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Editorial

The world in the post-Covid era: current issues of economics, politics, law

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The current stage of human development is characterized by instability associated with radical changes in world politics, economics, law and many other spheres of public life. The COVID-19 pandemic, declared by the World Health Organization in 2020, is complicating the situation, as measures to combat the spread of the disease, including lockdown, have negatively affected entire sectors of the world economy. The United Nations estimates that the global economy shrunk by 4.3 percent in 2020, two and a half times more than during the 2009 global financial crisis (UN News, 2021). According to economists Bartholomew and Diggle, the global economy by 2030 will still continue to lag behind the pre-pandemic trend by 3%, but this effect will be extremely uneven across countries (Diggle & Bartholomew, 2021). At the same time, the negative impact of the pandemic on the world economy has a variety of manifestations.

The corona crisis in almost all countries has led to a shock in the labor market. For example, in the United States, unemployment rose rapidly in March 2020, just after the pandemic began and by April 2020 it was well above its previous peak during and immediately after the Great Recession. This surge in unemployment was triggered by the introduction of quarantine restrictions, namely self-isolation, which meant the closure of many companies. Although the unemployment rate has been gradually declining since April, in December 2020, it remained almost twice as high as in February of the same

year (6.7% vs. 3.5%) (Cajner, et al., 2020). As for Ukraine, we have seen similar processes with the proclamation of a pandemic. Unemployment in Ukraine began to rise sharply in April, with the introduction of strict quarantine. If in March, there were 349 thousand officially registered unemployed in Ukraine (the real level is many times higher), in April this figure reached 457 thousand, in May – 511 thousand, and in June – 517 thousand people. And only in July this figure began to reduce – to 506 thousand, and in August – to 474 thousand. In general, since the beginning of quarantine in Ukraine, about 488 thousand people have received the status of unemployed (as of the end of August 2021), which is 67% more than in the same period of 2020. Hundreds of thousands of citizens became unemployed: both representatives of intellectual and manual labor.

How economies coped with labor market problems depended on the anti-crisis policies pursued by each country. For example, in the United States, unemployment payments have increased while European countries have taken the path of forced vacations and reduced working hours to maintain jobs and the ties that have formed in the labor market between workers and employers. In the long run, countries with higher unemployment rates are more likely to experience a longer decline in labor force participation, although there may be a more effective redistribution of labor force participation (Diggle & Bartholomew, 2021).



The negative effect of the corona crisis on the global labor market may be stronger than in other recessions, due to the huge number of school hours lost due to full quarantine or the introduction of remote education in schools and universities. This factor can cause irreparable damage to the accumulation of human capital. In addition, it will be more difficult for young employees to acquire the skills necessary for specific employers due to the spread of remote work.

Mass vaccination, which is taking place with varying degrees of success in most countries around the world, gives reason to hope for a gradual end to the pandemic crisis. However, the way out of the crisis in different countries will be uneven. Vaccination and accelerated digitalization have allowed some countries to embark on a path of rapid post-crisis recovery, while others are not yet out of the crisis. According to WEF (World Economic Forum) experts, the uneven exit from the crisis promises new problems – rising energy costs and a new round of the logistics crisis, and a surge in inflation (WEF, 2022).

Since the beginning of 2020, global commodity prices have increased by almost 30% and continue to rise, including due to energy shortages and supply chain disruptions. By the way, since the end of 2021, an energy crisis has arisen on the European continent, connected not with a pandemic, but with the geopolitical games. Thus, the cost of gas in a short period of time increased several times and reached almost 2,000 USD per cubic meter. Such an unprecedented increase in the price of energy has led to an inevitable rise in the cost of goods throughout Europe. Many manufacturers have suspended operations or gone bankrupt. In addition, the price of gas has also risen for households, which has become an unreasonable burden for many of them. Moreover, the cost of all utilities for the population of Europe, however, as in most other countries of the world, has increased significantly. All this contributes to the impoverishment of the population and the increase in social inequality.

Returning to the problem of inflation, it is worth noting that it looks like it will continue to rise around the world further on: it will be spurred on by logistical disruptions, combined with resurgent consumer demand and already more expensive goods. For example, in the United States, inflation has reached record highs over the past 40 years. Given that the US economy is the largest economy in the world, and the dollar

is the international reserve currency, if inflation continues to rise in the United States, a domino effect will work: it will accelerate in other countries. In mid-January 2022, the German Federal Statistical Office reported that inflation in Germany had reached its highest level in almost 30 years – prices for goods and services rose in December 2021 by an average of 5.3 percent compared to December 2020, the highest figure since 1992 (Delphinov, & Burdyga, 2022). Acceleration of inflation will force the central banks of developed and developing countries to raise interest rates, there will be a threat of defaults on debts. High prices and expensive debt will primarily affect low-income households, small and medium enterprises that are still trying to avoid bankruptcy. Government debt will also rise sharply. This is even though a large-scale increase in government spending during the pandemic has already turned into a sharp increase in global debt.

Excessive debt and rising costs of servicing it will make it increasingly difficult for many to cope with the economic impact of COVID-19 and finance social spending. As a result, social stratification and income inequality will increase more and more.

Growing income inequality could eventually trigger a “livelihood crisis.” According to WEF, this is a real threat to 97 countries of the world, including 16 G20 economies. And the result will be a further increase in the number of refugees. Experts believe, that forced economic migration is one of the key risks over the next decade. All this is likely to lead to geopolitical conflicts and internal social tensions.

Simultaneously, in addition to economic migration caused by natural causes, migration crises inspired by malicious actions of some countries periodically break out. In particular, in November 2021, the migration crisis broke out on the border between Poland, which is a member of the EU, and Belarus. Poland has accused Belarus of organizing an attack on Poland's eastern border, and has criticized Russia for leading a growing flow of migrants. The flow of migrants, according to Warsaw, should destabilize the European Union (Solonyina, 2021). Despite the reduction in greenhouse gas emissions during the pandemic, the problem of global warming is as acute as ever. Extreme weather events lead to water shortages, crop failures, and, as a result, rising food prices and supply disruptions in the world.

Experts point out that environmental risks are likely to cause the most damage on a global scale over the next decade. In 2021, the UN released a major report that incorporated the most important climate research of recent decades. The report's findings were sensational. First, it has finally been scientifically proven that human activities directly affect long-term changes in the environment and climate. Secondly, it turned out that even if all the promises of the countries under the Paris Agreement are fulfilled, the globe will still heat up by 2.7 degrees by the end of the century, which means imminent catastrophe. To avoid it, countries need to make new commitments today and significantly speed up emission reductions.

One of the events at which representatives of the world were to agree on ways to overcome the climate crisis and prevent a climate catastrophe was the UN Climate Summit, which took place over two weeks in November 2021. The conference's greatest achievements were intergovernmental agreements on forest protection and methane reduction. Leaders of more than 120 countries, which account for about 90 % of the world's forests, have pledged to stop their extinction by 2030. More than a hundred countries have also signed a commitment by the United States and the European Union to reduce methane emissions by 2030. Another 40 countries, including large consumers such as Poland, Vietnam, and Chile, have agreed to abandon its use. One of the achievements of the summit was the merger of 450 companies from 45 countries into the Glasgow Financial Alliance, which holds 40 % of the world's financial assets. Allied companies have declared a goal to completely reduce greenhouse gas emissions by 2050 at the latest. Also, about a hundred representatives of governments, cities, states, and large enterprises have signed a declaration on the transition to zero-emission cars by 2040, and 13 countries have promised to stop selling all trucks on fossil fuels in the same period. However, according to experts, the Glasgow Climate Pact can be called a monument of demagoguery and populism, but not a decisive document for the climate struggle. The world is still on the brink of disaster (Yalovy, 2021).

Conclusions

Thus, it should be remarked that human civilization at the present stage of development faces several interrelated problems, each of which can lead to irreparable consequences. Each

subsequent mutation of the coronavirus, without proper counteraction to its spread; uncontrolled proliferation of nuclear weapons; lack of concerted action to reduce greenhouse gas emissions; continuation of misanthropic and adventurous international policies of some authoritarian regimes; uncontrolled use of minerals; unprofessional economic policy – any of these factors can lead to the end of civilization. Therefore, the main task of humanity today should be to unite efforts to effectively solve a whole range of complex problems. Will we cope with this task? We have to, for the sake of future generations.

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