

Low prospects



América Latina y el Caribe ante la pandemia del COVID-19

Efectos económicos y sociales

By Guillermo Alvarado

The Latin American and Caribbean region is one of the hardest hit in the world by the health crisis generated by COVID-19, which keeps the moderate economic and social progress achieved in recent decades in danger of disappearing.

This is one of the conclusions reached by a study prepared by several entities, including the Organization for Economic Cooperation and Development (OECD) and the UN Economic Commission for Latin America and the Caribbean (ECLAC).

The fall of the Gross Domestic Product in the area during 2020, the first year of the pandemic, was 7 percent, considered historic for this area, and although this year there will be a growth of this indicator of almost 6 percentage points, it is still not enough to achieve a serious recovery.

The text, entitled Economic Perspectives for Latin America and the Caribbean, points out that only in 2023, or perhaps as late as 2024, will our countries, on average, reach their pre-covid-19 levels.

As a consequence of the disease, poverty and extreme poverty reached their highest points in the last 20 and 12 years, respectively, thus wasting numerous efforts in the fight against these scourges.

It should also be noted that both the fall and the recovery are totally asymmetrical, which means that some populations are much more affected than others, usually the most impoverished and those with the greatest social and economic gaps.

ECLAC and the OECD pointed out that even before the pandemic, 40 percent of workers had no social protection whatsoever, which is due to the fact that more than half of the economically active population is in the informal sector, which makes them more vulnerable.

All this results in great discontent and loss of confidence in governments, as evidenced by the constant protests in many countries in the region, which are often violently repressed by the police.

Among the recommendations, the study proposes making efforts to reactivate the most important sectors of the economy in order to create jobs, lower prices and improve the quality of life of families.

It is particularly important to apply fair and progressive tax systems, where those who have more pay more, and to use that wealth to improve public services and meet the urgent needs of the population.

These are unavoidable challenges in the face of the bleak prospects of a pandemic with no end in sight.

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