

URUGUAY

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

The economic crisis due to the COVID-19 pandemic has negatively affected Uruguay's economy. In 2020, gross domestic product (GDP) fell by 5.9% annually. The impact of the crisis has affected, above all, the most vulnerable groups. In 2020, the poverty rate based on latest international comparable estimations has reached 5.1%, increasing by two percentage points, compared to a year earlier, although it continues to be one of the lowest rates in Latin America and the Caribbean (LAC) and considerably below the regional average (30.9%). The quality of health services helped cushion the crisis. In 2020, 75.1% of people in Uruguay declared being satisfied with the quality of health care, just two percentage points lower than ten years earlier. This proportion is much higher than in LAC (48.2%) and even higher than the Organisation for Economic Co-operation and Development (OECD) average (70.7%). Uruguay stands out as the country with the highest public expenditures on health care in LAC: 9.3% of GDP, compared to 6.8% average in LAC and 8.8% in the OECD. Although the pandemic affected the education system as well, Uruguay was among the LAC countries that managed to minimise disruption in education for students. Between March 2020 and May 2021, schools were fully closed for 14 weeks, much less than the LAC average (26 weeks) and below the OECD average (15 weeks). Moreover, during the weeks of closure, online learning helped mitigate the negative impact on students. In Uruguay, 47.4% of schools had access to effective online learning, more than two times higher than the LAC average (32.5%), although slightly below the OECD average (54.1%).

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

Uruguay has undertaken broad mitigation efforts to tackle the health crisis and reduce the impact of COVID-19 on the most vulnerable households, workers and enterprises. The COVID-19 Solidarity Fund was instrumental to implement these measures. When the pandemic hit the region, Uruguay reinforced and extended an existing successful cash transfer programme (*Asignación Familiar Plan de Equidad*) to support the most vulnerable households. Uruguay implemented an electronic wallet application (*TuApp*) that allows users to receive government coupons for food redemption and to make diverse payments. Additionally, the government introduced a special unemployment benefits scheme for all workers affected by the pandemic and has extended its duration. Furthermore, Uruguay granted tax extensions and benefits, particularly regarding pension contributions, and added a monthly monetary incentive for businesses to reintegrate or hire employees. To help mitigate the impact on firms, Uruguay implemented a series of transfers, credit possibilities and other benefits, particularly for micro, small and medium-sized enterprises (MSMEs).

Going forward, Uruguay's medium- and long-term plans focus on the importance of firms' resilience and job creation and the sustainability of social policies. The main drivers are investments to promote employment, new legal frameworks for investments and social housing, tax innovations for MSMEs, and a social security reform. Moreover, Uruguay is designing a foreign trade policy to improve the presence of national products abroad.

Uruguay's international co-operation projects *within* and *beyond* the region focus on long-term structural needs and on responding to the pressing challenges due to the crisis. *Within* LAC, Uruguay engaged in a co-operation project with Mexico that aimed to strengthen the capacities of health teams in the prevention and containment of the pandemic. With Colombia, both countries launched an initiative to share strategies and good practices for overcoming poverty throughout the crisis. Furthermore, with the private sector and the IDB, the "Renewable Energy Innovation Fund" was created, aiming to decarbonise the industry and transport sectors and ensure universal access to renewable sources. *Beyond* LAC, Uruguay participated in co-operation projects focused on gender and intergenerational perspectives in response to COVID-19 socio-economic impacts with the United Nations. Regarding job creation and consolidation of an entrepreneurial ecosystem, triangular co-operation was promoted with Germany and Paraguay. In addition, Uruguay currently takes part in a bilateral partnership with the European Union that aims to strengthen their strategic dialogue, adapting triangular co-operation initiatives to respond to the effects of the pandemic and promoting the Development in Transition approach and the United Nations 2030 Agenda.

	Key indicators – Uruguay ¹					
	Uruguay		LAC ²		OECD ³	
	2019	2020	2019	2020	2019	2020
Socio-environmental						
Extreme poverty ⁴	0.1	0.3	8.1	10.0	N/A	N/A
Poverty ⁵	2019	2020	2019	2020	2019	2020
	3.0	5.1	26.8	30.9	N/A	N/A
Gini index ⁶	2009	2019	2009	2019	2009	2018
	0.45	0.39	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%
	48.0%	2.2%	78.0	19.1	N/A	N/A
Health expenditures ⁸	2010	2017	2010	2017	2010	2017
	8.6	9.3	6.5	6.8	8.1	8.8
Out-of-pocket health expenditures ⁹	2010	2017	2010	2017	2010	2017
	20.5	17.5	35.6	34.1	20.2	20.6
Weeks of full school closure ¹⁰	03/2020-05/2021					
	14		26		15	
Effective online learning ¹¹	2018		2018		2018	
	47.4		32.5		54.1	
Effective online learning in disadvantaged schools ¹¹	2018		2018		2018	
	55.7		21.5		48.8	
Share of Internet users ¹²	2009	2019	2009	2019	2009	2019
	41.8	83.3	29.3	67.8	68.3	85.8
Number of students per computer ¹³	2015	2018	2015	2018	2015	2018
	2.7	2.3	2.4	1.6	1.8	1.1
Exposure to PM 2.5 ¹⁴	2010	2019	2010	2019	2010	2019
	9.5	9.6	18.1	18.0	15.7	13.9
% change in intact forest landscape ¹⁵	2000-16					
	N/A		-8.8		-6.3	
Competitiveness and innovation						
	Uruguay		LAC ²		OECD ³	
Labour productivity ¹⁶	2009	2019	2009	2019	2009	2019
	36.4	48.2	29.3	26.7	72.2	70.7
High-tech exports ¹⁷	2009	2019	2009	2019	2009	2019
	6.4	8.3	8.7	8.3	19.5	17.9
R&D expenditures ¹⁸	2009	2017	2009	2017	2009	2017
	0.4	0.5	0.4	0.4	2.4	2.5
ICT patents ¹⁹	2009	2017	2009	2017	2009	2017
	9	3	726	521	173 440	141 358
Citizens' perceptions and institutions						
	Uruguay		LAC ²		OECD ³	
Citizens' perceptions of corruption in government ²⁰	2009	2020	2009	2020	2009	2020
	38.7	48.2	72.0	72.4	67.5	58.8
Citizens' perceptions of country governed in the interests of few ²¹	2009	2018	2009	2018	-	-
	32.9	70.4	64.8	82.0	-	-
Satisfaction with health care ²²	2009	2020	2009	2020	2009	2020
	77.2	75.1	56.9	48.2	69.2	70.7
Satisfaction with water quality ²³	2009	2020	2009	2020	2009	2020
	89.2	83.9	74.8	76.0	77.9	79.4
% of people victim of criminality ²⁴	2010	2016	2010	2016	N/A	N/A
	21.0	23.5	19.6	23.8	N/A	N/A
Rank in the Press Freedom Index ²⁵	2021					
	18		82		36	
Change in political polarisation ²⁶	2009-18					
	2.3		9.6		N/A	
SIGI index ²⁷	2019					
	22.2		25.6		16.3	
Fiscal position						
	Uruguay		LAC ²		OECD ³	
Total tax revenues ²⁸	2009	2019	2009	2019	2009	2019
	26.0	29.0	20.6	22.9	31.6	33.8
Share of VAT in total revenues ²⁹	2009	2019	2009	2019	2009	2019
	33.4	25.4	25.3	27.7	19.8	20.7
Social expenditures ³⁰	2009	2018	2009	2018	2009	2018
	12.7	17.2	11.3	11.4	21.0	19.7

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

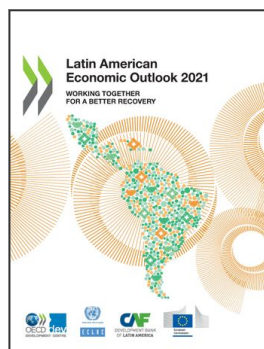
Technical notes

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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