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Inflation, a global scourge: Growing misery on the global horizon

The land cake is one and only a better redistribution of portions could ensure that everyone can sit at the same table to share it.



The global economic-social gap is widening and 260 million new poor could fall into the ravine of marginalization before the end of 2022. If this prediction is fulfilled, in December of this year, 860 million people could suffer a situation of extreme poverty – having less than 1.90 dollars a day – and more than 800 million, malnutrition, thus reversing the lukewarm advances of the last two decades.



Oxfam International forecasts more than 800 million poor people by the end of 2022 UN Photo.

In addition, the threat of mass starvation looms over millions of people already suffering from severe levels of marginalization, particularly in East Africa, the Sahel, Yemen and Syria.

The consequences of the pandemic and the increase in the price of food, as well as the increase in inequalities at the global level, are some of the causes of this global social meltdown, aggravated since February 24 by the explosion of the Russian-Ukrainian conflict.



La pandemia y la actual guerra entre Rusia y Ucrania disparan la situaciones de miseria de millones de seres humanos en todo el planeta Foto ONU.

Tal es el pronóstico escalofriante que lanzó la segunda semana de abril la Organización No Gubernamental (ONG) Oxfam Internacional. Su informe [*Tras la crisis, la catástrofe*](#), publicado solo en inglés, buscó aportar una voz desde la sociedad civil internacional de cara a las reuniones del Banco Mundial y del Fondo Monetario Internacional del primer cuatrimestre del año las cuales concluyeron el 24 de abril.

Nadie se libra de la inflación explosiva

Diferentes medios europeos de comunicación retomaron la tercera semana de abril algunos elementos del informe de Oxfam Internacional y privilegiaron el enfoque sobre el impacto de la inflación, que inquieta en particular a los sindicatos europeos.

On 20th April the Swiss Trade Union (USS), the main confederation of Swiss workers, demanded that the government take urgent measures to alleviate inflationary clouds after a decade of almost absolute control of the swiss index.

According to the USS, if the rising cost of living is not compensated, Swiss families risk losing more than [3,000 francs](#) (the same amount in dollars) this year: 2,200 due to the real fall in income and 1,000 as a result of the scheduled increase in the price of health insurance which could increase up to 10% over the current premium.

Inflation explodes in the European Union and breaks records never seen since the creation of the euro, reaching an average increase of 7.5% in March and with higher prospects for April. The war between Russia and Ukraine and the 44.7% increase in energy prices appear as two of the triggering factors.

According to an April 1 analysis by the Spanish daily *El País*, [the war is](#) being felt without exception throughout the continent, where unprecedented inflationary indices are recorded.

This is the case of Germany, which with an increase of 7.6% compared to March 2021 and 2.5% compared to February 2022, must refer to 40 years ago – before reunification – to find a comparable figure. For its part, Spain, where year-on-year inflation grew by 9.8% (3.9 points in March compared to February), is close to marks never seen since 1985. In Italy, in March inflation rose by 6.5% compared to the same month last year and by 1% compared to February this year. The Netherlands recorded in this same period one of the highest inflation rates in the European Union with 11.9%, surpassed by Lithuania (15.6%), Estonia (14.8%) and Latvia (11.2%).

The inflationary scourge does not only hit Europe. It also becomes a global phenomenon that deepens the inequality gap. In the United States, for example, the poorest 20 per cent of households spend 27 per cent of their income on food purchases, while the richest 20 per cent spend only 7 per cent on food.

The Suffering of the Global South

The World Bank estimates that 198 million people could fall into extreme poverty this year as a result of COVID-19 and deepening inequalities. Based on this estimate – to which is added the projection of the impact of rising food prices – Oxfam International estimates that another 65 million human beings will plummet into misery. This will represent a total of 263 million new poor, equivalent to the populations of the United Kingdom, France, Germany and Spain combined.



Misery in the world will continue to grow in 2022 Photo Oxfam.

Commenting on this trend when presenting the report, Gabriela Bucher, director of the NGO said that, if radical and immediate measures are not taken, "we could be facing the greatest increase in the levels of extreme poverty and suffering of humanity that is on record." For this organization, this scenario is even more bleak if one takes into account the trillions of dollars hoarded by a handful of billionaires who do not show any interest in stopping this escalation.

In addition, foreign debt represents an increasingly heavy sword of Damocles for impoverished nations and populations. Many are already confronted with the material impossibility of paying the 2022 part of this debt.

People in poverty are the most affected by these crises. By way of example: the increase in food prices – higher than in the 2011 crisis – represents 17% of consumer spending in rich *countries*, but represents 40% in sub-Saharan Africa.



Africa among the continents hardest hit by the increase in extreme poverty. Photo by Etipoia Oxman.

At the same time, large multinationals engaged in the production and trade of oil and gas recorded record profits, as did transnationals in the food and beverage sector.

Nefarious corollaries of the pandemic

Oxfam International's report also shows that the pandemic economic-social crisis impacted and continues to affect globally. However, the economic challenges facing developing countries are greater. They had to face unequal access to vaccines; were forced to deplete funds from reserves (often extremely scarce) to implement social containment schemes; they have had to assume the corollaries of semi-paralyzed economies for months with a direct impact on both formal and informal sectors and have been forced to apply severe austerity measures.



The COVID-19 pandemic left its corollaries of increased misery in the world UN Photo.



The pandemic exacerbated the social crisis in the world. Irregular settlement in los Altos de Florida, Bogotá, Colombia. Photo Freya Morales UNDP

In this complex context in which the costs derived from COVID-19 continue to hit the economies of *developing countries*, the wealth of billionaires increased since the beginning of the pandemic more than in the previous 14 years as a whole. On the other hand, governments remain hesitant about the possibility of raising taxes on the wealthiest sectors of their respective countries. According to Oxfam International, if an annual wealth tax were applied – starting with only 2% for millionaire fortunes to reach 5% in the case of billionaires – it would generate more than 2 trillion dollars annually, enough to lift 2.3 billion people out of poverty.



The war is a tragedy that adds to the pandemic and leaves a trail of misery in the world.
Photo Le Courier.

Although solutions seem to be at the hands of governments, especially in the South, not always favorable power relations and a lack of political will conspire to prevent them from being implemented. The land cake is one and only a better redistribution of portions could ensure that everyone can sit at the same table to share it.



Children are one of the main victims of the growing global social crisis Photo Children International.

Sergio Ferrari from Bern, Switzerland for La Pluma, April 26, 2022

Edited by [María Piedad Ossaba](#)

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