

Making calculations



Several international organizations and experts in the financial world are calculating the damage that the COVID-19 pandemic is causing to the world economy. And they have reached the conclusion -- not a difficult one to reach -- that it will have a severe impact and a substantial cost, especially on unemployment and poverty.

A UN report estimates that the global economy will contract an average of 3.2 percent in 2020, the most significant collapse since the Great Depression of the 1930s.

In the Eurozone, comprised of the European states which have adopted the euro as their common currency, the loss will reach 5.8 points; 5.4 for the UK. It's estimated that the United States will lose 4.8 points, and Japan 4.2.

The data is devastating for Latin America. The GDP will decline 5.4 percent. Beyond these figures, this represents the loss of millions of jobs, generating uncertainty in the poorest households, which see the impact on the means to meet the most basic needs, such as food, housing and education.

The United Nations calculated that due to the health crisis of COVID-19, some 34.3 million people will fall into poverty, joining an already huge figure of those who are poor.

The profits generated in the last four years will disappear, which means a shocking setback in living conditions.

In this regard, there were countries, such as Chile, that opted for protecting the economy over health by applying flexible isolation mechanisms to keep companies open.

As a result, starting this Friday, the Chilean capital and several neighboring municipalities have been under a strict quarantine due to the drastic increase in infections and deaths from the new coronavirus.

Others are forced to take out loans with the International Monetary Fund, under unacceptable neoliberal-style conditions.

The desperate situation is teaching some lessons. First, the impatience of the wealthy few to protect their fortunes is not a good financial guide. Second, the health systems and social protection were overwhelmed due to its structural fragility, with some exceptions.

The COVID-19 pandemic is exposing the extreme inequalities and injustices that were emerging in the region for many years, as well as the unsustainable model where the benefits end up in the pockets of a minority, while the vast majority barely survive.

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