

## **Pandemic Economic After Effects**

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One of the best ways to determine what kind of nation/world we live in is by examining how it handles a crisis situation. We have already discussed how the systems' rapacious agricultural and animal husbandry methods violated the natural separation between animal and human environments and brought the coronavirus pandemic upon us. That also brought the for profit pharmaceutical industry into play, which thanks to their ending research after the first SARS2 epidemic in 2003 because it didn't promise an immediate profit, left the world unprepared to fight this virus. They required state financial assistance for the development of vaccines which were purchased from them by our government for \$2 billion per 100 million applications. Even though rolling in dough big pharma companies denied free patent rights for poorer nations to make their own vaccines and save thousands and millions of their people from sickness and death. And then we have the existing medical infrastructure, which despite warnings from experts in the medical field because of previous related epidemics, were found to be totally unprepared to handle even a mini epidemic.

Thus we had a human and environmental disaster for the ages that we are gradually seeing, at least for now, coming to and end. The numbers so far are that about 2% of the world population has been infected though the real number is probably 15-20% because of the many mild and symptom-free cases. With 2.6 million deaths (the number is currently 3.2 million) based on 119 million cases (currently 152 million) the case fatality ratio is 2.2%. There is great variability in the ratio -- from 0.9% in a relatively wealthy country like Denmark to 9.0% in a poor country like Mexico. The case fatality rate for the US is currently 1.8% and the infection fatality rate 0.43%. For the regular flu It's no more than 0.1%.

As for economic conditions; the gini inequality index based on total income is 2.9% higher than 2019 because of loss of work by wage earners and vast increase in unearned income for the rich thanks to the Fed induced market boom. The IMF's cumulative future per capita

income growth will be 13% less than projected in advanced nations, 18% less for low income, 22% less for emerging and developing countries. There has been a long term “scarring” of most economies that may mean no return to pre-pandemic levels for most countries. For the US it will add to the non recovery from 2008 GFC which was billions below the 1992 – 2005 baseline at the time a ‘recovery’ was declared.

The Fed and the government have been loading up business with funds and cheap loans to get them to improve and expand their operations and increase hiring. But capitalists gravitate toward the easiest ways to increase income. Investing in AI and technology while shrinking the payroll is one of their favored approaches.

Daily we are being bombarded with claims of robust growth and a booming economy. It’s a sign of desperation in the ruling class because everyone knows it comes by way of ballooning the national debt because of trillions in stimulus funds. Needing a transfusion in order to survive does not signify health.

This also gave us a 6.2% GDP growth in the first quarter and much cheering because it never grew that fast following 2008. But the Pandemic slump was greater than the GFC. Growth (or lack of it ) was as follows: -5.1% 1<sup>st</sup> quarter 2020, -37,7% in the 2<sup>nd</sup>, 28.8% in the 3<sup>rd</sup>, 4.2%, in the 4<sup>th</sup>. That leaves the current economy 1% **below** where it was in Q4 2019, and 4% **below** where it would have been without a recession. So everyone should wisely use their gifts from Uncle Sam because the future may be a recognizably permanent slump.

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