

EL SALVADOR

1. Socio-economic and perceived impacts of the coronavirus (COVID-19) pandemic

The crisis hit El Salvador's economy hard. In 2020, gross domestic product (GDP) contracted by 7.9% annually. The population will not equally share the consequences. Based on the latest international comparable estimations, in 2020 the poverty rate reached 36.4%, among the highest in the Latin America and the Caribbean (LAC) region (30.9%). It has increased six percentage points from a year earlier, compared to an increase of four percentage points in LAC. The extreme poverty rate has reached 8%, an increase of 2.4 percentage points, compared to 10.0% and 1.9 percentage points, respectively, in LAC. Public expenditures on health before the crisis stood at 7.2% of GDP, slightly higher than in LAC (6.8%) but lower than Organisation for Economic Co-operation and Development (OECD) countries (8.8%). The perceived quality of health services was negatively affected. In 2020, 54.8% of people declared being satisfied with health care, compared to 48.2% in LAC. People's satisfaction was 11 percentage points lower than ten years before, a larger decrease than in LAC (8.7 percentage points). Between March 2020 and May 2021 schools were fully closed for 46 weeks, more than in LAC (26 weeks) and the OECD (15 weeks). In 2020, 41.4% of El Salvador citizens thought that the government was corrupt, a lower share than in LAC (72.4%) and the OECD (58.8%).

2. National and international co-operation initiatives aimed to build forward better

El Salvador has adopted several measures to lessen the impact of the COVID-19 crisis on the most vulnerable, workers and enterprises. Regarding households, since the start of the confinement measures, the government announced a subsidy of USD 300 for more than 1 million families, as well as the delivery of food packages to all households with greater emphasis on the most vulnerable. Additionally, El Salvador allowed for the temporary deferral of utilities, phone and internet bills payments, as well as freezing payments on mortgages, loans and credit cards. To protect the most affected workers and enterprises, El Salvador implemented a job-retention subsidy for micro, small and medium-sized enterprise (MSMEs) workers, a programme to grant loans to formal enterprises and a programme to help finance small business owners in the informal sector.

Going forward, El Salvador is committed to providing a new approach through technological modernisation and institutional transparency, to respond to structural problems worsened by the crisis. Accordingly, the government proposed the Economic and Social Welfare Plan 2019-2024, a flexible, evidence-based tool that will allow the country to overcome the crisis and work towards the United Nations 2030 Agenda. El Salvador granted 1.2 million computers to students, launched a plan to transform territorial development in rural areas and made financial inclusion and the digital transformation priorities. As for long-term plans, El Salvador aims to build forward better through the execution of policies to increase private and public investment and to boost formalisation and growth of MSMEs, focusing on innovation and adoption of new technologies.

El Salvador's international co-operation projects *within* and *beyond* the region focused on taking advantage of regional and international knowledge and resources to face the COVID-19 crisis. *Within* LAC, El Salvador's co-operation schemes included a partnership with Colombia to strengthen the capacity of the El Salvador's hospitals to attend to the pandemic and, through *Sistema de la Integración Centroamericana*, a donation to the Ministry of Health of the tools necessary for the detection of the virus. *Beyond* LAC, co-operation initiatives included the creation of the first university hospital in the country, with support from Luxembourg, and the construction of a speciality hospital dedicated to COVID-19 patients, with support from Morocco. To tackle the socio-economic challenges caused by the pandemic, El Salvador engaged in projects to prevent violence against women through a dedicated hotline (Spotlight Initiative) and created youth employability programmes through exchange of experiences and capacity building activities. Lastly, different Salvadorian women organisations, in close co-operation with the European Union, developed the programme "Strengthening agricultural cooperatives and peasant women's organisations for the enforceability of the Human Right to Food and food sovereignty in El Salvador" (2021-2023) with the objective of improving the resilience and sustainability of agro-productive development processes in vulnerable situations following the climate and health emergency in the country.

	Key indicators – El Salvador ¹					
	El Salvador		LAC ²		OECD ³	
Socio-environmental						
Extreme poverty ⁴	2019	2020	2019	2020	2019	2020
	5.6	8	8.1	10.0	N/A	N/A
Poverty ⁵	2019	2020	2019	2020	2019	2020
	30.4	36.4	26.8	30.9	N/A	N/A
Gini index ⁶	2009	2019	2009	2019	2009	2018
	0.48	0.41	0.50	0.46	0.31	0.31
Total population in informal households by quintile, 2018 ⁷	Bottom 20%	Top 20%	Bottom 20%	Top 20%	Bottom 20%	Top 20%
	90.8	24.4	78.0	19.1	N/A	N/A
Health expenditures ⁸	2010	2017	2010	2017	2010	2017
	8.2	7.2	6.5	6.8	8.1	8.8
Out-of-pocket health expenditures ⁹	2010	2017	2010	2017	2010	2017
	33.6	29.2	35.6	34.1	20.2	20.6
Weeks of full school closure ¹⁰	03/2020-05/2021					
	46		26		15	
Effective online learning ¹¹	2018					
	N/A		32.5		54.1	
Effective online learning in disadvantaged ¹¹ schools	2018					
	N/A		21.5		48.8	
Share of Internet users ¹²	2009	2019	2009	2019	2009	2019
	12.1	50.5	29.3	67.8	68.3	85.8
Number of students per computer ¹³	2015	2018	2015	2018	2015	2018
	N/A	N/A	2.4	1.6	1.8	1.1
Exposure to PM 2.5 ¹⁴	2010	2019	2010	2019	2010	2019
	24.3	22.3	18.1	18.0	15.7	13.9
% of change in intact forest landscape ¹⁵	2000-16					
	N/A		-8.8		-6.3	
Competitiveness and innovation						
Labour Productivity ¹⁶	El Salvador		LAC ²		OECD ³	
	2009	2019	2009	2019	2009	2019
	N/A	N/A	29.3	26.7	72.2	70.7
High-tech exports ¹⁷	2009	2019	2009	2019	2009	2019
	6.5	5.1	8.7	8.3	19.5	17.9
R&D expenditures ¹⁸	2009	2017	2009	2017	2009	2017
	0.1	0.2	0.4	0.4	2.4	2.5
ICT patents ¹⁹	2009	2017	2009	2017	2009	2017
	1	0	726	521	173 440	141 358
Citizens' perceptions and institutions						
Citizens' perceptions of corruption in government ²⁰	El Salvador		LAC ²		OECD ³	
	2009	2020	2009	2020	2009	2020
	66.0	41.4	72.0	72.4	67.5	58.8
Citizens' perceptions of country governed in the interests of few ²¹	2009	2018	2009	2018	2009	2018
	46.1	89.0	64.8	82.0	N/A	N/A
Satisfaction with health care ²²	2009	2020	2009	2020	2009	2020
	65.8	54.8	56.9	48.2	69.2	70.7
Satisfaction with water quality ²³	2009	2020	2009	2020	2009	2020
	80.5	85.8	74.8	76.0	77.9	79.4
% of people victim of criminality ²⁴	2010	2016	2010	2016	2010	2016
	24.2	23.1	19.6	23.8	N/A	N/A
Rank in the Press Freedom Index ²⁵	2021					
	82		82		36	
Change in political polarisation ²⁶	2009-18					
	8.5		9.6		N/A	
SIGI index ²⁷	2019					
	22.9		25.6		16.3	
Fiscal position						
Total tax revenues ²⁸	El Salvador		LAC ²		OECD ³	
	2009	2019	2009	2019	2009	2019
	17.9	20.8	20.6	22.9	31.6	33.8
Share of VAT in total revenues ²⁹	2009	2019	2009	2019	2009	2019
	39.7	37.5	25.3	27.7	19.8	20.7
Social expenditures ³⁰	2009	2018	2009	2018	2009	2018
	9.2	9.0	11.3	11.4	21.0	19.7

Sources, footnotes and technical details can be found at the end of the country notes.

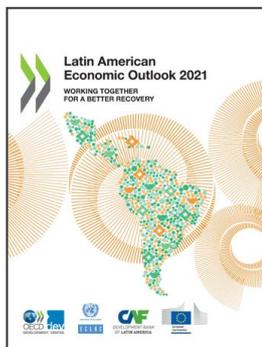
Technical notes

1. As best as possible, the table follows the key areas identified in *Latin American Economic Outlook 2021*: i) socio-environmental aspects; ii) economic competitiveness and innovation; iii) citizens' perceptions and institutions; and iv) fiscal position.
2. Latin America and the Caribbean (LAC) average is a simple average of the largest set of LAC countries for which data are available in the latest year.
3. Organisation for Economic Co-operation and Development (OECD) average is a simple average that includes all OECD member countries as of May 2021.
4. Data refer to the definition of extreme poverty as specified by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC, 2021^[1]), *Social Panorama of Latin America 2020*. www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf. Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of (ECLAC, 2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
5. Data refer to the definition of poverty as specified by (ECLAC, 2021^[1]), *Social Panorama of Latin America 2020*, www.cepal.org/sites/default/files/publication/files/46688/S2100149_en.pdf. Data for 2020 refer to an estimate based on 2019 data, as specified in Annex I.A2 of ECLAC (2021). Projections are based on 2017 data for Chile, 2014 for Guatemala and 2018 for Mexico. Applying the same criteria as in previous LEO editions, data selection prioritizes comparability across LAC countries and shows the latest comparable data available at the report's publication date.
6. Data for LAC from ECLAC, CEPALSTAT | Databases and Statistical Publications, <https://cepalstat-prod.cepal.org/cepalstat/tabulador/ConsultaIntegrada.asp?idIndicador=3289&idioma=i>. Data for Chile refer to 2017, instead of 2019, data for Guatemala refers to 2014.
7. Data for the OECD from OECD Income Distribution Database, www.oecd.org/social/income-distribution-database.htm.
8. Indicator provides the distribution of the total population living in informal households by quintile. An informal household has all of its workers in informal work. Quintiles are based on monthly total household consumption or income. The source of this indicator is the OECD Key Indicators of Informality based on Individuals and their Households database, https://stats.oecd.org/Index.aspx?DataSetCode=KIIBIH_B5.
9. Health expenditures as % of gross domestic product (GDP). Data from OECD (2020), *Health at a Glance: Latin America and the Caribbean*. Share of current expenditure on health. Data are from OECD (2020), *Health at a Glance: Latin America and the Caribbean*.
10. Data from UNESCO, <https://en.unesco.org/covid19/educationresponse#schoolclosures>.
11. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, www.oecd.org/publications/latin-american-economic-outlook-20725140.htm.
12. Data from International Telecommunication Union (2020), www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx.
13. Data from OECD et al. (2020), *Latin American Economic Outlook 2020*, www.oecd.org/publications/latin-american-economic-outlook-20725140.htm.
14. $\mu\text{g}/\text{m}^3$. Data refer to population exposure to more than 10 micrograms/ m^3 and are expressed as annual averages. Data from OECD, <https://data.oecd.org/air/air-pollution-exposure.htm>.
15. Data from OECD, https://stats.oecd.org/Index.aspx?DataSetCode=INTACT_FOREST_LANDSCAPES.
16. Output per employed person as % of United States 2019 output per person employed. Data from the Conference Board, <https://conference-board.org/data/economydatabase/total-economy-database-productivity>
17. High-technology exports as % of manufactured exports. Data from The World Bank, <https://data.worldbank.org/indicator/TX.VAL.TECH.MF.ZS>.
18. Research and development expenditure as % of GDP. Data from The World Bank, <https://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS>.
19. IP5 Patent families. Data from OECD, https://stats.oecd.org/Index.aspx?DataSetCode=PATS_IPC.
20. Percentage of people who think that the government is corrupt. "Is corruption widespread throughout the government in (this country), or not?" Data from Gallup 2021.
21. Percentage of people who think that the country is governed in the interests of few. "En términos generales ¿diría usted que (país) está gobernado por unos cuantos grupos poderosos en su propio beneficio, o que está gobernado para el bien de todo el pueblo?" Data from Latinobarómetro, 2020.
22. Percentage of people who think that the health care is of good quality. "In your city of area where you live, are you satisfied or dissatisfied with the availability of quality health care?" Data from Gallup 2021.

23. Percentage of people who think that the water is of good quality. “In your city or area where you live, are you satisfied or dissatisfied with the quality of water?” Data from Gallup 2021.
24. Percentage of people who are victim of criminality, “have you been a victim of any type of crime in the past 12 months?” Data from Latin American Public Opinion Project, www.vanderbilt.edu/lapop/data-access.php.
25. Data from RFS, Reporters without Borders, https://rsf.org/en/ranking_table.
26. Percentage of people who declare being left or right on a 1-10 scale (1=left, 10 = right). “In politics, it is normal to refer to left and right. On a scale where 0 is the left and 10 is the right, where would you place yourself?” Data from Latinobarómetro, 2020.
27. Data from OECD, www.genderindex.org/ranking/.
28. Revenues as % of GDP. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean (2021)*.
29. Value added taxes as % of total revenues. Data from OECD et al. (2021), *Revenue Statistics in Latin America and the Caribbean (2021)*.
30. Social protection expenditures as % of GDP. Data from OECD and ECLAC.

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