

## Chapter 73

# COVID–19 Shock and Subsequent Crisis: How It Was

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### **ABSTRACT**

*The COVID-19 pandemic has wreaked havoc on national socioeconomic systems, causing the deepest economic downturn since the Great Depression. The rapid spread of coronavirus infection around the world revealed the absolute unpreparedness of national health systems to block fatal disease. The COVID-19 shock revealed a phenomenal paradox: an economy focused on meeting the needs of people, subordinated their desires, value orientations to economic goals. Macroeconomic equilibrium and financial stability have become publicly recognized social priorities, which violated the dialectic of society and the economy interaction. The post-shock societal crisis raised fundamental questions of what kind of society was built and what post-coronavirus reality should be. Following the shocks' theory findings, the contours of uncertain post-COVID future will be associated with new technological paradigm of the self-developing economy and society, the restoration of social integrity as a basis of constructing future economy, and the replacement of capital-centrism by human-centrism in all organizational structures.*

## **INTRODUCTION**

The rapid spread of coronavirus infection in 2020 across countries and continents was a real shock for the entire global community. The ecosystem posed before humanity the fundamental problem of saving human lives, which affected not only all countries of the world, but also global organizations such as the World Health Organization (WHO), the International Monetary Fund (IMF), the World Bank, the Organization for Economic Cooperation and Development (OECD), etc. Having first manifested itself in December 2019 in the Chinese province of Hubei, already in mid-March 2020, the coronavirus infection acquired all the signs of a pandemic. It was accompanied by an exponential increase of people who infected COVID-19 and died from this infection. The COVID-19 virus, which spread so rapidly across countries, affected all spheres of human activity. Rising coronavirus human deaths called into question national health systems' ability to withstand COVID-19 pandemic. In total, from the beginning of the pandemic to the end of 2020, more than 76 million people were infected, and more than 1.6 million died. According to Johns Hopkins University, as of 21.12.2020 a sad anti-rating for cases of coronavirus infected and deaths by countries was as follows: US – 17.8 million and 0.3 million accordingly; India – 10 million and 0.14 million; Brazil – 7.2 and 0.18; Russia – 2.9 and 0.05; France – 2.5 and 0.06; United Kingdom – 2.04 and 0.06 accordingly; and etc. From December 24, 2020 to January 6, 2021, Italy announced a nationwide lockdown similar to that of March 2020. In Switzerland, restaurants were closed for a month since December 22, 2020. In Slovakia, a ban on leaving home without a vital necessity came into force. In Austria, on New Year's Eve, it was forbidden to go out and launch fireworks. In London and the southeast of Britain, the highest, fourth tier of restrictions was imposed since December and promised Christmas breaks were lifted.

The enormous loss of life and unprecedented restrictive measures indicated, *inter alia*, that virtually all national health systems failed to adapt quickly to the extreme conditions of fighting against an unknown infection that threatened human lives. The high mortality rate from the coronavirus COVID-19 raised a lot of questions to the institution of the state, the most important function of which is to protect the life and health of its citizens. In the fight against the coronavirus pandemic, formal institutions created by the state to ensure effective interaction between society and the state, the individual and society, citizens and the state turned out to be ineffective.

The scale of the economic challenge created by the COVID-19 pandemic has not been faced in the global economy in nearly a century since the Great Depression (Cheng, et al., 2020). The specificity of the COVID-19 shock is due to the fact that it generated a whole series of crises, from societal and economic, to the one of food and of public healthcare system. Uncertainty has intensified, which has become a hallmark of post-COVID-19 reality (Okamoto, 2020). As a result, 2020 divided the history of humankind into the period before and after the COVID-19 pandemic. The words “this time is different” spoken by C.V. Reinhart and K.S. Rogoff became relevant again (Reinhart, et al., 2009). Already in April 2020, it became obvious that under the new conditions society would be significantly different from that before COVID-19. This was unanimous both political leaders and practitioners, both businessmen and ordinary citizens. It is no coincidence that the top leadership of countries in which the peak of the population's disease in the first wave of coronavirus was passed, as well as representatives of international organizations, began to seriously think about what the new world should be like after COVID-19. And it is not only about protecting the health of citizens in extreme conditions of pandemics, reducing unemployment

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