

BOOK REVIEW



World Bank:
*The Economy in the Time
of COVID-19: Semiannual
Report of Latin America
and the Caribbean*

April 2020.
ISBN: 978-1-4648-1570-6

Sri Lanka Journal of
Economic Research
Volume 8(1) December 2020
SLJER 08.01.B: pp. 165-169
Sri Lanka Forum of
University Economists
DOI: <http://doi.org/10.4038/sljer.v8i1.130>



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INTRODUCTION

The Economy in the time of COVID-19: Semiannual report of Latin America And the Caribbean published by world Bank in April 2020 in exploring the substantive contributions to the report were made by Daniel Riera-Crichton (Research Economist, LCRCE) and Guillermo Vuletín (Senior Economist, LCRCE) in which COVID-19 pandemic brings in a new dimension, as the measures needed to contain the outbreak of the pandemic also result in a major supply shock. The content is arranged with the outlook of the region, assessing the situation in the short run, effective measures of health and economic cost, addressing the economic crisis and finally, most of the countries' summary of the region.

The growth rate of the region is heavily influenced by the three largest economies; Brazil, Mexico and Argentina; all three went through recessions or slowdowns. While slow growth had been one of the features of the region for several years, the emergence of social unrest was new.

Three main explanations have been proposed to mitigate the risk emphasizing a different dimension in the Economic explanation, Social Explanation and Institutional explanation in which suggested the painful fiscal adjustments, better economic opportunities for the worse-off, with a determined focus on service delivery and social protection and focus on transparency and accountability, strengthening public financial management and especially public procurement. These policy actions can be adjusted with all similarities for the countries all over the world.

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REVIEW OF THE CONTENT AND DISCUSSION

Explore the content to discuss the crisis of the economies with COVID-19 and policy adjustment way of forwarding clearly step by step from the holistic view. Many advanced economies are already in advanced phases of the pandemic, and several of them have already managed flatten of the curve. Though Latin America and the Caribbean did not exceed more than 300 deaths as of April 7, 2020 as recorded in the report, it has exceeded thousands of deaths up to now. By then, the direct and indirect effects of the COVID-19 pandemic could generate some recessions. Economic activity is interrupted not only in the development process, but also people stop working and trading to reduce the risk of infection. It shows that this combination facilitates a demand shock, a financial shock and a supply shock is extraordinary. It forecast the exact amount of the recession ahead in this report.

Affecting the adverse external shocks explained against the domestic economies vary from country to country. Sharp decline of commodity prices and massively cancelled flights were meant to prevent the spread of the virus and drawback of Tourism. It was reported the adverse impact on countries in the Caribbean basin. Highest GDP growth rate was reported from Dominica as 9.6% in 2019 in the region while it was reported as -3.0 % in 2020 and almost all countries' GDP growth was reported with minus percentage except Guyana.

According to the ICRA Lanka Economic impact of COVID-19 in Sri Lanka, Agriculture, Industry and Services; all sectors are shocks as percentage of GDP in protracted is 7.2% and GDP growth is -3.3%. GDP forecast for Sri Lanka in 2020 by IMF is -0.5 while it's forecast by the World Bank is -.05 to -3.0 in which outbreak dampens export earning, consumption and investment which was reported as similar to the Latin America and the Caribbean region with minus GDP growth. According to the report on Latin America and the Caribbean region, massive damage had been taken from the developed countries than that of the developing countries. Therefore, IMF projection are 4.7% for United States, 4.7% for Euro Area, 4.8% for Italy, 3% for Japan, 4% for United Kingdom, 9.2% for China, 7.4% for India and IMF projections against to the global growth in 2021 recover to 5.8% due to the pandemic fades in 2020.

Overview of the context, there is also a time dimension to the uncertainty. Because, many firms will continue facing costs such as rent, insurance, taxes, interest payments such while their revenues breakdown. The outcome of multiple disadvantages was explained in more advanced countries. Further, highlighted in low-income countries those who fall sick never seek treatment, and even in normal times a vast number of deaths occur outside the health system. Among those who do visit medical facilities, many are incorrectly diagnosed, and very few are tested. Social distancing maintenance may also be ineffective

at reducing infection when many people live in slums, in crowded housing and without access to clean water or sanitation facilities.

Support to jobs and firms will have to be based on a dual approach as a remediation to the crisis that was reported in the report. SMEs that cannot be efficiently reached that the goal would be to ensure the availability of finance in a context of growing working capital requirements. Support would be ensured by commercial banks, microfinance institutions, digital lending platforms, corporate supply chains and other intermediaries in order to make policy recommendations.

Naoyuki Yoshino and Farhad Taghizadeh-Hesary pointed out to the Working Paper Series in Asian Development Bank in December, 2018, SMEs are strength of the Asian Economy and they make up more than 96% of all Asian Businesses, providing two out of three private sector jobs on the region. According to the views of Business leaders in Sri Lanka, the crisis on SMEs, whom they felt may not be able to survive the shock. Some CEOs expressed grave concern with the killer of liquidity because businesses with high gearing and extended delays in collecting payments from their customers were considered to be at the highest risk of closing. Businesses should largely focus on core domain capabilities that have been challenged to quickly acquire, improve and adapt to capabilities.

Based on analysis, the number of deaths doubles every seven days in the median high-income countries and it does so every eight days in the median low-income countries. The spreading speeds are much larger among richer countries than among poorer ones. In low-income countries, the days it takes for the number of deaths to double ranges from a minimum of six to a maximum of 19. Among the high-income countries, the gap between minimum and maximum ranges varied from two to forty-four days.

Further, analyzed the relationship between NO₂ emissions and containment measures to slow down the spread of the COVID-19 pandemic. The decline in NO₂ emissions could be linked to the overall health situation, rather than to the control measures themselves. To make a greener world, the UN biodiversity summit, scheduled for September, sets nature on the path to recovery by the end of the decade and safeguards human health and livelihoods in the long term. Daniel Riera-Crichton and Guillermo Vuletín the same way Marco Lambertini, Elizabeth Maruma Mrema *and* Maria Neira said to, Coronavirus has given a warning to us to fix our broken relationship with nature. The world must hold a recovery that involves sustainable farming and clean energy. Anything else is a false economy. Now, there are many more health crises on a different scale, with COVID-19 causing the most critical health, social and economic crisis in living statues. They indicate that most emerging infectious diseases are driven by human activities. COVID-19 has conveyed unusual environmental benefits: cleaner air, lower carbon emissions, and a relief for wildlife, but that's obstructing the global economy.

Overview of the policy context, the size of the fiscal stimulus packages being adopted in the Latin America and the Caribbean region in which procurement and the payment of taxes have been simplified in several cases. Recommended fiscal measures are wages, subsidies and the deferral of taxes and social security contributions. Access to subsidized loans, partial credit guarantees, and the provision of equity could be effective as well. Some governments have expanded e-government in a way that is bound to increase transparency and efficiency over time.

In order to policy recommendation by the same way in MTI consulting in DailyFT is that cost cutting appears to be an immediate response of almost all (90%) of the businesses. Involuntarily cutting employee compensation, this is also a good time to consider a higher percentage of performance-based variable pay. There has been a significant increase in digital adoption in both Business to Customer (B2C) and Business to Business (B2B), in which domains Super Markets, Higher Education, Corporate Banking, and Commodity Trading as much. According to the report, almost all the respondents felt that COVID-19 has significantly advanced their digital agenda and created internal pressure to activate their digital initiatives.

They propose the neediness to completely re-strategize Sri Lanka, not just make incremental changes to its national export strategy. For instance, a motivated initiative to optimize the strategic geo-location of Sri Lanka for interim value-addition and permitting FDI to build scale to meet global demands.

CONCLUDING REMARKS

Policy actions taken around the world are effective in revealing widespread firm bankruptcies, job losses and system wide financial stresses. The report has indicated the way of measures of health and economic cost in COVID-19. The cumulative loss to global GDP over 2020 and 2021 from the pandemic crisis could be around USD 9 trillion, greater than the economies of Japan and Germany, combined according to the IMF.

The reporting of information in the book emphasizes a comprehensive fact of economies with COVID-19 of the way forward for Latin America and the Caribbean region and its policy recommendations lead towards a better and a clear descriptive analysis toward all over the countries in the world. All facts are explained and developed with the arguments in arrangements of well matching content throughout the excellent writing in such a way that a reader is sequentially led to understand the facts for policy recommendations. Crisis on COVID-19 are more new and collecting, analyzing and presenting data are user-friendly to think the way of directions in all aspects. Almost all key factors of the report were adopted to make an argument with the key sectors of Sri Lanka. This study absolutely is an exploratory research to develop the base on further research for any prospective researcher or policymaker interested in any of the thematic areas to solve.

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