



# Pakistan Journal of Economic Studies

ISSN (E) 2708-1486 (P) 2708-1478

Volume 7: Issue 3 September 2024

Journal homepage: <https://journals.iub.edu.pk/index.php/pjes/index>

## The Economic Landscape: Circumnavigating Global Challenges in a Post-Pandemic World

<sup>a</sup> Dr. Abid Rashid Gill

<sup>a</sup> Editor-In-Chief, Pakistan Journal of Economic Studies (PJES) & Chairperson, Department of Economics, the Islamia University of Bahawalpur Pakistan

Email: [abid.rashid@iub.edu.pk](mailto:abid.rashid@iub.edu.pk)

### Recommended Citation:

Rashid, A. G. (2024). The Economic Landscape: Circumnavigating Global Challenges in a Post-Pandemic World. *Pakistan Journal of Economic Studies*, 7(3), 214-216. Available at: <https://journals.iub.edu.pk/index.php/pjes/article/view/3314>

Corresponding Author's email address: [abid.rashid@iub.edu.pk](mailto:abid.rashid@iub.edu.pk)

The COVID-19 pandemic had a severe blow to the global economies in the 2019-20s, and the repercussions are still reverberating in 2024. Moreover, Inflationary pressures, unemployment, disruption in the global supply chain, and environmental issues have cast a shadow over the global economies. To navigate these uncertainties, the government must urgently formulate effective economic policies. Understanding these issues and their long-run implications is crucial to frame a more resilient and sustainable framework.

Inflation is one of the most critical economic challenges that has been prevalent in the post-COVID-19 period around the globe. The disrupted supply chain could not match the surge in consumer demand. Moreover, fiscal stimulus by different governments led to increased prices in various sectors of the economy: food, energy, housing, and healthcare. The central banks responded by tightening monetary policy. These measures also stifle economic growth, reduce private investment, and increase the debt burden for governments and individuals.

The key challenge for central banks is to frame measures to curb inflation without unduly hampering economic growth. This task is exceptionally intricate as different sectors of the economy respond to policy measures in diverse ways. The potential for stagflation: rising inflation and rising unemployment add another layer of complexity, making the task of policymakers increasingly challenging.

Energy transition driven by climate changes and global warming is another critical challenge that global economies face. Climate change damages have pushed governments to adopt decarbonization policies: taxing fossil fuels and subsidies to renewable energies. This transition has both opportunities and challenges for global economies. Green energy, such as solar and wind, and green technologies, such as electric vehicles, are expected to displace millions of workers in the coming decades. The traditional energy sectors, coal, oil, and gas, which are crucial to many economies, will face significant pressures: employment losses, export losses, and tax revenue losses.

Geopolitical sanctions and trade rows between China and Western countries have disrupted the global supply chain and business confidence. Due to subsidy issues, the USA vows to increase tariffs on Chinese exports. These sanctions have led to a decoupling of supply chains in critical sectors such as semiconductors, telecommunications, and pharmaceuticals.

Moreover, technological growth, specifically in automation and artificial intelligence (AI), is reforming labour markets. These innovations can increase productivity and generate new industries. However, they

also raise concerns about job displacement and inequality. Low- and middle-skill jobs are increasingly at risk, while high-skill jobs that entail creativity, critical thinking, and technological expertise are in greater demand than ever. To address these challenges, governments and businesses must invest in education, training, and reskilling programs to prepare workers for the jobs of the future.

Policymakers and businesses must actively seek academic research input to adapt to new economic realities and foster sustainable growth. This collaboration is beneficial and essential for navigating the complex economic landscape. In this regard, The Pakistan Journal of Economic Studies (PJES) invites meaningful and impactful research to be published in its upcoming issues. The Economic Landscape: Circumnavigating Global Challenges in a Post-Pandemic World.

The COVID-19 pandemic dealt a severe blow to the global economies in the 2019-20s, and the repercussions are still reverberating in 2024. Inflationary pressures, unemployment, disruption in the global supply chain, and environmental issues have cast a shadow over the global economies. To navigate these uncertainties, the government must urgently formulate effective economic policies. Understanding these issues and their long-run implications is crucial to frame a more resilient and sustainable framework.

**Inflation:** One of the most critical economic challenges has been prevalent in the post-COVID-19 period around the globe. The disrupted supply chain could not match the surge in consumer demand. Moreover, fiscal stimulus by different governments led to increased prices in various sectors of the economy: food, energy, housing, and healthcare. The central banks responded by tightening monetary policy. However, these measures also stifle economic growth, reduce private investment, and increase the debt burden for governments and individuals.

The key challenge for central banks is to frame measures to curb inflation without unduly hampering economic growth. This task is exceptionally intricate as different sectors of the economy respond to policy measures in diverse ways. The potential for stagflation: rising inflation accompanying rising unemployment, adds another layer of complexity, making the task of policymakers exceedingly challenging.

Energy transition driven by climate changes and global warming is another critical challenge that global economies face. Climate change damages have pushed governments to adopt decarbonization policies: taxing fossil fuels and subsidies to renewable energies. This transition has both opportunities and challenges for global economies. Green energy, such as solar and wind, and green technologies, such as electric vehicles, are expected to displace millions of workers in the coming decades. The traditional energy sectors, coal, oil, and gas, which are crucial to many economies, will face significant pressures: employment losses, export losses, and tax revenue losses.

Geopolitical sanctions and trade rows between China and Western countries have disrupted the global supply chain and business confidence. Due to a subsidy issue, the USA vows to increase tariffs on Chinese exports. These sanctions have led to a decoupling of supply chains in critical sectors such as semiconductors, telecommunications, and pharmaceuticals. Many multinational corporations are reconsidering their supply chains and production strategies.

Moreover, technological advancements, specifically in automation and artificial intelligence (AI), are reforming labor markets. These innovations can increase productivity and generate new industries. However, they also raise concerns about job displacement and inequality. Low- and middle-skill jobs are increasingly at risk, while high-skill jobs that entail creativity, critical thinking, and technological expertise are in greater demand than ever. To address these challenges, governments and businesses must invest in education, training, and reskilling programs to prepare workers for the jobs of the future.

The world economies are at a critical juncture, facing inflation, energy transitions, geopolitical tensions, and technological disruption. Though these challenges are daunting, they also present opportunities for innovation, cooperation, and resilience.

Policymakers and businesses must actively seek academic research input to adapt to new economic realities and foster sustainable growth. This collaboration is not just beneficial but essential for navigating the complex economic landscape. In this regard, The Pakistan Journal of Economic Studies (PJES) invites meaningful and impactful research to be published in its upcoming issues.

---