10 basic ideas to understand thecrisis that follows COVID-19

We are facing the first truly global economic shock, hitting both supply and demand. Overcoming it will require more than just monetary and fiscal measures: a proportional reduction in individual income may help, if managed well.



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In early 2020 there was every indication that the world economy was heading for an uncomfortable, yet manageable, slowdown. COVID-19's irruption into people's daily lives has, however, brought on an exogenous shock that is deep, strange, unexpected and dramatic. An

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event that may define an era and mark an entire generation.

Due to its importance, the trauma has become the single focus of all reflections and, of course, all economic analyses of the moment. At the risk of imposing upon an already fatigued reader, I'd like to bring up some basic ideas regarding a phenomenon as shocking as the one we are experiencing now and a rational way of approaching it, if only to avoid losing what is fundamental in the flurry of details.

Here are 10 basic reflections applied to the economic sphere.

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