

SESSION: ECONOMIC ANALYSIS / SECȚIUNEA: ANALIZĂ ECONOMICĂ

THE CURRENT ECONOMY - CONGLOMERATE OF CONTRADICTIONARY EVENTS

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**Ciprian APOSTOL**

*Alexandru Ioan Cuza University of Iași*

*The Faculty of Economics and Business Administration Iași, Romania*

Email: [ciprian.apostol@uaic.ro](mailto:ciprian.apostol@uaic.ro)

ORCID: <https://orcid.org/0000-0003-2890-9139>

**Abstract.** When you talk about the New Economy, you expect its objectives to be directed towards the well-being of the individual and its development to be in full harmony with the environment. But it seems that the current stage of development is one of uncertainty and not one of progress of civilisation on earth. The aim of this study is to capture some of the defining aspects of the current stage of socio-economic development and at the same time it is a continuation of the attempt to highlight the dangers that lie ahead as a result of an intensive and sometimes chaotic economy.

**Keywords:** New Economy, development, danger, environment, welfare

**JEL Classification:** F40, I15

### Introduction

We live in a century where anything is possible, where nothing surprises us anymore and uncertainty is omnipresent. If we look at the 21st century chronologically, it began on 1 January 2001 and will end on 31 December 2100. But if we look at current realities and add a certain amount of pessimism, we can say that we know exactly when it began, but we do not know for sure when this century will end, thus validating what Yogi Berra said, namely "*It is hard to make predictions, especially about the future*" or "*The future is not what it used to be*".

The stated aim of this study to capture some of the defining aspects of the current stage of socio-economic development is a continuation of the approach taken in other studies to highlight the dangers that lie in wait for us as a result of an intensive, sometimes chaotic economy, characterised by uncontrolled exploitation of limited resources, pollution, waste etc., whose main aim is financial profit, supremacy, and not the well-being of the individual. (Apostol, 2021a, 2022a, 2022b, 2023c, 2023a)

In order to capture all these aspects, which unfortunately are becoming increasingly accentuated, a *descriptive and comparative analysis* of the current socio-economic development process has been used. The *originality of the study* lies in the use of up-to-date information on the subject in question, obtained from *various sources* (relevant organisations, media, specialist literature etc.).

By identifying, raising awareness of and properly managing the dangers that characterise today's economy and, at the same time, sounding a serious alarm signal, the aim is to ensure that responsibility, caution, vigilance and sustainable development are not just theoretical terms, but are implemented and respected in all socio-economic activities before it is too late.

### Body of communication

By a simple internet search (Wikipedia, 2024), we can find some features of this century, such as:

- In the early 2000s, the United States was the sole global superpower, but two decades later, its supremacy is being challenged by emerging powers such as the People's Republic of China and the Russian Federation:

- The People's Republic of China is now considered the largest economic power and an emerging superpower with the largest land army (2,035,000 troops);
- The Russian Federation has the largest land territory and the largest ballistic and nuclear arsenal (5,508 nuclear missiles);
- The growth of the global economy amid:
  - The rise of corporations in the IT industry;
  - The spread of American-style consumerism to emerging countries, especially former communist countries;
- The development of new areas such as social networking, artificial intelligence, drone manufacturing and the electric car industry;
- The global financial crisis of 2007-2008;
- Increased concern about counter-terrorism (after the attacks in the United States and Western Europe);
- NATO intervention in Afghanistan and Iraq;
- The fall of dictatorial regimes in Egypt, Yemen, Tunisia and Libya during the Arab Spring;
- Political instability in the Middle and Near East;
- Refugee crises in Europe;
- The annexation of Crimea by the Russian Federation in 2014;
- New wars: the Nagorno-Karabakh War, the Syrian Civil War, the Russian-Ukrainian War and the Israel-Hamas War;
- 45% of the global population lives in a "form of democracy" (Turkey, Hungary, India), 8% lives in a form of full democracy (Denmark, France, Italy etc.) and the rest live under totalitarian or authoritarian regimes (North Korea, Iran, China, Russia);
- The global population will grow from 7 billion in 2011 to 8 billion in 2023;
- The enlargement of the European Union (13 new countries have joined and the UK has withdrawn) and NATO (32 member states);
- The danger of the outbreak of World War III;
- The spread of progressive ideas such as political correctness, multiculturalism, the fight against racism and the fourth wave of feminism;
- Global warming and its effects;
- The Covid-19 pandemic (between January 2020 and May 2023);
- Access to the internet via portable devices, which has changed lifestyles and generated new problems such as mental disorders, sedentary lifestyles, obesity etc.;
- Scientific and technological advances (genetic engineering, human DNA sequencing, cancer treatment, nanotechnology etc.);
- The intention to colonise the Moon by 2030 and send the first astronauts to Mars.

All these defining elements of the 21st century indicate that we live in a time of contrasts:

- On the one hand, we benefit from the advantages of technology and digitisation - half the world's population has access to the internet; 67% own at least one mobile phone; more than 1 billion people have active social media accounts; artificial intelligence is capable of continuous and automatic learning and is being used in more and more areas of business; online marketplaces have grown enormously; electric cars have increasingly emerged; progress has been made in space exploration, colonisation and space tourism etc.;
- On the other hand, we are facing the diseases of the century, brought about by the overuse of digitisation; 10% of the population still suffers from hunger and extreme poverty; wars, terrorist attacks and violent crime are still a global problem; climate changes that may lead to the sixth extinction (Holocene extinction) etc. (Wikipedia, 2024)

Although life expectancy has increased, infant mortality has fallen and lifestyles have improved, this century faces a number of problems with serious consequences for life on earth. Who would have thought that during the New Economy - also known as the information economy, the knowledge economy, the digital economy, the dotcom economy, the net-economy, the INTERNET economy, the immaterial economy, the virtual economy etc. (Işan, 2002) - the current stage of development of the world economy, based on circular economy, social responsibility, sustainable economy, environmental responsibility, sustainability and other similar terms, humanity will face new problems generated by the current stage of development, such as pandemics, diseases developed by digitalization and industrially produced unhealthy food and, last but not least, wars.

According to existing statistics (Worldmeters, 2024), there were 704,687,293 infections, 7,009,975 deaths and 675,552,786 people cured as a result of *the Covid-19 Pandemic*. These data show the real drama caused by the pandemic from 2020 to 2023, in addition to all the other economic and financial problems that have arisen and have been presented in other studies (Apostol, 2020, 2021b; Mihalciuc *et al.*, 2022; Grosu *et al.*, 2024).

**Wars** are not uncommon in this century either. Thus, in 2001, the US and NATO invaded Afghanistan (more than 47,000 Afghan civilians dead) until 2021 (Contescu, 2021); from February 2003 to the present, there has been a war in Sudan with 400,000 dead and more than 2.5 million displaced people; from 2003 to 2010, there has been a war in Iraq with about 150,000 people killed (Wikipedia, 2024); the war in Ukraine started in February 2022 has left around 500,000 dead and wounded on both sides in total (Coman, 2023); the armed conflict between Israel and Palestinian militant groups led by Hamas that started on 7 October 2023 has resulted in over 35,000 deaths, most of them civilians. (TVR Info, 2024)

**Terrorist attacks** are another global problem. From the turn of the century to the present day, there have been many such actions, including:

- 11 September 2001, USA: 2,993 dead and 8,900 injured;
- 1-3 September 2004, Beslan, North Ossetia, Russia: 372 dead and 747 injured;
- 14 August 2007, Iraq: 530 dead and 1,500 injured;
- 26 - 30 July 2009, Maiduguri, Borno, Nigeria: 780 dead;
- 1 January 2017, Istanbul: 39 dead and 70 injured;
- 03 April 2017, St Petersburg: 14 dead and 64 injured;
- 22 May 2017, Manchester: 23 dead and 119 injured;
- 22 March 2024, Moscow: 137 dead and 150 injured.

**Climate changes** are taking on new dimensions:

- The warmest February in the history of measurements was probably recorded worldwide in 2024, as flowers bloomed from Japan to Mexico, the slopes of Europe remained without snow, temperatures of 38 degrees Celsius were recorded in Texas (Sabo Tiberiu, 2024), and 22.7 degrees Celsius in Romania, in Zimnicea on 24 February (Barza Vlad, 2024);
- For now, the world is heading towards a warming of 2.7 degrees Celsius, which would lead to almost complete deglaciation in central Europe, western Canada and the United States, even in New Zealand; (Purgaru Dana, 2023)
- In March 2024, a record temperature of 62.3 degrees Celsius was experienced in Rio de Janeiro; (Marinescu, 2024)
- Thousands of absolute temperature records for March were set in South America and southern Africa in March 2024; (Barza, 2024)
- Also in March 2024, an extreme storm was recorded in Brazil with at least 25 deaths. (Pricop, 2024)

But these are not the only problems of the 21st century. If we also remember the lack of drinking water in certain areas of the world, hunger, extreme poverty or the restricted access to education for children in underdeveloped countries, then this sad but real picture takes shape. Moreover, the

development of technology is polluting through high energy consumption, and the lack of knowledge about the limits of artificial intelligence and the exploration of the universe can lead to new and serious problems for life on earth.

Another aspect that should not be ignored is the training of the new generation. Thus, we can see that many countries in the world allocate more money to the military and war training and less to health and education, aspects captured in more detail in other studies. (Apostol, 2019, 2021b, 2023b)

The biggest challenge facing the scientific community today is to produce strong scientific findings and reliable forecasting models on the basis of which global policy decisions can be made, which can help not only to avoid any future human-caused changes, but also to prevent the negative consequences of global changes. In this context, the International Science Council (ISC) was created in Paris on 5 July 2018 through the merger of ISSC (representing the social sciences) and ICSU (representing the natural sciences), which combined the best practitioners of the social and natural sciences as well as several scientific organisations including the humanities. (Serageldin, 2019)

### Conclusions

We live in an ever-changing world with many unknowns and challenges. If we consider that the current stage of the world economy development, the New Economy, is based on knowledge, digitalization, advanced technology, we would expect the 21st century to be one in which the well-being of life on earth, sustainable development of the economy, peace and harmony between man and nature are at the forefront, and the global problems that have arisen since the 20th century have been solved. But unfortunately, this is not the case. Although many international organisations and governments around the world, with the help of scientists, are trying to find the best solutions to ensure the sustainable development of the world economy, old problems such as pollution, wars, economic growth, hunger etc. continue into the new century, and some are even getting worse. And to complete the “picture of failure”, new problems have emerged due to the digitalisation of the economy and beyond. While in other studies on this subject I have set as future research objectives to capture all the negative effects of the “progress” of the economy over time, I would like to stop here with capturing the dangers that lie ahead in the current stage of socio-economic development, and, as a result of the implementation of an economy oriented towards the individual and not profit, in future studies I will be able to capture not dangers but aspects of individual welfare in the context of truly implementing a circular economy, a sustainable development, in which the individual and the environment can live together harmoniously.

**”Earth is a beautiful place worth fighting for” – Ernest Hemingway**

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