

The outlook for Latin America is not very encouraging

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The prospects for economic growth and job recovery in Latin America and the Caribbean are not as expected, together with a rebound of the COVID 19 by the Omicron variant, which has led to a considerable increase in cases

By María Josefina Arce

The year 2022 began with very discouraging news for Latin America and the Caribbean. The prospects for economic growth and job recovery are not as expected, together with a rebound of the COVID 19 by the Omicron variant, which has led to a considerable increase in cases, impacting the economic activities of a region considered the most unequal on the planet.

The latest projections of the ILO, the International Labor Organization, warn that the global labor market is far from improving. This year there will be a loss of hours worked equivalent to 52 million full-time jobs.

Latin America and the Caribbean is among the areas with the worst possibilities of recovery in this aspect, which points to the persistence of a high unemployment rate.

Guy Ryder, Director General of the ILO, pointed out that two years after the onset of the global health emergency, the outlook remains fragile and the road to a better scenario is slow and uncertain.

According to ECLAC, the UN Economic Commission for Latin America and the Caribbean, in the year just concluded the area registered a loss in employment levels, a fall in labor participation and a much more marked increase in the unemployment rate than at other times.

By the end of 2021, at least one in four Latin Americans had not recovered their jobs, lost during the pandemic, revealed a joint study by the United Nations Development Program and the World Bank.

In addition, the area's growth rate will drop to 2.1%, an unflattering figure, given that the driving activities of its economy will perform poorly.

ECLAC estimates that poor global growth will translate into lower external demand and, therefore, reduced international trade, which will have a direct impact on Latin American economies.

Furthermore, the decline or maintenance of current commodity prices, on whose exports a large part of the region depends, will also have a strong impact on this unfavorable outlook, which is conducive to an increase in hunger and poverty.

Latin America and the Caribbean are already facing a critical situation in terms of food security. In the last six years, especially in the midst of the pandemic, there has been an increase of almost 79% in the number of hungry people.

Two decades later, the continent has regressed in terms of poverty and extreme poverty. Every day, more and more people in the region join the army of those who have nothing, let alone a future.

Everything seems to indicate that 2022 will also be a difficult year for Latin America and the Caribbean, which has seen the number of poor, hungry and unemployed people increase.

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