

Uncertain prospects



The International Monetary Fund, the IMF, issues World Economic Outlook

The International Monetary Fund, the IMF, in its most recent update of the World Economic Outlook, confirmed that the COVID-19 pandemic was a major setback to the living standards of many countries and will exacerbate inequalities in the future.

The report adds that the health crisis will reverse the progress achieved during the 1990s aimed at reducing global poverty, since many people in the informal sector, who lack access to social security,

have lost their sources of income. For instance, many undocumented migrants are not included within the support systems that some governments have offered to their citizens.

It's worth mentioning the nearly 11 million workers that live in the United States without residence and work permits, who did not receive the financial aid packages offered this year, and will not have access to the one being prepared for 2021 either.

Migrants in these countries usually take up low-skilled, unstable jobs in the service sector, such as hotels, restaurants and bars, currently the most affected by the restrictions applied to contain the virus.

According to IMF data, almost 90 million human beings will fall below the poverty line, which means moving further and further away from the global development goals set for 2030.

Moreover, the alterations of the education cycle around most of the planet will be reflected in the ability to train skilled human capital, considered one of the elements driving economic development.

The International Monetary Fund's report says that social distancing policies will be maintained in the upcoming year, but will be reduced as vaccination programs already underway in several countries advance.

However, this may be a very relative opinion because most poor countries will have little chance of carrying out mass inoculation in 2021 and several will have to wait much longer to be immunized.

Statistically, this year the global economy will have a negative result of 4.4%, slightly lower than the one predicted in June during the peak of the pandemic.

By 2021, the IMF expects a five-point recovery, although everything depends on the behavior of the global coronavirus outbreak, which is forcing new restrictions and could alter the course of the most optimistic projections.

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