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G-20: CANCEL POOR COUNTRIES' DEBT AMIDST COVID-19

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As the coronavirus pandemic wreaks havoc across the world, experts are raising the alarm about the catastrophic implications that would take place if the disease continues to spread in Africa, South America and South Asia, where millions could lose their lives. And while the world's wealthiest nations are facing their own uphill battles containing the spread of the disease, they could extend significant help to poor, vulnerable nations by providing them immediate debt relief.

Thus far, virtually no country has been immune to the ravages of COVID-19. From China to Italy to the United States, many nations have been grappling with shortages of supplies and staggering death tolls. Yet the world's poorest countries, concentrated largely in the Global South, face an even greater challenge in combating the pandemic. For them, the dangers of the disease will all but overwhelm the deficient healthcare systems and fragile governance structures in place. These are countries that were already struggling to emerge from centuries of colonialism and exploitation, and were grappling with widespread corruption, conflict, and poverty; an unbridled outbreak of COVID-19 in such places could be utterly disastrous.

In India, millions of people are unable to abide by the shelter-in orders of Prime Minister Narendra Modi, as homelessness remains a serious issue in the country, particularly among religious and ethnic minorities.

In Africa, and particularly sub Saharan Africa, shortages of medical supplies are alarming. In an interview for *Berkeley News*, Berkeley economist Edward Miguel indicated that in Kenya, a country of 50 million people, there are only 155 ICU beds. Miguel went on to say that a prevalent lack of trained doctors and medical professionals in many African countries could also place them in an extremely dangerous position.

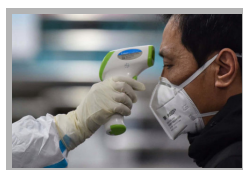
It isn't only the deficient healthcare and governance systems that put these countries at increased risk but also the devastating effects the outbreak is having on their economies. Since the beginning of the outbreak, prices of oil and raw materials exported by these countries have been steadily plummeting, while interest rates on their loans from wealthier countries have been rising.

Experts are now predicting that the combination of increased dependence on borrowing due to decline in exports and the rising interest rates could utterly devastate the world's poorest countries.

An increasing number of voices now call on the world's wealthy countries to either suspend or altogether cancel debt obligations of the world's developing nations as they struggle to contain the COVID-19 crisis. This sentiment recently emanated from the World Bank and International Monetary Fund, who in a joint statement last month called on the world's 20 strongest economies (G20) to suspend debt payments of poor countries who ask for it, in order to enable them to concentrate their resources on tackling the pandemic and staving off its worst effects.

It is true that the world's developed nations are facing dire challenges in dealing with the consequences of COVID-19. That said, it is imperative that they extend whatever assistance possible to nations facing an even greater risk of economic destruction and a humanitarian crisis as a result of the virus. Wiping out their debt obligations would constitute a much-needed first step in the right direction.

Image by Emilian Robert Vicol



Sign the petition calling G20 to cancel poor countries' debt