

THE ECONOMY OF THE POST-PANDEMIC OR THE WORLD WILL NEVER BE THE SAME AGAIN

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The realities formed against the background of the rapid spread of the COVID-19 virus have become a wide field for analyzing possible changes in the current world order. The main tasks that were put forward by the pandemic before the international community were both the development of effective mechanisms for overcoming and minimizing the consequences, as well as awareness of the scale of those changes that took place in a relatively short period of time in the system of organization of health care, economy, politics, social and cultural life.

Scenarios for the development of the world economy in the period after the pandemic are presented by two groups of forecasts: optimistic and pessimistic. If optimistic forecasts predict the development of the world economy in the direction of its digitization and the transition to the sixth technological way, then negative forecasts are based on the prediction that coronavirus will provoke the collapse of the modern world financial and economic order: the world economy and finances will have a long-term «ice period», national conflicts will worsen, borders may be closed, and entire countries will self-isolate. This will lead to the emergence of an economy of virtuality, production and fast availability services, cheap local energy sources. Unfortunately, the place of job in its current sense will remain in the few.

First, the forecasts of the consequences of the pandemic for the world economy are based on some conclusions.

Globalism, especially «hyper-globalization», will gradually lose its position. The driving force of the processes of de-globalization were the crisis phenomena, the financial and economic recession, which is accompanied by the outflow of investments from the country, a reduction in the share of foreign direct investment in GDP and in weakening their real impact on the intensification of innovation and the standard of living of society. The level of debt in the world is increasing exponentially. The question of the existing degree of de-globalization, which has a trade orientation, remains open. Today, even the giants of global business have already fallen into the trap of debt dependence, as they have not been able to scale their business to the volumes sufficient to cover capital expenditures.

Secondly, which is directly related to the first trend, there will be a transition from the modern model of economic globalization. The coronavirus

pandemic has clearly demonstrated that society must learn to live a fairly long period in conditions of self-isolation. In such a geoeconomics context, it is unlikely that countries will return to mutually beneficial globalization, which became decisive in the early 21st century. In the absence of incentives to protect common benefits from global economic integration, the entire world financial and economic system, formed in the twentieth century, will quickly atrophy, and move to a new format of international economic and financial relations.

Third, there will be a transition to synocentric globalization. It is important that the COVID-19 pandemic will not fundamentally change economic and financial trends but will accelerate the changes that have already begun: the transition from globalization, where the United States occupies a leading position, to globalization, which is more focused on China.

Fourth, the profitability of the world economy will decrease, but it will become more stable. After the pandemic and crisis, it is obvious that companies will have to rethink the organization of production and sales because of multinational chains created by corporations by reducing the number of links in these chains and significantly reducing the chains themselves.

Fifth, the USA will need a new strategy to maintain leadership in the global economy. In 2017, they announced a new national security strategy, which was built around the idea of confronting large states. The COVID-19 pandemic has demonstrated that such a strategy is invalid.

Sixth, there will be a change in the global value-added production chain after the COVID-19 pandemic. The crisis caused by the pandemic will change the balance of power in the international arena. In the long term, the coronavirus pandemic will lead to a reduction in the production capacity of the world economy, especially because of closing companies and increasing unemployment.

A few studies indicate that pandemics have a long-term impact on interest rates (auth. – a natural or neutral interest rate is an equilibrium level that allows the economy to grow at its potential pace under the condition of stable inflation). About 20 years after the pandemic, the response of the natural interest rate shows a 1.5-percentage-points reduction. By comparison, this reduction can be compared with what has happened since the mid-1980s to the present. Thus, it will take another 20 years for the natural rate to return to the previous level.

Another consequence of the pandemic was the development of the so-called «embodied knowledge». The situation in which the whole world is today has legitimized total control at the state level in the form of collecting information on geolocation, consumer preferences, as well as collecting information on their health. A positive aspect of such innovations is the ability to control those who are a threat to others. However, along with this, such developments can be used to enhance the surveillance of citizens of a particular state, which is a violation of civil society principles regarding respect for the privacy of everyone.

Thus, summing up the results of the study, it can be argued that the COVID-19 pandemic has radically changed the world order, intensifying the focus on national production and self-sediment of the country with goods and services in the context of long-term self-isolation.

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COOPERATIVE ENTERPRISES

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In modern world, where the vast majority of enterprises are based on the principle of profit distribution among a small group of business owners, and in most cases all profit from the activities of a large number of employees goes to the pocket of one person – the owner of the enterprise; a more reasonable type of distribution, which is the result of the activities of each employee is becoming topical.

This request is realized in the establishment of cooperative enterprises, whose activities are based on the democratic principles of selectivity of management positions and key decisions of the enterprise.

The idea of founding cooperatives is not new and thousands of cooperatives are already operating in the world, in particular, in the European Union. Their experience shows that compared to similar non-cooperative enterprises, cooperatives are much better able to cope with crises, in particular, the recent global crisis associated with the coronavirus pandemic.

Social investment is becoming widespread. It is important for a social investor not only to get a return on their investment, but also to understand that the money is earned honestly and benefited people. Such investors are often more comfortably collaborating with cooperative enterprises, as the social aspect is always very meaningful for the organizations based on cooperative principles.

In cooperative enterprises, the wages of lower grade employees significantly exceed the wages of the same level employees in similar non-