

ECONOMY, BUSINESS AND SOCIETY OF 21ST CENTURY THROUGH TURBULENT TIME

Abstract

There are growing concerns about safety, security and survival prospect of mankind in the planet earth in 21st century. The income opportunity, cost of living and standard of living may vary from place to place. Advanced economies provide better social security, safety net and civic amenities than its developing and poor counterpart. Life is struggling in poor indebted nation where govt. is corrupted, busy in nepotism or crony capitalism, inept to allocate resources reasonably and less concerned about welfare of citizens. At the same time, economies on the path of growth and development through prudent policy measure managed to lift people out of poverty and offered better quality of living. Economies of world are confronted with several threats and challenges in 21st century. Global warming, climate change, extreme weather conditions have catastrophic consequences. In recent past, pandemic wreaked havoc for staggering number of populations. Rise of terrorism also caused significant threat to people in the nation where military failed to provide necessary protection. Economic downturn has its impact on society, market, industry and household functioning. Recession caused damage to stability and progress. Political unsteadiness ended in civil war and gross violation of human right in parts of Asia, Africa and Latin America. Military uprising had jeopardised normal living and usher in social distress and economic hardship for Syria, Yemen, Myanmar and in parts of Asia and Africa. All economies are not well resilient to withstand downswing phase of business cycle. Economies of the world faced multiple blows since outset of 21st century. Dot com bubble burst in 2000, War against terror in 2001, housing bubble burst in 2008, rise of protectionism since 2010, Trade war

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in 2018, global pandemic in 2020, Russian invasion in 2022, interim warfare and geopolitical tensions kept global economy on tenterhook and people across the world bore the burn of military action, supply chain disruption, soaring inflation, market uncertainty, economic contraction, trade disruption and reduction in investment. Cybercrime and spread of malware also have the potentiality to paralyze economy just like biological warfare and nuclear bomb explosion. No economy in the world is absolutely insulated from untoward man-made or nature driven disaster.

Keywords: Economic downturn, Cyber-crime, Virus outbreak, Warfare, Terror strike, Natural calamity, Climate change, Political instability.

I. INTRODUCTION

There are debated discussions in various social and economic forum whether economy, industry and society are having best of their time or it is worst of scenario ever underwent. Since pandemic hit the world in early 2020, people have understood that unprecedented events can occur without a warning. It is a VUCA ridden world where Volatility-Uncertainty-Complexity and Ambiguity are prime causes of change in economy, marketplace, and society. Even best of data scientist or fortune-tellers had no clue how healthcare emergency would grip the world and bring business, trade and commerce to a standstill. Healthcare sector across all geographies were brought down to knees. There had been fire fighting to save people, business and economic activities. More readiness is needed to meet out-of-the-blue situation or occurrences. There is no conjecture that good things are rare or will happen less often. Human civilization will make progress despite all odds. Technology is game changer and will be driving force for major scientific breakthroughs, World will be more digitised and economy will reap the benefit of digitization. Job pattern will change. Old manual repetitive, routinised job will reduce gradually. Mechanisation and automation will make the work less physical labour oriented. Digital space or virtual world has expanded exponentially in the second decade of 21st century. It was leapfrogged by pandemic which forced mankind to stay at home and manage work with digital devices and data service. People with digital tools and specialised knowledge in digital field will have extra advantage in job market compared to unskilled counterpart. Digital divide will make a difference in the society. Ill equipped or disadvantaged group will find difficulty to earn a living or settle for less rewarding occupation. Ultimately it will magnify income inequality and widen the rich poor gap. Government policy measure will be required to rectify digital irregularity so that poor people will not miss out on up skilling themselves and explore opportunities available in digitised world.

World seems very disturbed at this juncture. Pandemic wreaked havoc for several economies. Economies in emerging, developed and underdeveloped world struggled hard to meet unforeseen healthcare emergency. Lockdown measure, trade and travel restrictions hampered supply chain management tremendously. There were shortages of bare necessities, daily-use commodities to microchips, microprocessors and semiconductors. Manufacturing of electronic devices, laptops, personal computers, tablets and automobiles faced suspension of work. Government borrowed money and debt burden went high for several developed and developing nations. Biggest economy USA was saddled with monumental \$31 trillion debt in May 2023. Other countries were in bad shape in the context of debt burden or fiscal impudence. In order to keep the market buoyant and well liquidated, interest rates had been lowered by majority of the central banks during pandemic years. Quantitative easing was followed by Federal Reserve, Bank of England, European Central Bank and others. The printing of money and pumping them into system caused financial imbalance. This dovish approach was needed to keep economy functioning. As people of the world started receiving vaccine and booster doses, pandemic effect diminished by beginning of 2022. People and society felt relieved and heaved a sigh of relief. Little did they knew that cloud of uncertainty gathering large. Ukraine war started in February 2022 as Russia invaded Ukraine unprovoked. Ukraine was regarded as food basket of the world. Supply of edible oil, food grains and other food items reduced substantially. As western world condemned the Russian military operation, it didn't delay to put heavy sanction on Russia. Russia reduced oil and natural gas production and started to export less in response to sanction. Since majority of western Europe and eastern Europe lived on Russian oil and gas supply for decades, sudden

reduction in supply caused enormous trouble for their economies. The households and businesses faced real energy crisis. Inflation spiralled high and cost of living skyrocketed. There was no end in sight even after one year of war. The fighting got intense as Ukraine received military assistance and advanced artilleries from US and European allies. In November 2022, Ukraine military forces were able to defeat opponents in few territories such as Kiev, Kharkiv and Kherson and recapture their lost provinces from Russian encroachment. In retaliation, Russian troops continued bombarding on power station, water facility and other vital infrastructure to destabilize civilian life and put them in great difficulty during harsh winter season. There was allegation of war crime against Russia as Independent International Commission of Inquiry on Ukraine revealed that Russian forces had engaged in human rights crimes include the unauthorised use of explosive weapons, random assaults, breaches of personal integrity, including executions, torture, maltreatment, and sexual and gender-based violence.

II. AIMS OF THE RESEARCH BASED ANALYTICAL EXERCISE

The following list includes the study paper's main goals –

1. To outline the sequence of events in global landscape which caused healthcare crisis, supply chain disruption, economic turmoil and market volatility
2. To showcase the impact of pandemic, war , supply shock, inflation and recessionary tendency in global economy over business operation, social framework and lives of common masses

III. RESEARCH METHODOLOGY

The research operation on the aforementioned issue was conducted using expressive and analytical methodologies. It had been epistemological journey to discover real facts during pandemic troubled, war ridden and inflation affected time. In order to learn important lessons and better understand the severity of the crisis, cover stories, articles, research papers, working papers, and press releases were rummaged through and analysed. Prior to being used in narratives, secondary data was examined and verified. Data, updates, and articles from the WTO, UNCTAD, IMF, and WTO were excellent sources of information. The paper is positive illustration driven from an economic perspective. It has barely made any recommendations for policy changes that would be necessary to address the irregularities in the social sphere, business framework and the conundrum that economies are currently facing in the wake of virus spread, protracted warfare, inflation, energy crisis and job uncertainty. While highlighting reality, this research did not provide nation-wide corrective actions to address supply chain disruption, supply shock and economic stalling. Different economic structures exist in different countries. It was not possible to implement rules to solve the issues economies were having. Nonetheless, the similarities in problems brought on by the worldwide epidemic, warfare in eastern hemisphere and its economic effects were narrated to reflect on the gravity of the crisis and add some points to existing the body of knowledge. This issue is current and continues to be discussed in various economic and commercial forums. Further research in the subject area would provide new dimension to issues deliberated on extensively.

IV. GLOBAL UNCERTAINTY AND ITS CONSEQUENCE

As 2023 begins, the globe is confronted with a series of hazards that feel both completely new and uncannily familiar, set against the backdrop of the ongoing health and economic effects of a global epidemic and a war in Eurasia. The top current concerns in the globe, according to the Global Risks Report 2023 of the World Economic Forum, are the crises in food, energy, inflation, and overall cost of living. The cost-of-living crises will continue to pose the greatest threat over the next two years, followed by natural disasters, trade disputes, and technological conflicts. Nevertheless, a lack of climate mitigation and adaptation will take the lead over the next 10 years, with ecological degradation and biodiversity loss being seen as one of the most gravely worsening global risks. The top 10 global threats for the next ten years include geo-economics warfare, the disintegration of social cohesion and societal division, a large-scale forced migration, ubiquitous cybercrime, and cyber vulnerability. As a result of lockdowns and supply chain snags brought on by the COVID-19 epidemic, which crippled the international economy, central banks throughout the world lowered interest rates to boost demand—a strategy known as quantitative easing or loose monetary policy. But, when economies expanded, consumer spending shot up dramatically, pushing inflation to its highest levels in decades. To make borrowing more expensive, central banks tightened their monetary policy and raised interest rates. Since early last year, the US Federal Reserve has increased interest rates by 5 percentage points in 14 months, with the most recent increase being on July 26, 2023. The ECB has increased borrowing costs by a total of 425 basis points since July 2022 to combat an unprecedented rise in prices. The ECB is concerned that price increases might be fueled by both growing costs and salaries in an extraordinarily tight labour market. The increase in interest rates has been far more pronounced in other nations, such as Brazil, where it has increased by 11.75 percentage points since March 2021 and by 10 percentage points in Sri Lanka. The goal is to reduce consumer demand in the anticipation that individuals would put off making large purchases like vehicle purchases or holiday bookings.

V. THE CHALLENGES IN THE FRONTIER

World is getting polarised with progress of time. There is shift of balance of power. People fear about return of dark days of cold war when two superpowers flexed muscles to show superiority complex. Since Ukraine was invaded, Russia got cornered and started gaining support from likeminded nations. It made some headway as communist country China continued diplomatic tie and North Korea, Iran showed some brotherhood. Western power tried to restrict aggressive move of China and Russia. There had been trade war and banning of services by Chinese tech companies in USA. Heavy economic sanctions and seizing of properties for Russian oligarchs took place since Russia invasion destabilised Ukraine economy and affected trade and commerce to great extent. USA as a chief member of NATO came forward to show solidarity and promised to provide humanitarian and military support to make Ukraine victorious in unwarranted war. Before economies got back to track and overcome pandemic hangover, war arrived to cast new spell of doom. No historian or social scientist has clear idea when the peace will be restored and normalcy in economic front will get established. There had been disruption of supply chain in global economy and crisis for food and bare necessities were perceived by majority of economies. Shortage of commodities spiked inflation which had been intensified by hike in fuel and energy price. Inflationary trend affected living standard and it had been hard for people in eurozone to face inflated energy bills. Decade long dependence on Russia for oil and natural

gas affected western Europe massively. Organisations faced supply crunch and felt rising cost of production in the wake of higher transportation, rising demand for hike in wage rate and ever increasing input price. There had been massive lay off for tech and non-tech companies. When people became jobless, purchasing power reduced which affected effective demand in the market. Market faced downturn while central banks of world took hawkish stance and increased rate of interest to control spiralling inflation. Society got polarised between have and have not. Income inequality kept on rising and distribution of wealth got skewed in favour of affluent. War is a real pain point which led to supply crunch and magnified social imbalances. Majority of economies are trying to mitigate the problem by being self-reliant. Export driven growth has slowed down which had been felt by emerging nations like China, India, Vietnam and others. South Asian economies such as Afghanistan, Pakistan and Sri Lanka are facing dismal economic situation where GDP value went into tailspin, debt burden got ballooned up and people are struggling with hyperinflation and acute scarcity of food and other emergency services. Drastic change in climatic condition causing draught, unbearable freezing temperature and heavy rain shower without any warning. Climate driven displacement became enormous which damaged property and snatched away means of livelihood for millions. Warfare, political instability, rise of militancy and economic downfall made people desperate and number of migrants kept on rising who crossed miles and settled down in unholy circumstances in foreign land. Majority of economies are in fire fighting mood trying to salvage economic activities from unfavourable circumstances. The main agenda for government of several economies have been achieving of inclusive growth and sustainable development. Tweaking in policy measure and having data driven decision making are guiding economies toward trial-and-error approaches. Monetary policy is trying to stimulate growth and bring price stability and fiscal policy measure is deployed to keep economy solvent, strengthen infrastructure, and pass on social benefits to disadvantaged populace.

VI. CONCLUSION

Business cycle or trade cycle is inevitable for any economy. Economies face booming time during expansionary phase when inflation remains low, credit facility becomes adequate and growth is noticed in almost every sector. Sometimes bubble creates in expansionary phase and it bursts eventually when reality hits euphoric situation. History is replete with boom-and-bust incidences. But in the third decade 21st century, world is at an inconvenient phase. Multiple challenges are unnerving economic activities and daily living of people on the planet. Some blame can be placed on human beings. Some are simply act of God. Fury of nature and drastic change in climatic condition are due to mindless apathy towards nature and decade long environmental damage. In the name of advancement of human civilization natural resources were extracted relentlessly and green reserves were destroyed inhumanely. The repercussion faced by human society are unpleasant as its causing deaths of people, loss of habitats, extinction of species, devastation of properties and displacement of massive populace. Global warming is perceptible deeply as several western nations are facing heat waves and so many locations confronted never-seen-before draught in human history. Grazing land is shrinking due to draught, salinization of land and landslide which invariably affecting cattle rearing and survival of livestock. As carbon emission and burning of fossil fuel is rampant, average temperature on earth is increasing. Several places and coaster regions are facing eye of storm, landfall and threat of being submerged permanently. War is waging unabatedly for shallow personal interest or to fulfil despotic ambition. Sectarian violence, ethnic cleansing and genocides making their disturbing presence in news broadcasting.

People and society are losing score on happiness quotient. People in developed nation are not content when they are watching worrying signs of economy and staring at rising food and energy prices. Many have settled for less, sacrificed standard of living and facing acute crisis of daily necessities. Somewhere radical groups or religious fundamentalists are flexing muscles, scheming about explosion to terrify people and prove their destructive potentiality. Cybercrime and cyber-attack are other debilitating evil forces that can do considerable damage to people, business and economy. Nations like China and Russia perpetrated cyber espionage and attack to destabilize economy and disrupt business and commercial activities. So economy, business and society are getting through tough time in 21st century and constantly searching for workable solutions and feasible options to tide over one crisis after the other. Scientific mind and innovative approaches of people are assisting in the process to develop new way outs to overcome unforeseen challenges.

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