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Global Economic Transformation During COVID-19: A Systematic Literature Review

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Abstract

This study aims to analyze the impact caused by the global economic crisis, precisely the effect caused by the Covid-19 pandemic. The research method uses a systematic literature review, using 70 scientific articles sourced from Scopus data using the Vosviewer application. The study results reveal that the transformation of the world economy after the spread of the Covid-19 virus has experienced a very significant decline, such as the Economic Growth Index in 2019. The main focus for economic actors is to stabilize the world economy. The results of this study contribute to the development of policy analysis to address the threat of a world economic recession. There are limitations in this research in the use of sources that only use the Scopus database, which is undoubtedly less diverse and non-specific. So this study cannot describe the overall economic transformation that has occurred worldwide using VOS viewer and Mendeley applications to process data. As well as in subsequent research, it is necessary to use scientific articles sourced from other reputable international databases such as the Web of Science and Dimensioned Scholars.

INTRODUCTION

The Covid-19 outbreak that has occurred in the last three years is often discussed and has attracted much attention from the international community. Many things will arise from the impact of this pandemic, so in this case, it is a very complex problem for the international community. From this problem, the importance of this issue is analyzed to determine how significant the impact will be in the future. It can trigger mechanisms for accelerating and inhibiting the economy during an unstable society (Afonasova, MA, 2014). So, in this case, it is necessary to prevent a world economic recession from happening.

Many previous studies have become the subject matter of the impact of the Covid-19 pandemic; for example, it has impacted the global economic sector, where every country has suffered many losses because of this Covid-19. As happened in Ukraine in 2020, unemployment increased 48% from the previous year (Birbirenko, S., 2020). Besides that, airlines have other consequences due to lockdown policies in several countries (Sobieralski, JB., 2020). This policy made to reduce the spread of the virus that shook the world at that time (Khalifa, SA M., 2020). In addition, the fall in oil prices makes it very vulnerable to a drastic decline in oil and gas prices in Russia (Connolly, R., 2020).

Even though previous research explained a lot about the recession during the Covid-19 era at that time, however, only a few previous studies have used the systematic literature review approach with articles sourced from the Scopus database and other scientific articles. Then only a few use the article review method using the Vosviewer application. Therefore, this study focuses on reviewing papers with a Systematic Literature Review approach using 70 scientific articles sourced from the Scopus database. The Systematic Literature Review method is a scientific method that has strengths and advantages in understanding research issues based on previous research.

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This research aims to answer the question, "how to analyze the global economic impact caused by the Covid-19 virus outbreak?". Using qualitative research methods, the content analysis uses the SLR (systematic literature review) approach and Vosviewer to analyze the article. They are using Nvivo data analysis for content qualitative methods with software. The contribution of this research to the development of global economics is related to the spread of the Covid-19 virus and how policies will implemented to deal with the impact of the global economic crisis.

LITERATURE REVIEW

In several countries, there has been a recession or decreased production due to financial and banking crises caused by an imbalance in natural flows and costs and economic and political instability (Mishchenko, V., 2018). In the end, such financial instability triggers an increase in the inflationary process. However, it is common for the impact of the Covid-19 pandemic to create an economic imbalance in each country. This has become the main focus of world economic actors to stabilize their economy from the impact of the Covid-19 outbreak. So many state actors make a policy so that the economic recession is hampered or does not occur.

In the era of the Covid-19 pandemic, a policy of staying at home or lockdown enacted. Where companies, schools, and even governments are all being diverted to work from home or distance learning. Every individual affected by this outbreak was asked to remain in independent isolation due to limited space and personnel in the health sector. This outbreak does affect not only the economic sector but also the education, health, and religious sectors. As can be seen from the increase in the spread of the virus, it is the health sector. It is experiencing a lot of disruption. This is a serious focus, such as building and guaranteeing health and a livable living environment (Usman, M., 2021). Many policies carried out by each country are different. Due to regional differences,

However, in implementing this policy, the economic factor is most felt, where workers are required to work from home. It is common for many layoffs to occur in some companies where workers cannot do work from home. So this is where there have been many prolonged economic imbalances, where this epidemic has been going on for about three years. So that the implementation of work-from-home in several countries has hampered financial stability because of the different needs of each company, the spread of the coronavirus can also lead to the threat of a world economic recession. So, in this case, the contribution of Covid-19 raises the risk of a global economic downturn (Birbirenko, S., 2020).

According to previous studies, the mechanism of economic acceleration and inhibition occurs during times of unstable society, intensification of the threat of global economic recession to detect prerequisites for the development of super-speed processes in the economic system, and emerges during periods of non-stability (Afonasova, MA, 2014). However, during the global spread of the Covid-19 coronavirus infection, it contributes to the risk of a world economic recession, causing the world GDP growth index for 2019 to be 2.9%, while the predicted value shows a decrease of 3% for 2020 and 5.8% in 2021. As happened in Ukraine, GDP Growth in 2019 is equal to 3.2%, its reduction in 2020 will be 7.7%, and the predicted reduction for 2021 will be 3.6%.

Not only that, but the estimated job loss at the airline was also, at that time, 7% of the airline workforce, with a limit of more than 13%. Meanwhile, low-cost and regional airline jobs were the least affected. Overall, the labor impact on the aviation industry is enormous and provides insight into the industry's estimated job losses due to Covid-19 (Sobieralski, JB., 2020). In environmental health, the political implications of this research show that maintaining a healthy climate, even in the post-Covid-19 era, is a serious issue that must addressed by investing in and supporting clean and green projects, ensuring green energy transformation, and managing medical services. Build and ensure a healthy and lively environment, and stop financing pollution. For governments and regulators, these factors will provide a solid foundation for building safer, healthier, and greener societies for generations to come (Usman, M., 2021). Different management strategies, including social distancing, social awareness, and self-isolation, are all successful ways to slow the spread of the pandemic. Then regarding the readiness of several countries for emergencies, it is crucial to minimize the impact of the crisis (Khalifa, SA M., 2020).

China was the first country to experience the Covid-19 pandemic in early 2020 and is now one of the first to recover. A series of effective and efficient health, economic and social security measures can enable this country to restart economic activities in the domestic market and revive foreign trade (Vasilii, E., 2022). In addition, the economic impact caused by the spread of the Covid-19 virus on the Chinese economy is to plunge into the deepest recession with unprecedented levels of poverty, shortages, and unemployment. Some political economists have called the initial mishandling of Covid-19 a monumental failure of Chinese governance and institutions. However, Western economies are similar to China in containing the pandemic over time. Covid-19 has harmed global foreign direct investment (FDI) flows (Aysan, AF., 2020). Additionally, factoring in the collapse in oil prices caused by the pandemic has once again exposed Russia's perpetual vulnerability to drastic declines in oil and gas prices. This decline in oil prices comes during significant shifts in the global energy market and threatens to reduce the value of future oil and gas revenues (Connolly, R., 2020).

Apart from Ukraine, Russia, and China, this outbreak has also affected Africa. African economies that are overly dependent on a single, export-oriented industry, such as oil and gas, are expected to be particularly hard hit. The situation has been further exacerbated by falling oil prices and falling global demand for African non-oil products. The agricultural sector also received this shock, affected by the implementation of the lockdown, which threatened the livelihoods and food security of the community. Uncooperative trade policies lead to higher prices for goods in fragile and vulnerable African countries. Long-term, in-depth analysis of the impact of Covid-19 on trade using quantitative data is still complicated due to the scarcity of data and the large degree of impossibility of the trajectory of the virus' spread. Therefore, an informed assessment of the total trade impact of the pandemic on countries in Africa remains difficult. The G20 deal, so delaying debt payments for a year would help, but more is needed for the financial needs or the need to fund the state budget. Fostering cross-border trade and cooperation to continue generating public revenue is desirable. New strategies to diversify African economies and limit their dependence on external funding by promoting business with a more regional focus, as announced by the African Continental Free Trade Agreement, although with limitations, should be explored (Yaya, S., 2020). To date, 42 countries in Africa have imposed a lockdown on movement and activity. Experience from around the world shows that such interventions effectively suppress the spread of Covid-19. However, lockdown measures have incurred sizable economic costs, which have, in turn, threatened lives, jeopardized livelihoods, exacerbated poverty, and had detrimental effects on culture, health, and behavior. This has resulted in a great interest in exit strategies from lockdowns that preserve lives while protecting livelihoods (Obayelu, A E., 2021).

This can be explained by the fact that the Covid-19 pandemic has shocked the world economy. The policies initiated by every country in the world to overcome this epidemic vary according to the conditions of each region. So the needs of each country are undoubtedly different. Trade restrictions during the Covid-19 pandemic aimed at reducing virus transmission have led to the loss of income and jobs and the closure of small and vulnerable businesses. Policymakers should enforce social policies that unite the continent's nations under challenging times to reduce social anxiety and hardship. To minimize the occurrence of an economic recession in each of these countries.

METHODS

This research model uses a systematic literature review research method. They use a qualitative analysis focusing on the Covid-19 outbreak, which impacts the global economic growth sector. In this study, the aim is to explain global economic growth after the spread of the coronavirus since 2019. They are using the VOS viewer data processing application, which is considered to have a good reputation in processing data. As well as using data from more than 70 scientific articles and journals taken from Scopus data.

Analyzing data taken from Scopus must also go through the stages of analysis through the Mendeley and Vosviewer applications. As a supporting application for analyzing post-Covid-19 global economic issues that occur in all parts of any country. All data retrieved is sourced from

Scopus with all relevant data as well. Scopus is a medium for finding international standard data sources, so the data collected must be accurate.

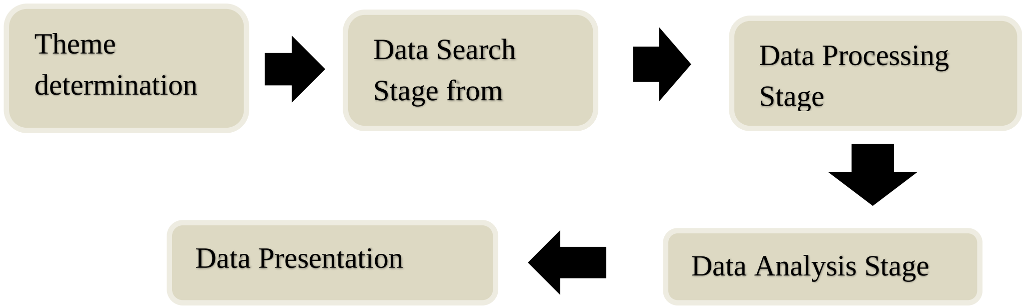

Figure 1. Table of Order of Research Stages

The steps to produce scientific writing start with determining the theme to be discussed. This stage determines the direction in which this research will be carried out, which discusses a problem or issue to be analyzed. If the theme has been selected what will be addressed, then searching for data through Scopus is the second stage of this research process. This process is used to find data sources in this study that follow the theme taken. The third stage is data processing using the Vosviewer and Mendeley applications to proceed to the next stage. The next stage is the data analysis stage, where the writer will be required to focus on analyzing the previous data that has been taken.

RESULTS

In the research process, researchers found a lot of essential data contained in Scopus. From the data taken, much information was obtained to be used as a benchmark for the author to analyze. So based on the results of the analysis obtained, researchers found some data regarding the global economic transformation that occurred, especially after the outbreak of Covid-19 in 2019 at that time. The data is presented and structured as follows:

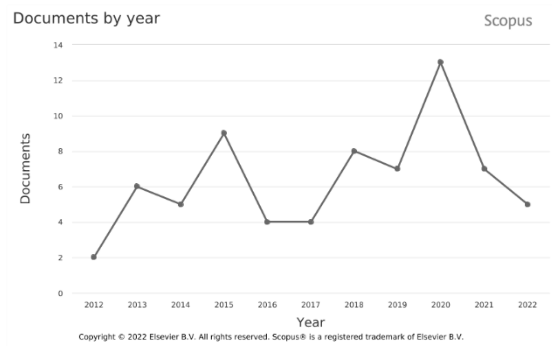

Figure 2. Table of writing data based on the year of publication

If you look at the data above, the year that discussed the highest global economic crisis was 2020 because there was a lot of discussion about the sharp economic downturn due to the Covid-19 outbreak at that time. The Covid-19 pandemic has caused many countries to experience a financial crisis due to a decline in the country's economy due to policies from each government, such as working from home, so that it disrupts many activities that should be optimal to become less optimal due to existing limitations. Because of this outbreak, many countries are experiencing the threat of an economic recession, especially China, the first country to be affected by this pandemic, such as unprecedented levels of poverty, shortages, and unemployment. However, Western economies have been similar to China in containing the pandemic over time. Covid-19 has harmed global foreign direct investment (FDI) flows (Aysan, AF., 2020).

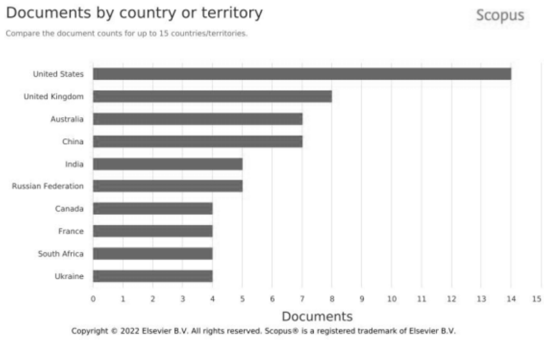

Figure 3. Country Data table related to the topic

From the data above, the United States is the country with the most research discussing the global economy, followed by the United Kingdom or Britain and Australia, as well as China and India. It can say that the United States has the most research data because it is a country with a reasonably vital role as a superpower and one of the major developed countries as a result of being victors during the cold war. During the cold war, there was a substantial economic crisis, so it's not surprising that the United States became widely discussed in many scientific articles and journals. But in the research being studied, many cases and issues were taken from countries such as Ukraine, Russia, and South Africa. Where at the same time, there was a massive economic reshuffle as a result of the war that took place between Russia-Ukraine. Researchers also discuss many issues in Africa because the African economy is too dependent on a single, export-oriented industry, such as oil and gas (Yaya, S., 2020).

In addition, China, the country first hit by the Covid-19 outbreak, wants to recover quickly, especially in the economic sector. Experienced the Covid-19 pandemic in early 2020 and is now one of the first countries to recover. By carrying out effective and efficient health, economic and social security measures to restore the trade sector in domestic and foreign markets (Vasilii, E., 2022).

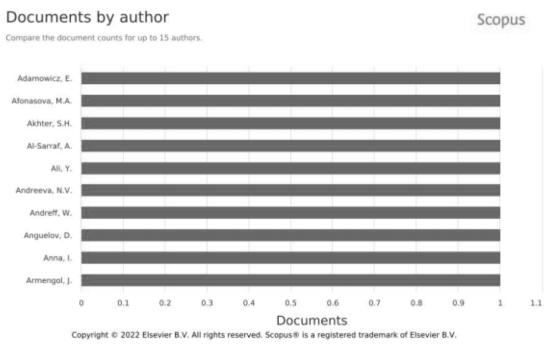

Figure 4. Table of article writing data by author

The data above shows that Adamowicz's work is at the top because it discusses the global financial crisis from 2009-2012. Where experienced a sharp decline in the actual European economy. Analysis of the main macroeconomic variables that describe an aggregate economic activity. The results of his research also state that the economic crisis is deeply ingrained in the heads of economic actors, and fear of the future is expressed in their pessimistic sentiments (Adamowicz, E, 2013).

The article discussed by Afonasova, MA regards the mechanism of economic acceleration and inhibition during times of unstable society, intensifying the threat of global economic recession to detect prerequisites for developing super-speed processes in the economic system, and emerging during periods of non-stability. In the economy, the role of positive and negative inverse connections, as well as hypotheses about the possibility of forming a model of accelerating economic growth based on potential use. However, the Western economy has been no better than China in coping with the pandemic (Afonasova, MA, 2014).

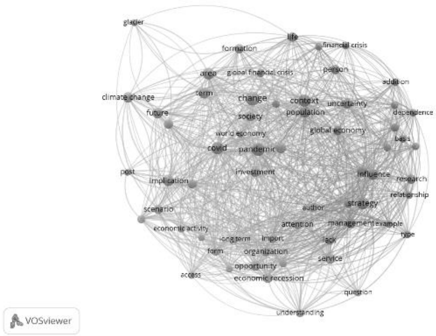

Figure 5. Vosviewer Networking Data Mapping

The data above shows that the linkages between the discussion points are very closely related. Where in the pictures taken from the Vosviewer application shows suitable attachments, such as the Covid-19 pandemic significantly affecting the world economy at this time. Many things have changed due to the Covid-19 pandemic, such as changes in the work system, which requires you to stay at home to stay awake, so you don't get infected with the coronavirus and maintain your health while complying with the health protocols of each country.

Clusters	Items	amount
Clusters 1	Access, attention, author, economic activity, economic recession, fact, form, import, Jon, light, long term, opportunity, organization, outbreak, question, scenario, service.	18
Clusters 2	Addition, basis, dependence, economic downturn, economic growth, example, global economic recession, influence, instrument, management, relationship, research, strategy, survey, type, uncertainty, use	17
Clusters 3	Area, change, climate change, concern, formation, future, glacier, health, implication, investment, lack, post, region, society, term, world economy.	16
Clusters 4	Ability, context, covid, financial crisis, global economy, global financial crisis, life, pandemic, person, population, poverty.	11

Figure 6. Cluster Distribution Data Table from Vosviewer

From the table above, it can be seen that there are 4 division clusters, where the first cluster has several first groups, namely economic activity, attention, economic recession, and so on. The economic activity needs a lot more attention so that an economic downturn does not occur later. So that it can be clarified with Cluster 2, which contains dependence, economic growth, relationships, and so on. Where it can interpret that the support of one country on another makes a country's economy grow, such as by establishing mutually beneficial cooperation.

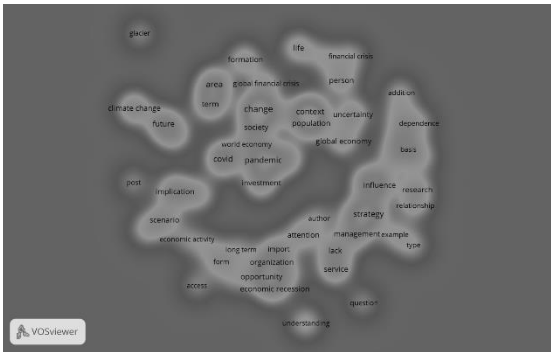

Figure 7. Overall Data Visualization

According to the data presented above, what has most influenced the current world economic upheaval is the increase in the number of people exposed to the Covid-19 virus, which is still around today. The effect has changed not only the economy but also the social sector, where at the time of the increase in the Covid-19 Virus, there were many lockdowns and social distancing in any place that implemented in all parts of the world. People were prohibited from gathering, and many were restricted in their movement then.

The data collected from previous studies taken from Scopus sources will be analyzed and answer all questions related to the topics discussed, how Covid-19 attacked the world economy and the consequences for the world economy. The impact caused by the outbreak of the Covid-19 virus affected many factors, such as the economic sector, which resulted in an economic crisis in several regions of the country. Where it's not only developing countries that are affected, but developed countries are also getting the effects caused by the outbreak of the Covid-19 virus that occurred. This epidemic has caused many economic crises because of several different state policies regarding handling this pandemic. The economic crisis in question is the reduced income generated by the policies, such as lockdowns and social distancing, which do not allow leaving the house without essential things to do.

Not only that, but the consequences of the spread of this epidemic also resulted in a reduction in workers in certain companies. As a result, many problems of unemployment, poverty, and social inequality occur. So from this problem, many people take advantage of social media to find entertainment and even make money from gadgets. In addition, the impact caused was the lack of tourism visits abroad due to the implementation of this policy and caused airlines to experience a decrease in the number of flights carried out so that the estimated loss of jobs in airlines at that time was also 7% of the airline workforce with a limit of more than 13 % (Sobieralski, J B., 2020).

In addition to the impact it has had on the aviation sector, Covid-19 has also dragged on the economic sector in Russia because Russia is also experiencing economic instability. Such as the fall in oil prices threatens to reduce the value of oil and gas revenues in the future (Connolly, R., 2020). Apart from what happened in Russia, African countries also experienced severe shocks in their agricultural sector. In the beginning, uncooperative trade policies caused the prices of goods in Africa, which were higher, to weaken and were relatively vulnerable to falling (Yaya, S., 2020).

The country affected by the Covid-19 Virus, as well as the country where the Covid-19 Virus was born, namely China, is a country that has recovered for the first time. Effective and efficient health, economic and social security measures can enable this country to restart economic activities in the domestic market and restore foreign trade (Vasilii, E., 2022). The impact caused by the occurrence of Covid-19, especially those that arose in the economic sector, has plunged China into the most profound economic recession, which has never happened before because of the monumental failure of China's governance and institutions (Aysan, AF., 2020).

The policies implemented by each country are different in dealing with the Covid-19 pandemic outbreak. Many approaches have been implemented to stop the spread of the Covid-19 Virus so that this global problem can resolved quickly. The strategy carried out mainly applies the concept of staying at home and working from home, which can reduce the spread rate with the lack of direct communication with other people. The number of closures of tourist objects and places by causing crowds of people. So because the implementation of this policy caused a lot of significant losses to state revenues.

Management strategies such as maintaining a safe distance, social awareness, and isolation are carried out to slow the spread of the Covid-19 Virus (Khalifa, SAM, 2020). Apart from that, keeping the climate healthy and stable is also something that needs to be considered for a healthier living environment. This has become a policy implication of the health environment sector. This severe problem must address by investing in greening and cleaning projects. Building and providing a livable environment, handling medical services, and ensuring green energy changes (Usman, M, 2021).

CONCLUSIONS AND SUGGESTIONS

Conclusion

The global economic transformation was obtained during the Covid-19 pandemic, with many declines. The world economic sector experienced a significant decrease compared to what was felt before the outbreak. The crisis experienced is not only in developing countries, but even developed countries are also experiencing an economic crisis, as seen from the data above. Many factors have caused the economic upheaval during the Covid-19 pandemic. Internal and external factors focus on social, health, and tourism. So that countries are trying with all their might so that their country recovers and gets back up again.

The state's role in overcoming the global economic crisis after the outbreak of the Covid-19 virus is very diverse. Many countries provide policies in each region not to leave the house at that time, so their daily activities hamper many. Applicability of policies implemented in each country, such as lockdowns and social distancing in areas prone to a gathering of people. This is also reinforced by the increasing unemployment rate, which causes the country's economic decline. The high number of layoffs is a big problem for the country. Apart from the policy factor, each country is also looking for solutions regarding health to reduce the increasing death rate at that time. Cooperation between private companies and the government is also mandatory. Companies established in a country must carry out corporate social responsibility programs such as CSR (Cooperate Social Responsibility) to open up countries implementing Green City/Green Open Spaces. Another effort in tackling the global economic crisis is the best use of technology.

Suggestion

Regarding the impact caused by post-pandemic economic changes, in future research it is necessary to obtain more data to be able to examine several factors causing economic changes. When and how a country can experience economic growth or decline.

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