

The Impact of the Crisis on the Socio-Economic System in a Post-Pandemic Society

Oleksandr SYLKIN¹,
Yuliia BUHEL²,
Natalia DOMBROVSKA³,
Iryna MARTUSENKO⁴,
Myroslava KARAIM⁵

¹ Ukrainian Academy of Printing, Lviv, Ukraine, sylkinos@ukr.net

² Ternopil National Economic University, Ternopil, Ukraine, b.juliya27@i.ua

³ Ternopil National Economic University, Ternopil, Ukraine, n.dombrovska@i.ua

⁴ Ternopil National Economic University, Ternopil, Ukraine, i.martusenko@i.ua

⁵ Ukrainian Academy of Printing, Lviv, Ukraine, karaim_my@i.ua

Abstract: The activity of any socio-economic system is associated with the instability of the external environment and the presence of negative factors influencing its functioning, which, in turn, can provoke the emergence of crisis phenomena, slows down the process of development of the organization and makes it less effective. The prerequisites for this may be factors that are formed not only in the external, but also in the internal environment. This issue is of particular relevance today, in the context of the existence of the consequences of the pandemic in the world.

Many years of experience in the activity of socio-economic systems in a market environment shows that this problem remains relevant to them even now in today's postmodern world. Successful overcoming of crisis situations depends on the effectiveness of anti-crisis management and management of anti-crisis potential, the type of crisis. After all, each crisis situation, which is formed under the influence of specific factors, has a clear characteristic and belongs to a certain category. With this information, you can form a clear plan of management actions to effectively overcome the crisis in socio-economic systems. But in order to determine what types of crises affect the activities of socio-economic systems, it is first of all necessary to determine the types of crises in socio-economic systems.

The article analyzes the main features of the functioning of today's socio-economic system and the impact of such post-pandemic consequences on it.

Keywords: *socio-economic system; post-pandemic realities; postmodern society; crisis; anti-crisis potential.*

How to cite: Sylkin, O., Buhel, Y., Dombrovska, N., Martusenko, I., & Karaim, M. (2021). The Impact of the Crisis on the Socio-Economic System in a Post-Pandemic Society. *Postmodern Openings*, 12(1), 368-379. doi: 10.18662/po/12.1/266

1. Introduction

In today crisis conditions of post-pandemic society, the study of one of the main applied problems in the world economy, namely, the study of the sources of occurrence and the search for ways to overcome the crisis phenomena and reduce the scale of their consequences, is becoming increasingly important. The form of development of today's postmodern economic economy is cyclicity. (Sylkin, Kryshchanovych, Zachepa, Bilous, Krasko, 2019). Based on the tasks of forecasting and planning, it is advisable to study all phases of the economic cycle: crisis, depression, revival and recovery, but the most significant for economic development is the phase of the crisis. It shows the level of development of the economy at the present time and the potential for economic growth in the future. A crisis is a more negative, deep and often unexpected change, but at the same time it carries new opportunities for development. Crises are the basis for the emergence and development of economic systems. The crisis reveals what is hidden by the everyday reality, revives the forces that set the system in motion. The crisis contains a cleansing function, freeing the economy from the ballast of unprofitable, ineffectively functioning enterprises, from industries based on outdated technological forms. (Hunt, 2018)

Crisis phenomena in today's postmodern society are the subject of heated debate in the world scientific community. The reasons and nature of the crisis, its causes and dynamics, consequences and ways of overcoming it are discussed. The range of approaches is very wide: from the interpretation of the crisis as a consequence of mistakes in economic policy, which will be overcome and everything will return to its former course, to its understanding as the beginning of reformatting the entire world order in the context of the conditions of postmodern society.

The logic of the socio-economic development of today's postmodern society is such that the achievement of a high point of human progress turns out to be the end of human history and the beginning of the transition to a posthuman civilization. This transition in itself is a globally conflict, crisis, one that creates risks for the very existence of a postmodern society. But it also contains tremendous prospects for the movement of the mind, in which humanity serves only as the next step of biosocial-technical progress, which gives way to a higher form and takes its place on the natural-historical ladder of evolution. In this process, the content of the dialectical relationship between the hierarchy and the development of network structures is a

necessary condition for countering destructive tendencies that lead to the domination of uncertainty, chaos, conflicts and the collapse of today's postmodern society.

The activity of any enterprise in today's postmodern society is associated with the instability of the external environment and the presence of negative factors of influence on its functioning, which, in turn, can provoke the emergence of crisis phenomena, slows down the development of the organization and makes it less effective. The prerequisites for this may be factors that are formed not only in the external, but also in the internal environment.

The manifestations of the crisis in competitive socio-economic systems become long-term, difficult to predict and, as a rule, system-wide in scope. In the conditions of the current economic crisis, the state has no right to abandon an active anti-crisis policy based on the means tested in developed countries. The present economy of some countries proves the imperfection of anti-crisis management both at the level of the socio-economic system and at the level of the country as a whole: a large number of socio-economic systems are in a state of crisis, export-oriented industries began to fall, enterprises and other sectors of the state's economy are unable to work stable without the use of anti-crisis management tools (Horowitz, 2020). In modern scientific literature there is a polemic regarding the definition of the essence and nature of crises in the development of the socio-economic system. There was a point of view that crises are a characteristic feature of the capitalist mode of production and should be absent in the socialist system.

In modern conditions, the essence of the concept of crisis (from the greek "*krisis*" - exit, imprisonment, trial and above just punishment) is interpreted as an extreme aggravation of contradictions in the socio-economic system, threatening its viability in the environment. (Allen, Carletti, 2010). The crisis is a lever for the renewal of the economic system, although it fundamentally disrupts its stability. In the context of the development of any social-economic system, there is a constant confrontation between a stable state of the economy and a crisis, these two concepts are antagonisms. Stability exist in close interaction, after all, overcoming crisis conditions, the stability of the economy increases.

Rady (2012). noted that the crisis occurs primarily because, given the current unstable economic situation, is due to the consequences of post-pandemic reality, the distribution of production is disproportionate, and

producers of means of production are unable to withdraw capital from their enterprises, and besides, it is cumbersome this capital in the form of buildings, cars, etc. requires the continuation of production, therefore, as a consequence, the overproduction of the means of production is inevitable (Buheji, 2019).

By combining the achievements of scientists in this area, it is possible to formulate the main features of the phenomenon, which in the modern sense is usually called a crisis of the socio-economic system in a post-pandemic, such as overproduction of goods in comparison with effective demand for them, a significant reduction in production volumes, a shortage of free funds, necessary for payments, an increase in the number of unemployed, a fall in the level of wages of employees and the level of profits of enterprises, rising prices, disorganization of the monetary and credit system. (Jagannathan, Kapoor, Schaumburg, 2013).

Taking into account the above, we consider it appropriate to offer the author's interpretation of the essence of the concept of "crisis of the socio-economic system" as a set of quantitative and qualitative transformations, which, as a rule, ultimately lead to potentially negative consequences of the functioning of the socio-economic system

2. Main research

2.1. The role of the crisis of the socio-economic system in today's postmodern society.

In order to adequately assess the place and role of the crisis in the conditions of the development of postmodern society, it is necessary, first of all, to understand the general laws of the development of the system of socio-economic relations, to find out the place and role of its basic structures in the general flow of economic changes, to reveal the main contradictions in the movement of their system. modern features and solutions (Ozili, 2019). Only on this basis, taking into account the integral nature of the functioning of the socio-economic system, can we try to find ways out of the crisis. The most fundamental elements of the socio-economic system are labor and property. Their change, which depends on technical and technological progress, determines the general historical logic of the development of socio-economic relations. The initial economic relation, as it has already been proven theoretically and confirmed in practice, is jointly divided labor. From it, as from a cage, develop, on the one

hand, the division and isolation of various types of labor, and on the other, their cooperation and socialization (Burns, Devillé, 2017)

Further movement takes place in the direction of the formation of universal labor, in which a separate, isolated and isolated type of activity includes the cooperation of labor both with contemporaries and with predecessors through the use of knowledge, ideas and generalized experience in the process of scientific creativity. In the process of jointly divided labor, appropriation is jointly divided, which also develops historically and is embodied from the side of division - in private, and from the side of compatibility - in state (public) forms of ownership. Private and state forms of ownership are only complete, completed forms of jointly divided appropriation, and not independent foundations of the economic system. The thesis about private property as the basis of the market system and its inviolability is only a theoretical aberration and ideologue of capitalist society. In fact, the basis of modern socio-economic systems is jointly divided appropriation, which is embodied and completed in its derivatives - private and state (common for the whole society) forms of ownership. (Buheji, Dunya, 2019).

The socio-economic system in any of its form and in any form, be it a social formation, a firm or an enterprise, has two tendencies of its existence: functioning and development.

Functioning is the maintenance of vital activity, the preservation of functions that determine its integrity, qualitative certainty, and essential characteristics.

Development is the acquisition of a new quality that strengthens vital activity in a changing environment. Functioning and development are closely interconnected with each other, reflect the dialectical unity of the main trends of the socio-economic system. For example, the functioning of the socio-economic system is characterized by the obligatory presence of a subject of labor, means of labor and a person carrying out labor activities. In this case, the functioning of the socio-economic system is possible only with a certain correspondence of these signs: the means of labor can change its object, a person must own the means of labor, the result must correspond to the interests and needs of a person. These are all conditions for functioning. Development characterizes changes in the subject, means of labor and man. The criterion for these changes is the emergence of a new quality that strengthens the stability and harmony of the functioning of the socio-economic system or creates fundamentally new conditions for its

functioning. The fact of development is an increase in labor productivity, a change in its nature, the emergence of a new technology.

At the same time, of course, the conditions for the functioning of the socio-economic system are changing. The connection between functioning and development has a dialectical character, which reflects the possibility and regularity of the onset and resolution of crises. Functioning inhibits development and at the same time is its nutrient medium, development destroys many processes of functioning, but creates conditions for its more sustainable implementation.

Thus, a cyclical development trend arises, which reflects the periodic onset of crises. Crises are not necessarily destructive, but their occurrence is due not only to subjective, but also to objective reasons, the very nature of the socio-economic system.

Crises reflect not only the contradictions between functioning and development - they can arise in the very processes of functioning. These are, for example, the contradictions between the level of technology and the qualifications of personnel, precise technologies and the conditions for its use (premises, climatic environment, technological culture).

Considering the essence of the crisis of the socio-economic system as an economic phenomenon, it is advisable to implement its classification. A variety of crises is classified by distribution and grouping by essentially characteristic identification signs of various possible crisis states of the socio-economic system, carried out with the aim of generalizing the tools for their analysis, forecasting and determining promising anti-crisis measures.

So, the need for a detailed classification of the crises of the socio-economic system associated with the combination of methods and means of management is extremely important.

According to the classification criteria, the types of crises are distinguished:

- in accordance with the scale of manifestation: general crises that can develop in all socio-economic systems, and local ones, which cover only a certain part of socio-economic systems;

- in accordance with the problematic - macro and micro crises. Macro-crises are large-scale, micro-crises unite a separate problem or a small set of them (micro-crises have the ability to turn into a macro-crisis)

- in accordance with the causes of occurrence - natural, social and environmental crises;

- in accordance with the structural relations in the socio-economic system, separate groups of economic, social, organizational, psychological, technological and other crises are distinguished.

In the structure of economic crises, financial crises are distinguished - these are crises of monetary expression of economic processes. In conditions of aggravation of contradictions between various social groups or associations, a so-called social crisis arises. This type of crisis is usually the result of economic crises. (El-Erian, 2020).

The crisis, as a rule, concerns all aspects of the functioning and development of society, is political, but after a certain period of time it turns into an economic crisis. The consequence of social and economic changes is psychological crises, they are manifested in the form of stress, which becomes widespread; it is a feeling of insecurity, panic, fear for the future, dissatisfaction with work, legal protection and social status. The consequence of the crisis of new technological ideas in the face of a constantly expressed need for new technologies is a technological crisis, and it can also manifest itself under the guise of a crisis of scientific and technological progress.

2.2. Analysis of all aspects and consequences of the impact of crises of socio-economic systems in a post-pandemic society.

The classification of crises in postmodern society is of great importance in their recognition and, consequently, in their successful management. The classification signs of a real crisis can also be considered as its parameters, "prompting" or determining the assessment of the situation, the development and selection of successful management decisions. The danger of a crisis always exists. Therefore, it is very important to know the signs of the onset of crisis situations and assess the possibilities of their resolution. (Bentolila, Jansen, Jiménez, 2018).

The socio-economic system is a self-regulating system. This means that in its existence there are mechanisms for restoring the necessary and relative balance. But after all, management exists because, on the one hand, it is a part of these mechanisms, and on the other, it is necessary in order, based on these mechanisms, to ensure a less painful and more consistent development of the socio-economic system from the point of view of human interests. But this is possible only if the trends in the behavior and development of the socio-economic system, its characteristics and signs of the state, the onset of certain phases of this state and stages of objective

development are known. (Entringer, Nascimento, Ferreira, Siqueira, Boechat, Cerchiaro, Mendonça, Ramos, 2019)

Given this, the consequences of the impact of crises of socio-economic systems on the development of the economic system in today's post-pandemic society can be systematized as follows: (Peterson, Thankom, 2020).

- internal economic: decline in production; acceleration of inflation rates; destabilization of the financial system; market changes; insolvency and bankruptcy of business entities; monopolization of economic systems;

- general political - destabilization of the political situation in the country; unfavorable foreign economic policy of the state; changes in the conditions of export-import activities; imperfection of economic and antimonopoly legislation; inefficiency of the public administration system;

- social - high unemployment rate; reduction in the size of wages in the public sector; growth in the level of differentiation of incomes of the population; the crisis in the social and medical security system; the growth of social conflicts;

- demographic - a decrease in the population and deterioration of its structural components; a decrease in the level of well-being and, as a consequence, a deterioration in the size and structure of the effective demand of the population. (Soltysik, 2014)

In the context of deep globalization processes that are taking place in the world economy, the effectiveness of the mechanism of state anti-crisis management is of great importance. From the standpoint of the diversity of the consequences of the crisis of socio-economic systems, in the process of forming the components of the mechanism of state anti-crisis management, one should take into account the non-simultaneity of the emergence of crises at different levels of economic functioning (Khvischun, 2018). A feature of the development of the public administration system in the process of overcoming a crisis state should be the use of various levers of influence as a single mutually agreed system. It is important in crisis situations to maintain constant readiness to counteract the causes of the economic crisis, which may occur at any time. Actually, each form of the public administration system should be anti-crisis to a certain extent, and the socio-economic system should be adapted to long-term existence with the ability to adapt to changing conditions. The effectiveness of anti-crisis management depends on professionalism, professional training, the formation of an anti-crisis team, methodology for developing solutions, the

validity of methods of predictive and analytical research, the availability of software for conducting diagnostic studies, the quality of the developed anti-crisis program, proper efficiency and flexibility of anti-crisis management, as well as the responsibility of authorized persons. (Financial Times, 2020).

Consider the aspects of managing the activities of the socio-economic system in a crisis from the point of view of practical application (Kurilova, Kurilov, Dugina, Likholetov, 2019).

1. In the process of production and economic activity of the socio-economic system, anti-crisis in its essence should be the proper management of the organization's activities with careful performance of all the necessary management functions, respectively, the author adopted the concept of "crisis management" - specially organized management of the activities of enterprises in a situation aimed at adequate assessment, diagnosis and development of ways out of it.

2. The crisis of the socio-economic system should be considered as a crisis of its management, since a crisis is such a situation that management recognizes as threatening the existence of the enterprise itself. An analysis of the production and economic activities of enterprises showed that it is the subject of management in most cases that is the cause and source of the emergence of crisis situations.

3. The improvement of the socio-economic system must and should be used outside the framework of bankruptcy cases, preventing their initiation. As the most rational option for all-round recovery, one should consider the independent establishment by the leadership of unprofitable socio-economic systems of the necessary changes, by initiating processes to prevent a crisis situation. In the process of managing the socio-economic system during a crisis, it becomes important to analyze, develop, make and implement managerial decisions, express diagnostics of the activities of enterprises that are approaching the stage of unprofitableness or are in it, as well as those that have reached a supercritical level. insolvency. (Bezemer, 2011)

The practical experience of the diallity of the socio-economic system shows that one of the main tools used by companies in crisis conditions is the regulation of all cost items and strict control over the implementation of established standards. To reduce the costs of the socio-economic system in times of crisis, personnel should be motivated to reduce costs and reduce costs not related to the main activities of the enterprise. As part of cost

reduction at the enterprise, we can recommend the following procedures: (Kovan, 2014).

1. Horizontal and vertical integration of procurement. Horizontal integration involves the search for opportunities for procurement together with other buyers (Astrov, Grieveson, Hanzl-Weiss, Hunya, Jestl, Mara, Pindyuk, Podkaminer, Richter, 2018) Increasing the volume of purchases allows for volume discounts. Vertical integration assumes partnership with suppliers of key types of raw materials and materials (timely fulfillment of contractual obligations, financial transparency, etc.).

2. Analysis of the possibilities of transferring expensive processes to outsourcing. It is worth evaluating which volumes of work are profitable to carry out independently, and which ones are cheaper to purchase from third-party organizers. For example, the majority of enterprises with heating systems, the services of which are consumed by the public sector, transfer them to the ownership of local authorities, since maintenance and service are too expensive. Or, on the contrary, they install their own autonomous heating systems, which are much more economical than the services of utilities.

3. Strict control over all types of costs.

4. Optimization of technological processes. Optimization issues can be solved by improving the production technology and the quality of products. For example, it is possible to significantly reduce production waste by improving technology, constant monitoring of the work of personnel and strict production discipline.

5. Reducing labor costs. It is necessary to develop bonus schemes for company personnel and motivate them to reduce costs. As a basis, a scheme can be taken in which part of the saved costs will be paid to employees.

It is also necessary to revise the organizational structure to exclude unnecessary levels of management.

Thus, thanks to coordinated management decisions and active anti-crisis measures, the socio-economic systems will be able to reduce and optimize their costs, reduce accounts payable, increase the level of staff motivation and loyalty and reduce the consequences of the crisis for the socio-economic system as a whole.

3. Conclusions

The works of various scientists who dealt with the classification of crises and the problems of crises in general are considered and analyzed. It has been established that some classification features are found in many scientific works and can serve as a basis for the classification of crises in socio-economic systems. Given this, the existing set of crises has been systematized.

Their main classification features are determined by: state, scale, causes of occurrence, sphere of occurrence, consequences and their content. There are a number of researchers with a unique view of the classification of crises, which is no less important than the previous ones, which will be considered in more detail in the future.

In addition, the work systematizes and analyzes the main features of the functioning of the current socio-economic system in a postmodern society and the consequences of the impact of crisis phenomena that have arisen due to the existence of pandemic restrictions.

References

- Allen, F., & Carletti, E. (2010). An overview of the crisis: Causes, consequences, and solutions. *International Review of Finance*, 10(1), 1-26.
- Astrov, V., Grievesson, R., Hanzl-Weiss, D., Hunya, G., Jestl, S., Mara, I., Pindyuk, O., Podkaminer, L., Richter, S., (2018). *Socio-economic challenges, potentials and impacts of transnational cooperation in central Europe*. The Vienna Institute for International Economic Studies. <https://www.interreg-central.eu/Content.Node/events/Policy-Brief-181018-full.pdf>.
- Bentolila, S., Jansen, M., & Jiménez, G. (2018). When credit dries up: Job losses in the great recession. *Journal of the European Economic Association*, 16(3), 650-695.
- Bezemer, D. J. (2011). The credit crisis and recession as a paradigm test. *Journal of Economic Issues*, 45(1), 1-18.
- Buheji, M. (2019). Shaping Future Type of Poverty - The Foresight of Future Socio-economic Problems & Solutions - Taking Poverty as a Context-Beyond 2030. *American Journal of Economics*, 9(3), 106-117.
- Buheji, M., & Dunya, A. (2019). *Framework for Mitigating Coming Socioeconomic Crisis*. <https://doi.org/10.5923/j.economics.20190906.06>
- Burns, T. R., Devillé, P. (2017). Socio-economics: the Approach of Social Systems Theory in a Forty Year Perspective. *Economics and Sociology*, 10(2), 11-20. <https://doi.org/10.14254/2071-789X.2017/10-2/1>
- El-Erian, M. (2020). *The Coming Coronavirus Recession and the Uncharted Territory Beyond*. *Foreign Affairs*, Media Report. Available at:

- <https://www.foreignaffairs.com/articles/2020-03-17/coming-coronavirus-recession>
- Entringer, T., Nascimento, D., Ferreira, A., Siqueira, P., Boechat, A., Cerchiaro, I., Mendonça, S., RAMOS, R., (2019) Comparative analysis main methods business process modeling: literature review, applications and examples. *IJAERS*, 6(5). <https://doi.org/10.22161/ijaers.6.5.15>
- Financial Times (2020). Global recession already here, say top economists. Available at: <https://www.ft.com/content/be732afe-6526-11ea-a6cd-df28cc3c6a68>
- Horowitz, J. (2020). *The global coronavirus recession is beginning*. CNN. Media report. Available at: <https://edition.cnn.com/2020/03/16/economy/global-recession-coronavirus/index.html>
- Hunt, A. (2018). *Future Scenarios of Economic Development. Ecosystem Services for Well-Being in Deltas*. Palgrave Macmillan, Cham.
- Jagannathan, R., Kapoor, M., & Schaumburg, E. (2013). Causes of the great recession of 2007–2009: The financial crisis was the symptom not the disease. *Journal of Financial Intermediation*, 22(1), 4-29
- Khvishchun, N. (2018). Economic security as an element of anti-crisis management system for socio-economic development of the region. *Modern Economics*, 9, 160-167. [https://doi.org/10.31521/modecon.V9\(2018\)-19](https://doi.org/10.31521/modecon.V9(2018)-19).
- Kovan, S. (2014). Crises and anti-crisis management in social and economic systems. *Effective crisis management*. <https://doi.org/10.17747/2078-8886-2011-2-72-83>
- Kurilova, A., Kurilov, K., Dugina, T., & Likholetoy, E. (2019). *Socio-economic Systems in the Phase of Crisis (Long Recession)*. <https://doi.org/10.1108/978-1-78769-993-920191023>
- Ozili, P. K. (2019). *100 Quotes from the Global Financial Crisis: Lessons for the future*. Available at SSRN 3500921.
- Peterson O., & Thankom, A. (2020). Spillover of COVID-19: impact on the Global Economy. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3562570>
- Rady, D. (2012). Greece debt crisis: Causes, implications and policy options. *Academy of Accounting and Financial Studies Journal*, 16, 87.
- Soltysik, M. (2014). Crisis management system in the enterprise. *Organization and Management*, 4(164), 85-98.
- Sylkin, O., Kryshchanovych, M., Zachepa, A., Bilous, S., & Krasko, A. (2019). Modeling the process of applying anti-crisis management in the system of ensuring financial security of the enterprise. *Business: Theory and Practice*, 20, 446-455. <https://doi.org/10.3846/btp.2019.41>