

THE STUDY OF THE ECONOMIC INTERDEPENDENCIES BETWEEN COUNTRIES IN THE POST PANDEMIC ECONOMY - THE CHALLENGES OF MAINTAINING REGIONAL COMPETITIVENESS

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Abstract

The spread of the pandemic across international borders, along the main arteries of the world economy, benefited from both the underlying interconnectedness and fragility of globalisation, catapulting a global health crisis into a global economic shock that hit the entire world order. Thus, COVID-19 poses an enormous challenge to adaptation to adverse circumstances and development aspirations, and it is a powerful reminder of shared vulnerability that highlights the acute need for real change on a collective basis. The current pandemic-induced crisis has further accelerated the impact of the fourth industrial revolution on trade, digitalisation, competition and employment, and highlighted a significant disconnect between global economic systems and societal resilience at both national and international level. Long-term strategic options for economic recovery and for maintaining regional competitiveness are therefore needed. The paper provides the systemic support, consisting of verified data and up-to-date information, needed for realistic considerations of the behavioural impact of the pandemic from the perspective of the European Union. The future evolution of the economic outlook depends largely on both the evolution of the pandemic and the effectiveness of governments' recovery strategies. The strategic objectives, the measures required to achieve them, the necessary resources and sources and, last but not least, the preparation for unexpected situations are all components of such a strategy. To underpin the need for synergistic action, it is therefore proposed to explore how EU countries can broaden their focus to future improvements while maintaining their regional competitiveness. Consequently, analysis of possible post-pandemic scenarios at EU level is considered to maintain regional competitiveness. This involves assessing countries' readiness for future transformation, while carefully considering the priorities of economies that could help anchor a transformation that would foster better outcomes for productivity and shared prosperity. The devastating situation caused by the pandemic requires successful policies that allow labour and innovation to turn to new purposes in order to build a stronger and more consolidated social and economic

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environment. Reconstruction efforts must include various practises that advance long-term security goals by accelerating peace efforts and capital investments, as well as practices that promote good governance, strong institutions and social cohesion.

Keywords

Global economy, regional competitiveness, European Union, digital transition, post-pandemic challenges

JEL Classification

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