



## **The role of Parliaments in the pandemic emergency and in achieving a sustainable recovery: the challenge of multilateral cooperation**

**Honorable Deputy Diego Paulsen  
President of the Chamber of Deputies  
Chile**

Dear Madame President of the Inter-Parliamentary Union,

Dear Fellow Parliament Presidents

First of all, I would like to send a warm greeting from Chile, to all the corners of the planet we are meeting virtually with, in this Fifth Conference of Parliament Presidents. I want to start with a heartfelt call of remembrance for the victims of this tragic pandemic, for those thousands of lives that we have lost in each and every one of our countries. For them, and their families, go my thoughts and prayers.

This Conference is now a tradition, that allows us to reflect about the challenges we face as an international community, and about the role we have as Parliamentarians to lead projects that allow us to face them. This is an opportunity to reaffirm multilateral cooperation agreements, as joint work in a global and interconnected world allows us to unite resources and learn about the best practices, especially regarding the representative, legislative and oversight roles of Parliaments, as a significant contribution that must be present.

I consider that it is right to hold this Fifth meeting, despite the complexities that had to be overcome to do so; because today, more than ever, the need for multilateral cooperation is evident. In fact, we are facing a global pandemic, the result of a deadly virus that has spread quickly throughout the interconnected international society. However, multilateral cooperation mechanisms have not been able to respond to it as they should have and, as countries, we have had to handle the most dramatic health crisis of the last century.

To slow down contagions, we have been forced to implement drastic confinement measures, avoiding physical contact and restricting the movement of people with a sudden and prolonged shutdown of economic activities. Not only have the daily routines of people been affected, but their sources of income have been gravely damaged. This international health crisis has quickly evolved into an economic and social crisis of proportions that we still cannot fully understand. The global economic recession, and the increase in unemployment rates, poverty, the risk of famine that the United Nations has warned about, are urgent challenges that we must immediately respond to in each one of our societies, and also at a global level.



In Chile, we have been working along this line, ever since the appearance of the first positive COVID-19 cases and, after adopting the first mobility restriction measures that would impact the economy, the Government sent the first bills associated to an “initial emergency plan” to the National Congress. From that moment forth, collaboration began between both powers of State to implement a battery of public policy projects focused on supporting families and businesses, especially small and medium-sized ones, to help them face the impact on their revenues caused by the health emergency.

For people and their families, the most immediate measure consisted in a subsistence allowance for the most vulnerable groups of the population, reaching around 2.7 million beneficiaries. In addition, the provision of economic support for three months to vulnerable families was considered, families who, for the most part, depended on informal income that was severely reduced or simply disappeared when lockdowns were imposed. The amounts of this Emergency Family Income (IFE, in Spanish) depend on the number of members in the nuclear family, and is given not only based on the mid-term socio-economic vulnerability, but also on what has occurred as a result of the pandemic. In the following months, certain adjustments were made to the emergency family income (IFE), with a broad agreement from the opposition parties, to increase amounts provided and broaden the coverage of the families benefitting from this.

In the work setting, relevant bills were passed to guarantee the rights and the continuity of incomes for workers. Likewise, a bill was passed for teleworking, a modality that has become normal for many during this contingency, establishing a specific regulation of rights and obligations in the working relationship through telematic means, guaranteeing, for example, that workers can spread the shift in a flexible way and that they have a right to disconnect for twelve hours a day.

The **Employment Protection Law** was adopted on foreseeing the difficulties that the economic shutdown could cause for businesspeople and workers. This allows, while the state of emergency persists, suspending work contracts without the workers losing their jobs as a result, and so that they can, at the same time, have access to unemployment insurance to maintain their income using these funds. In certain cases, it authorizes agreeing on a temporary reduction of the work shift, where the income would be complemented with the unemployment insurance. More than 600,000 workers have resorted to this mechanism. A great number of jobs have been protected, avoiding that the unemployment figures increase further still as an effect of the crisis.

Regarding the companies, we are especially concerned with the financial shortfalls that may affect micro, small and medium-sized companies. To lighten the load, bills were passed that establish temporary support measures, like the reduction of certain taxes. On the other hand, the resources provided by the State to the guarantee fund for small and medium sized businesses (FOGAPE) was increased, where requirements to become beneficiaries of this fund were temporarily, for one year, made more flexible.

Recently, given the length of the emergency, progress was made in the presentation of a plan to provide protection to middle-class segments not covered by the previous measures. It is true that families from this socio-economic segment normally have greater resources, but the severity of the crisis has noticeably reduced their incomes,



complicating their productive and work activities, leaving them at risk of vulnerability. To help them, the Government presented a revamped Middle-Class Plan, focused on four concepts, that contemplates a direct transfer of resources to mitigate the loss of earnings. In the direct transfer, the provision of a subsistence allowance of 500,000 pesos was agreed on, to offset the loss of earnings that many middle-class families have experienced. Regarding the four core concepts of the plan, the first consists in providing soft credits, at 0% interest, to cover a significant percentage of the lost earnings experienced by workers that work both under contract and on their own. This could benefit 600,000 workers. Another two concepts look to provide security in terms of housing, allowing postponing mortgage payments, with the State acting as guarantor. On the other hand, coverage of the middle-class rent subsidy program was extended, allowing them to cover the rent of their home for a 3-month period. Finally, to ensure continuity in higher education for their children, coverage of the State Guaranteed Loan (CAE, in Spanish) was extended, increasing the number of families benefitting from this.

As can be seen in this quick review, and as surely you have experienced in your parliaments, measures to face the emergency have dominated the agenda. However, we must not lose sight of the need to address the economic recovery, once the emergency is over, which will also require resources and a future vision. In this sense, in Chile we have acted with foresight, adopting, through an agreement between the government and opposition parties, a financial framework of the resources to be used over the next two years. A significant part of this will be set aside to drive the economy's reactivation, which must be considered thinking about building back better, namely, aiming for sustainable development in the mid-term.

This vision of the future was outlined in that national agreement, **emphasizing a green recovery, with investments focused on continuing to foster renewable and clean energies, and other climate change mitigation measures. To face this new stage, which we want to start as soon as possible, the mutual knowledge of the experiences of our countries will be of great relevance, identifying the best sustainable solutions, all of which have a suitable forum in interparliamentary occasions, like this one.** This green recovery will let us move forward on the path of the international agreements we have signed, like the Paris Agreement on climate change and the Agenda 2030 for Sustainable Development. Regarding the latter, a true roadmap for the cooperation and development in the international community, we must be aware of the additional challenges that the pandemic crisis is laying out for its comprehensive achievement.

**Under these conditions, this Conference is the ideal scenario to collectively raise our voice, defending the need of an effective multilateral cooperation, which has been lacking in recent months. If we want to achieve the Sustainable Development Goals (SDG) of Agenda 2030, this is essential; the same applies, if we intend on guaranteeing that all countries can provide social protection to their most vulnerable population during this crisis. For this, it is necessary that the international community analyzes the facilities that the poorest, most indebted countries need regarding debt payment. But it must also cover the needs of access to credit with more flexible conditions for developing countries that,**



**though they may be in a middle-income segment, face financial shortfalls as a result of the dramatic impact of this health, social and economic crisis.**

Finally, multilateral cooperation must be strengthened to once and for all control COVID-19, developing a vaccine that allows us to minimize the risk of a new wave of contagions. This cooperation must allow us to have universal access to vaccines and treatments that guarantee public health as a common right of all the people of the world.

Meanwhile, it will be necessary to plan an incremental, controlled, and safe lifting of the strictest forms of confinement when the epidemiological conditions, health care network capacity, and traceability allow us to take these steps. This strategy will require the collaboration of all players and, certainly, the leadership of the national health authority, as has occurred in our country with the presentation of the Step-by-Step Plan, that lets us collectively prepare ourselves for this, and that represents a small ray of hope.

But there is no doubt that we have a lot more to do, we will remain alert, vigilant, and active. An effective multilateral cooperation can create synergies that multiply our individual efforts, favoring the entire international community.

Thank you very much.