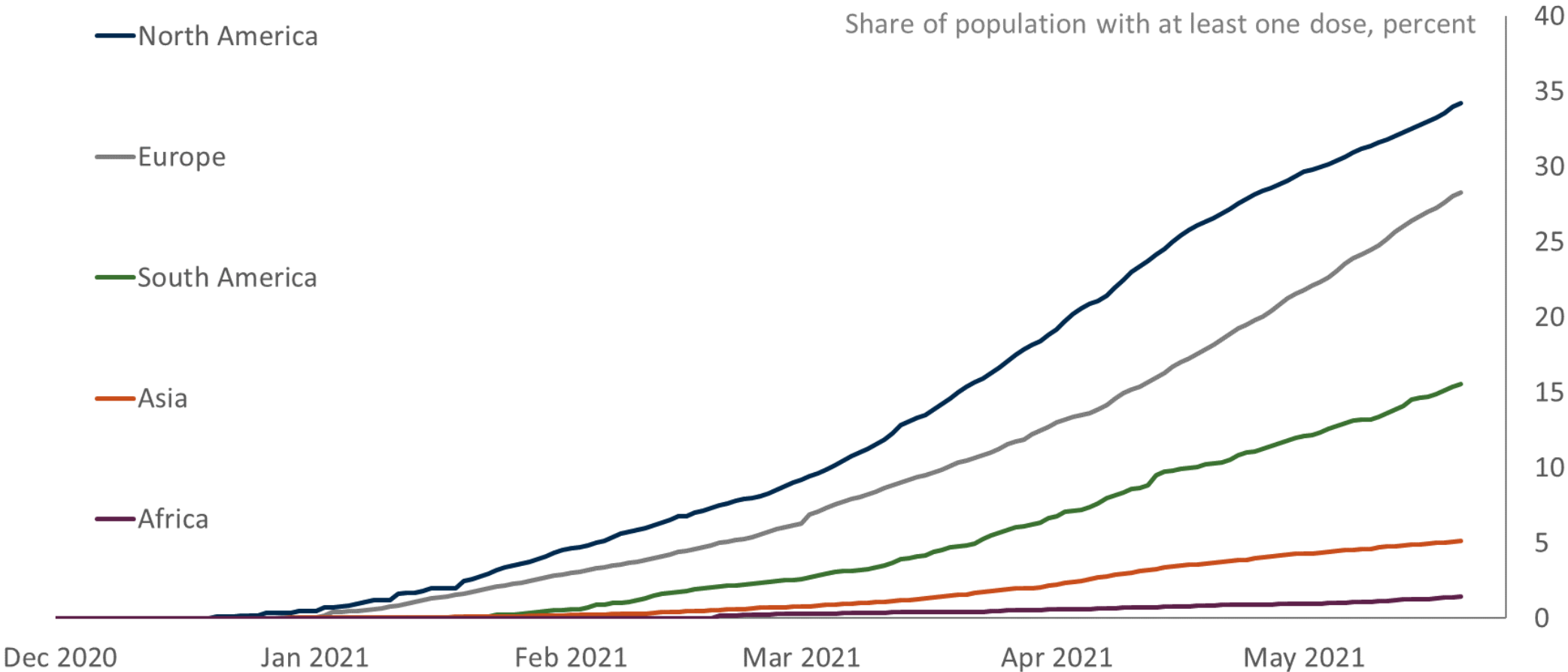


# Latin American fiscal policy has loosened less than in AEs



2. In the near term, Latin America will likely recover more slowly than advanced economies

# Latin America's vaccine rollout is lagging AEs



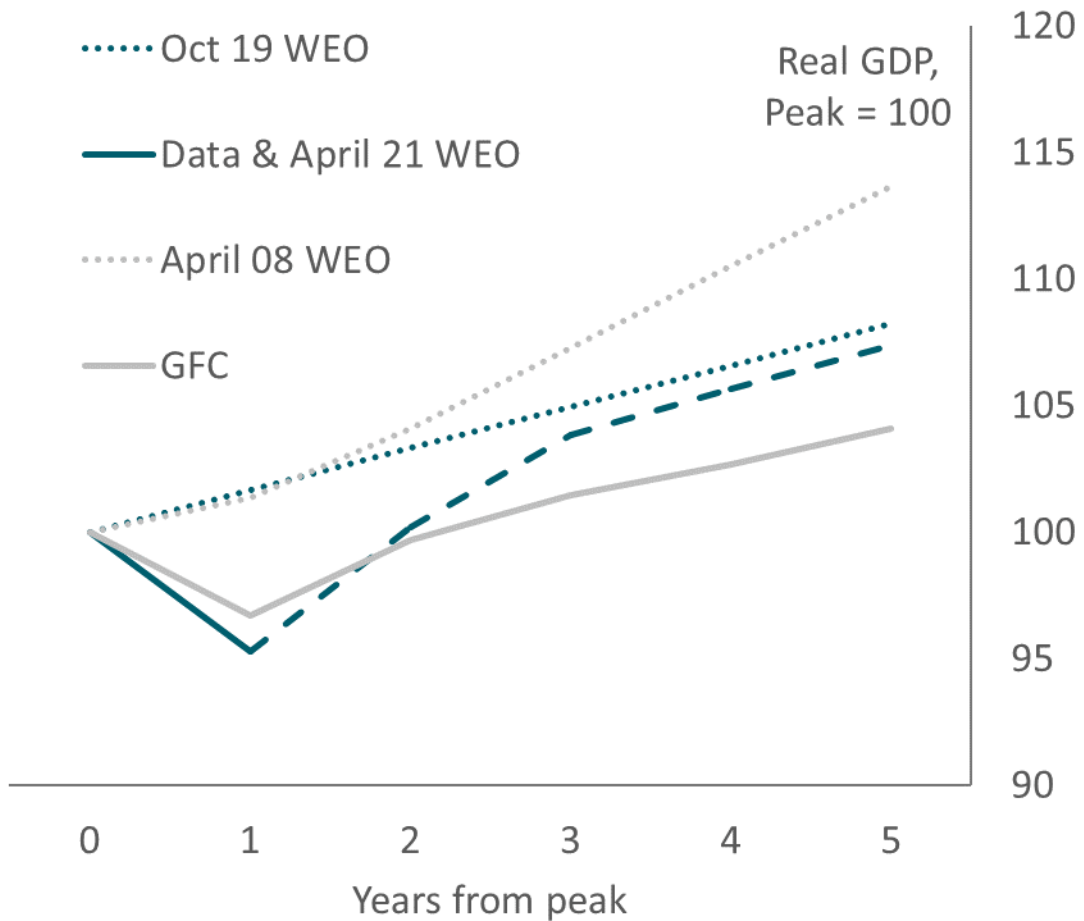
Source: Our World In Data.



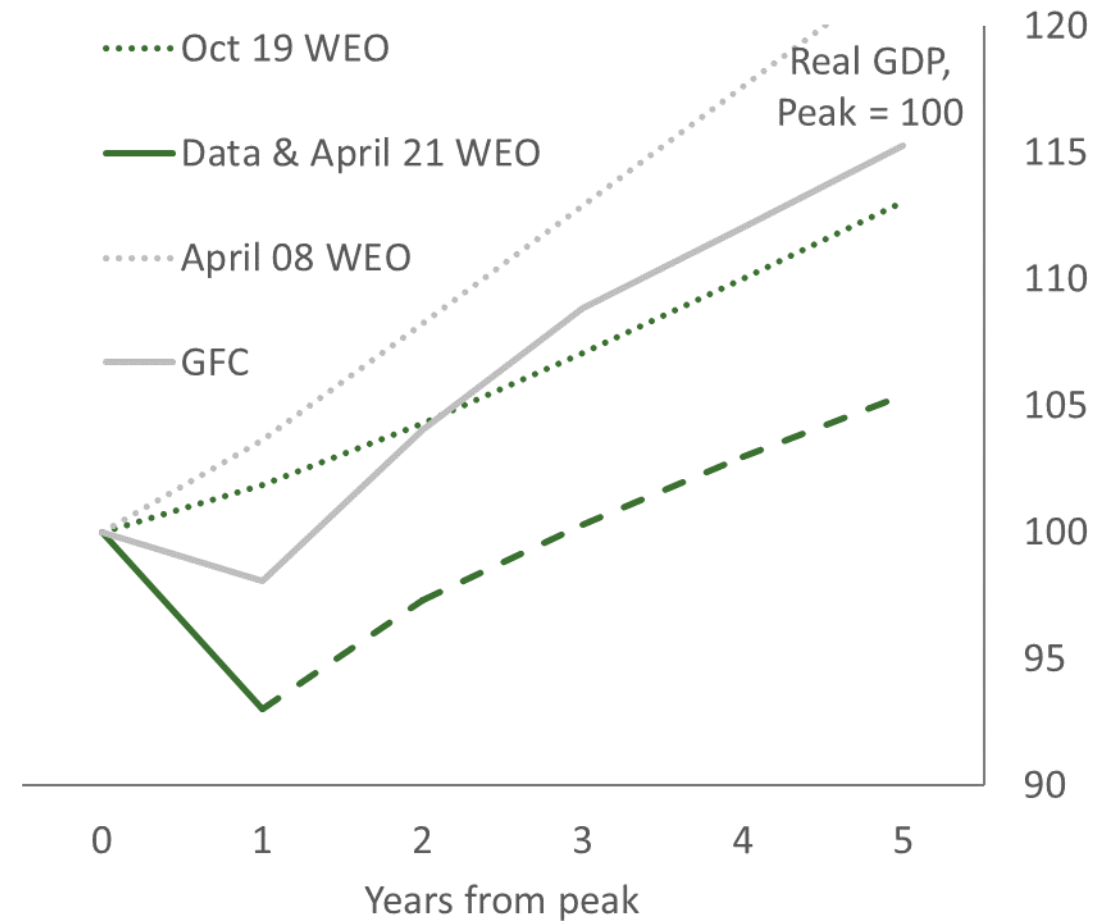
3. In the medium term, Latin America is likely to experience more scarring than advanced economies

# More Scarring expected in Latin America than in AEs

Panel A: Advanced Economies



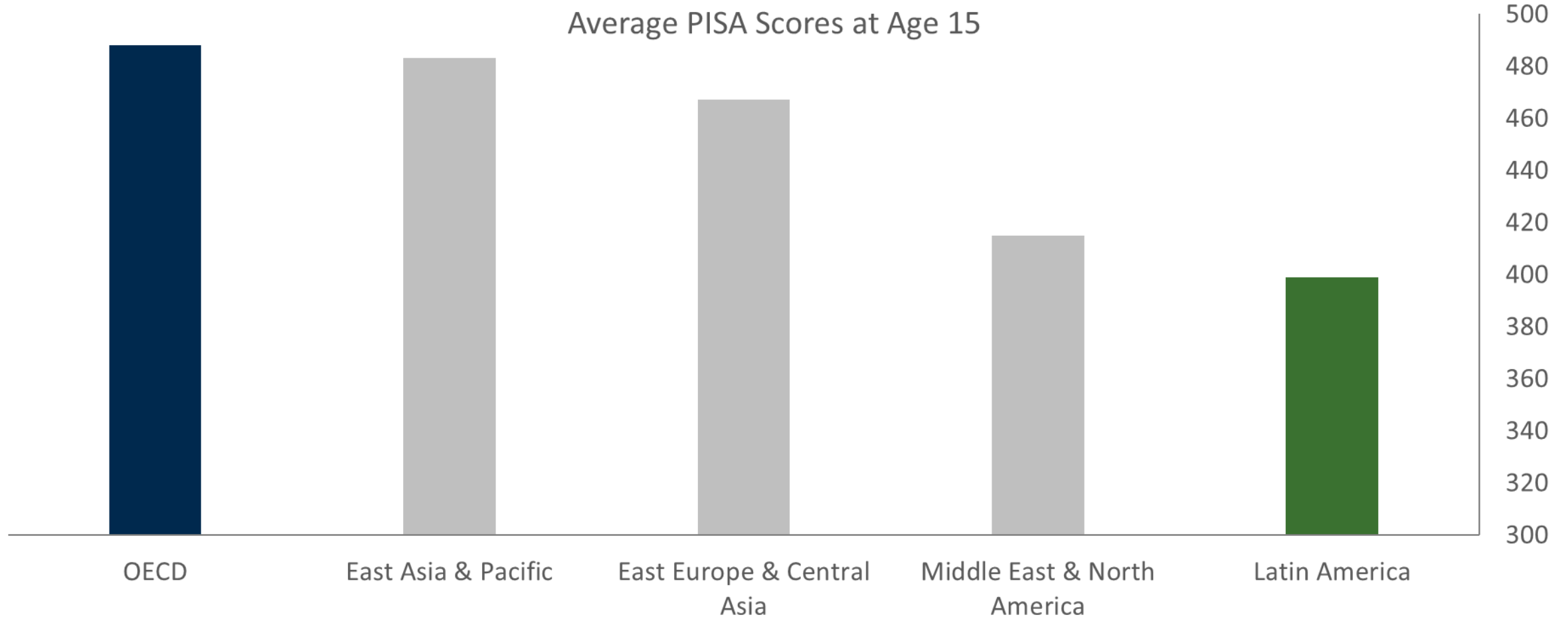
Panel B: Latin America



## More learning scarring expected in Latin America

- School closures for longer
- Unequal impact, limited online access to education
- Life-changing impact on skills, nutrition, physical and mental health, etc.

# Latin American education already underperformed pre-pandemic



4. Focus on education to reduce scarring and use monetary policy to help along recovery