

On The Correlation Between Pandexit And Crisexit

<https://www.eurasiareview.com/07102021-on-the-correlation-between-pandexit-and-crisexit-oped/>



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With the advent of coronavirus vaccines, economists have actively begun discussing the problems of post-pandemic economic development.

The economy is in crisis under a COVID-19 pandemic. This crisis, by its nature, is an atypical economic crisis

(<http://eb.tsu.ge/?cat=nomer&leng=eng&adgi=1056&title=OntheAtypicalEconomicCrisisundertheC>)

COVID-19Pandemic), as it was caused not by economic reasons, but by the lockdown of the functioning of many companies in order to prevent the mass spread of the coronavirus.

Since this economic crisis was triggered by the COVID-19 pandemic, the end of the crisis was directly linked to the end of the pandemic. In other words, it was assumed that the end of this economic crisis depends entirely on the end of the pandemic. In other words, the economy has become a hostage of medicine (<https://www.eurasiareview.com/29032020-coronomic-crisis-when-the-economy-is-a-hostage-to-medicine-oped/>).

With the accumulation of experience in managing the pandemic, with the advent of various vaccines against coronavirus and the limited functioning of the economy, the question of the relationship between the end of the pandemic and the exit from the economic crisis becomes more and more urgent.

Similar to the term Brexit, the term “Pandexit” is proposed, which signifies exit from the COVID-19 pandemic (https://www.project-syndicate.org/commentary/post-pandemic-economic-recovery-inflation-risk-by-howard-davies-2021-09?utm_source=Project+Syndicate+Newsletter&utm_campaign=c72b1f49ee-sunday_newsletter_19_09_2021&utm_medium=email&utm_term=0_73bad5b7d8-c72b1f49ee-93567601&mc_cid=c72b1f49ee&mc_eid=e9fb6cbcc0). Similar to this term, “Crisexit” is also used, which means an exit from the economic crisis (<https://www.businessnews.com.tn/tunisie-crisexit-ou-sortie-de-crise-et-nouveau-modele-de-developpement,526,93323,3>).

Using these terms, the main question is to what extent is crisexit dependent on pandexit.

The economic situation in many countries of the world in 2021 showed that crisexit, in principle, is possible without pandexit. Since the start of the vaccination process, restrictions on economic activity have been weakened, and in some cases completely removed. As a consequence, this gave impetus to some economic boom.

Because of the problems manifested in the equitable distribution and availability of vaccines, as well as because of the Anti-Vaxxer movement, there are real barriers to achieving mass vaccination of the world’s population. And in the absence of mass collective immunity, the coronavirus is constantly evolving, as a result of which new strains appear.

Due to the danger of the emergence of such strains of coronavirus, which will be more resistant to the available vaccines, the question of how long the economic recovery will last is relevant.

In turn, the relative resilience of new strains of the virus could cause renewed restrictions on business, up to and including the suspension of many companies. As a result, the economic crisis can flare up with renewed vigor.

As the experience of 2021 shows, crisexit can begin without pandexit, but the likelihood of a resumption of the economic crisis caused by the pandemic, if it is not completed, still remains high. Thus, the possibility of complete and final crisexit can only take place after pandexit.

During the economic crisis caused by the COVID-19 pandemic, new economic problems emerged. This is, first of all, the accumulation of excessive public debt, which is a characteristic feature of almost all countries of the world, although this problem is especially acute in relation to developing countries. Apparently, the international financial institutions will have to develop new unconventional schemes to avoid the global debt crisis. Even if these schemes are developed in the near future, in all likelihood, their implementation during the pandemic will not be possible.

In the context of the economic crisis caused by the COVID-19 pandemic, the problem of stagflation has become urgent. In many countries, as unemployment rises, the rise in inflation is impressive.

Disruptions in traditional schemes of supply chains and value chains require their diversification, which, *ceteris paribus*, requires additional efforts and a certain amount of time.

One of the most pressing problems in the economic crisis caused by the COVID-19 pandemic is the decline in productivity, which is not expected to recover in the near future.

It follows from this that if the economic crisis caused by the COVID-19 pandemic was atypical, then in the depths of this crisis the preconditions for the formation of a new, but already typical economic crisis are taking shape. Thus, it should be recognized that the likelihood of the transformation of an atypical economic crisis caused by the ACVID-19 pandemic into a typical economic crisis is most likely. Therefore, pandexit may not mean crisexit at all.

In conclusion, we note that although the onset of the crisexit process is possible even before the pandexit, the danger of interrupting this process until complete and final pandexit is great. At the same time, it is necessary to take into account that completely real possibility, according to which pandexit may not mean crisexit, since an atypical economic crisis can most likely develop into a typical economic crisis.

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