

COVID-19 PANDEMIC - SECURITY, ECONOMY AND POLITICS REALIBILITY OF GLOBAL AND LOCAL ASSESSMENTS

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Editorial

Covid-19 pandemic news, estimates, and planetary economic outlook seem increasingly controversial. While global economic analysts tell us optimistic news, such as that China is moving towards record growth and that Japan is out of the recession, the estimates of the World Health Organization and security messages are not so optimistic. By November 23, 2020, more than 60 million people have officially contracted the Covid-19 virus in the world, so that, only during the first year of the pandemic, the number of registered infected people will reach one per mille of the world's population. A large part of the world's population is concerned due to the facts show that the virus is still unusually mysterious, as well as the the number of those actually infected is up to ten times higher than the number of detected cases, with the possibility of re-infection of those who once recovered.

Nevertheless, from the recent meeting of the Group 20 the largest economies in the world, an indirect message was sent, there has not common vaccination strategy yet, as it was proposed by the World Health Organization (WHO). Angela Merkel, with her appeal and statement of Germany's intention to pay 500 million euros into the globally available vaccine fund, was confirmed that the conflict broke out due to the willingness of other participants (read developed countries) to join the solidarity of vaccine costs for poor countries, and for the benefit of all. There are many special therapies, drugs, vaccines-programs, as well as reservations of a large number of doses for the population in the most powerful countries. The entire global stock of certain drugs, such as remdesivir, is bought by some rich countries, so that economic calculations are crucial for health and safety strategies.

It should be noted that the market value of the vaccine (dose for one person) ranges from three to fifty USD. It is logically concluded that a global anti-vaccination requires a cooperation strategy between pharmaceutical companies, governments and the WHO. However, on the other hand, as always in such situations, it turns out that the market should play role and offer as many solutions as possible. The dilemma is, as always, between safety, control, standards, and the principle of minimum costs. The world will therefore have the opportunity to balance between market and regulation. This can be taken as one of the curiosities of the current, hopefully unique situation, not only in terms of health and safety, but also economically.

DOUBTFUL ASSUMPTIONS OF THE POST COVID-19 RECOVERY

The latest global recession is compared to one from the World War II, when production and resources were blocked and when the loss of human life and health caused profound changes and turmoil not only in the economy but also in political life. It is comforting that only after World War II things started to move higher, and the global perspectives looked far better. It was often said: "It will never be the same again." It turned out that things are repeated and that humanity have to learn from own mistakes again. Wars and crises have still happen. Prestige and the desire for domination remain the initiators of a good part of historical events.

People's concern for their own economic existence and security is closely linked to their struggle to

achieve secure existence on national and regional level. There is not government in the world that tells to the people what favorably is expected for the coming years. Most of these messages are based on the following, very questionable assumptions:

- the pandemic will last during this year and possibly in the first quarter of next year, which is quite reliable;
- already available vaccines which are still being tested, as well as those that can be developed, will give a quick result, in almost all parts of the world, which is unlikely;
- rapid economic recovery will begin immediately after the withdrawal of the Covid-19 pandemic, which is questionable;
- the world economy in 2021 will be dynamic enough to compensate for most of the recession and to provide higher growth rate compared to years before the crisis (approximately 3-4%) probably due to low base - quite uncertain;
- the expansion of world trade will be enough to pull the production of goods and services and to compensate the decline of even 13.4%, which is unlikely;
- the demand for energy, goods and services after the Covid-19 crisis will be able to compensate the current drop in crude oil prices (47.9%) as well as the fall in the price index of energy goods (5.9%), also unlikely;
- the consumer habits will quickly return to normal level after the crisis, so that demand will stimulate production and trade, and especially services, to grow faster than they have fallen, which is quite incredible;
- the psychological barrier that which is present among people who need to travel and to use tourist services will completely disappear in the second half of next year, so that global tourism will recover, etc.

In addition, deep imbalances concerning global exploitation of natural resources, environmental pollution, endangering ecosystems, forests, seas and oceans, unfavorable energy structure and climate change should certainly be mentioned here. All these facts and unsustainable trends are not directly related to the Covid-19 crisis, but they will certainly cause possible directions and pathways of global recovery and development.

At the same time, with the news that the world will be able to count on the mass use of vaccine in the first half of 2021, there are warnings about technical difficulties and obstacles such as mandatory testing, necessary technical means and logistics, in vivo testing, risks and consequences... Officially, WHO says that the third wave of the Covid-19 pandemic will start in January 2021, and that immunization would be achieved with 70% of the vaccinated world population. According to medical findings, it seems that the Covid-19 pandemic will last for an uncertain period, and at least during the next year, with the prospect that certain waves will continue until the middle of 2022.

UNCERTAINTIES, THREATS AND HOPES FOR NEXT YEAR

The balance of the presented unlikely assumptions is relatively unfavorable, so there is not enough reason to rejoice early. The Covid-19 crisis continues, changes our behavior and destroying certain perspectives, especially those that depend on people's perceptions and expectations (tourism and travel, the production of airplanes and cars, energy, all services, especially fashion and sports business, entertainment and culture industry).

International financial institutions, mostly conservative in their assessments, are not ready to easily change and adapt to the new and changing Covid-19 circumstances. After the recession with a fall in global GDP (3-5%) in this year, the next one, as expected, should bring an improvement in results and serve as a basis for very dynamic growth in the next five years 2022-2027. As usual after major crises and wars, a period of economic boom should follow, which could bring planetary benefits in terms of growth, employment, trade, technological progress and restructuring.

However, specific view in terms of crisis and development stems from the perspective of structural change. Structural changes represent a law according to which reality changes evolutionarily, and it is predominantly conditioned by technological progress. On the other hand, structural changes also

appear as forced and rapid process caused by the crisis. The crisis is a challenge for development based on different structure of technology, employment, production and employment. When we analyze structural changes in the post Covid-19 period, there is not a single fact that would seem unfavorable on economics.

What else could be set differently as development goal in the economic boom phase after the pandemic? The simplest answer is that everything which was questionable in terms of sustainability, should be set on different basis, from technological, organizational, social, and environmental point of view. The post Covid-19 recovery should be focused on structural changes, both at global and local level. What does it mean?

- Firstly, revitalization of the existing capacities of the public health system and construction of new, harmonized and robust capacities, regional and national ones, which will represent better response to the challenges of new pandemics;

- Effectiveness of the further flows of production, services and trade, with the possibility to reduce labor costs, not only by expanding opportunities for online work, but also by better use of available software and hardware equipment around the world;

- Reduction of transportation costs, energy consumption, transport, elimination of bottlenecks in production and trade, thanks to the application of information technologies in economics;

- Better use of energy, improvement of energy efficiency, increase the share of renewable sources as well as acceleration the green energy;

- Better management of public administration, etc

Despite the fact that oil has become cheaper on the world market and that the demand for energy has been reduced by at least 10%, energy remains a priority of technological changes. It have to be more efficient, cleaner, more green and renewable in the post Covid-19 period, otherwise the recovery of the energy sector will be difficult.

Environmental and resource pollution is constant concern of humanity that can not be never dealt with. The reason is not only because that battle has been lost, but also because the notion of life and natural resources is changing and evolving. The world population could turn to more efficient preservation of ecosystems (mass deforestation, protection of the sea and oceans, elimination of plastics, green infrastructure) in the post Covid-19 period.

Nowadays, it is not possible to separate the impact of basic natural resources such as water, air, cultivated land, ecosystems, and created resources such as institutions, culture, education, knowledge, information, solidarity, or scientific research and new technologies. This actually means that medical services, vaccines and healthy living, as well as safe behavior - “new normality”, ie environmental habits and awareness of people, as part of the package of (re)evolution of sustainable institutions, should become performance and prerequisite for sustainable development and survival.

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