
EditorialDOI URL: <https://doi.org/10.3126/jbssr.v6i1.38119>***Pandemonics:
Unmasking the Global Recovery Woes*****✉ Prof. Arhan Sthapit, PhD***Editor-in-Chief* ORCID <https://orcid.org/0000-0002-2799-4936>

Flashing a ray of hope at the end of the tunnel, the World Bank has predicted a strong rebound of the global economy in 2021 in face of the persisting pandemic, but the growth is likely to elude many developing and ‘undermanaged’ countries like Nepal. In its latest Global Economic Prospects, the bank predicted a 5.6 percent growth of the global economy this year (World Bank, 2021 June) whereas its January-2021 forecast had put it merely at 4.1 percent.

This growth projection for the world economy would make it the fastest since the 6.6 per cent recorded in 1973. However, much of the growth will be witnessed in rich countries such as the United States and Europe, and China. According to the WB report, our South Asia will see a rebound of 6.8 per cent this year, 3.6 percentage points

higher than previously projected, but India will account for most of the upgrade propelled by strong services sector activities and private consumption. But returning to pre-pandemic levels for it will take considerable time, although 90 per cent of the advanced economies are expected to do so next year.

The WB’s predictions of a strong rebound in the global economy, not seen in the last five decades, are mainly based on the assumption that the mass COVID-19 vaccinations and the government stimulus packages running into trillions of dollars in the rich countries will stimulate growth worldwide. Likewise, it is but natural that even a meagre economic rise this year will post a bigger figure against last year’s poor economic performance hit hard by the pandemic.

However, ‘under-managed’ developing countries like Nepal that have neither been able to mass vaccinate their population nor roll out economic stimulus packages are unlikely to share the global growth and reap the growth dividends. Instead, the pandemic is expected to push millions of people into deeper poverty, exacerbated by higher food prices and agricultural commodities worldwide over the last year due to a supply-chain disruption. Adding to these woes, considerable chunks of the population in poor countries like Nepal have been unable to work to eke out a living due to the lockdown imposed to break the chain of infection. The economic recovery woes are most likely to persist.

Even at its best, the recovery of the global GDP to its pre-COVID-19 level is expected only by the first half of 2022 as reported by the World Economic Forum (WEF, 2021 June). The chief economists’ survey foresaw the largest risk of scarring from a delayed wave of bankruptcies, and huge conflict potentially arising from cyberattacks.

At this juncture, poor economies

should analyse anew and afresh the ‘Pandemonics’ —the contemporary economics induced by COVID-19. The pandemic has already caused the biggest damage to the world economy after the Great Depression of the early 1930s; but analysts and experts argue that the worst has not yet been over; the damage that has come so far to fore is only the tip of the iceberg (Sthapit, 2020 December). For obvious reasons, the damage to the poor economies is likely to be far too huge.

As the developed world— including the US and Europe— has shown, the fastest road to economic recovery for any country is mass immunisation of the population with the COVID-19 vaccine. Nepal, which launched its vaccination drive in late January targeting to cover 72 per cent of its population aged 14 years and above, has been left in the lurch after vaccinating an extremely meagre size of eligible population (reportedly, less than 5 per cent) with a double dose. Curative measures against the killer disease in poor countries have also hit snag due to scarcity of medical services. The Nepalese budget of FY 2021/2022 is also far from providing requisite optimism

in both vaccination and treatment plans, despite its rhetoric. Moreover, it is still uncertain how long the pandemic will linger on since new variants of the killer virus have reportedly spread even faster every now and then. Analysts assert lest it is too early to relax the prohibitive order only to revive economic activities in such countries.

Developing economies should therefore try to make sure that the economic recovery is inclusive, and brings about growth, jobs, skills, and equity, as the experts in the World Economic Forum have envisaged (WEF, 2021 June). As the impact of virus outbreak on global economy is huge and far-reaching, there is an imperative need for promoting a globally coordinated approach to recovery through cooperation and collaboration (Sthapit, 2021 March). When resources are extremely scarce amidst a deepening crisis, the only solution is sincere cooperation, collaboration, and coordination (Sthapit, 2010). This could be the only viable way out for the world to rid the humankind of persisting economic recovery woes. To contain the pandemic, embrace diversity (WEF, 2021 June 2)

and inclusiveness, promoting sustainable businesses and green economy, we should make well-concerted, collaborative efforts.

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