

STUDY OF THE CAUSES AND CHALLENGES OF GLOBAL CRISES

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Abstract: *The study investigates the causes and challenges of global crises, which have repeatedly disrupted nations, affecting economic stability and reshaping strategic priorities. It examines the intricate dynamics of these crises by identifying their root causes and assessing their impact on national decision-making.*

The research categorizes crises from two key perspectives: temporal and thematic. The temporal perspective considers crises as evolving through three distinct phases – pre-crisis, crisis, and post-crisis – each requiring specific approaches to preparedness, response, and recovery. The thematic perspective classifies crises into categories such as health, environmental, economic, political, and humanitarian, emphasizing their interconnected nature and global repercussions, which demand coordinated international action.

The study illustrates how major crises – including the 2008 financial downturn, the 2015 ISIS terrorist attacks, the Syrian refugee crisis, climate-related disasters, the COVID-19 pandemic, and Russia's invasion of Ukraine – have compelled governments to swiftly reassess and adjust their strategic priorities. The analysis explores how these crises have influenced national policies, particularly in economic planning, social protection measures, and geopolitical strategies. The research further explores how governments' strategic decisions are influenced by external shocks, vulnerability levels, and anticipatory capacities. It identifies two main strategies for responding to crises: "bouncing back" strategies, which involve cost-cutting and downsizing, and "bouncing forward" strategies, which focus on transformation, innovation, and repositioning. The study applies these concepts to local government decision-making processes in Germany, Italy, and the UK, demonstrating how different governments respond to external shocks based on perceived vulnerability and available anticipatory capacities.

The findings suggest that the effectiveness of government responses to global crises depends on the interplay between the nature of the shock, perceived vulnerability, and anticipatory capacities, leading to varied strategic outcomes. These insights are critical for understanding how governments can better prepare for and respond to future global crises, emphasizing the need for proactive and adaptive strategies that address both the global and localized impacts of such crises.

Key words: *global crisis, causes of crises, external shocks, vulnerability.*

JEL classification: *F52, H12, O19.*

INTRODUCTION

In our rapidly changing world, the emergence of crises has proven to be a driving force, shaping the destinies of nations and reshaping the contours of governance. As we are going through the 21st century, there are various challenges that go beyond borders, from the microscopic threats posed by pandemics to the macroscopic specters of climate change and geopolitical tensions. These global crises have a significant impact on everything than could be considered vital, compelling governments to reassess and recalibrate their strategic priorities with a sense of urgency and purpose.

The relationship between global crises and government decision-making is a continuous process of adaptation, where each crisis tests the effectiveness of existing strategies and highlights the need for adjustments or improvements. Health crises, such as the COVID-19 pandemic, have forced governments to balance public health concerns with socio-economic stability. These emergencies require rapid resource reallocation, policy adjustments, and a reassessment of healthcare systems, bringing health-related issues to the forefront of national priorities.

At the same time, environmental crises, including climate change and natural disasters, have compelled governments to recognize their significance on a global scale. Economic growth must now

be pursued alongside environmental sustainability, pushing nations to develop policies that ensure both long-term prosperity and the protection of natural resources.

Economic crises, such as financial downturns and global recessions, expose the vulnerabilities of interconnected economies. In response, governments must implement fiscal stimulus measures, adjust monetary policies, and strengthen social safety nets to protect vulnerable populations. During such periods, strategic priorities shift toward preserving livelihoods, restoring market confidence, and reinforcing economic resilience against future shocks.

Geopolitical tensions and humanitarian crises further challenge governments to navigate complex security considerations. Diplomatic relations, shifting alliances, and global stability concerns play a crucial role in shaping high-level strategic decisions, influencing national security policies and international cooperation efforts.

As we dive into the impact of global crises on government strategies, it's crucial to see these challenges as interconnected. They're not separate issues but threads woven together in the global fabric. Governments need to understand and respond to these influences, from the international stage to local health and social issues. This research aims to uncover the complexities of governance during crises, revealing how nations adapt and innovate in the face of uncertainty.

CONCEPTUAL BACKGROUND AND THE IMPACT OF THE CRISES WORLDWIDE

Global crises are defined as “crises whose origins and outcomes cannot for the most part be confined inside the borders of particular nation states; rather, they are endemic to, enmeshed within, and potentially encompassing of today’s late-modern, capitalistic ... world.” (Simon, 2011)

Overall, a global crisis refers to a situation or event that significantly impacts multiple countries or regions on an international scale, often posing severe challenges to various aspects of human life, such as health, economy, environment, or security. Global crises are characterized by their widespread and interconnected nature, transcending national borders and affecting a large portion of the world's population.

These crises can take various forms, including but not limited to:

- *Health Crises*: Such as pandemics or widespread infectious diseases that have the potential to spread globally.
- *Environmental Crises*: Such as climate change, natural disasters, or ecological threats that affect the planet on a large scale.
- *Economic Crises*: Such as global recessions, financial meltdowns, or economic downturns that impact multiple countries simultaneously.
- *Political Crises*: Involving geopolitical tensions, conflicts, or political instability with implications for multiple nations.
- *Humanitarian Crises*: Involving large-scale displacements, refugee crises, and widespread poverty or famine.

The defining characteristic of a global crisis is its ability to transcend national boundaries and have far-reaching consequences that require coordinated international responses. The interconnectedness of our world, both in terms of communication and trade, often amplifies the impact of these crises, making them complex challenges that demand collaborative efforts on a global scale.

As it was mentioned before, the challenges that a global crisis brings to the table are often related to the missed spots in the governmental strategies and emphasize the problems that haven't been tackled in time or that haven't been foreseen. The most important in this situation is how quick can we adjust and reassess the direction and the priorities of a country or a region, in order to overcome those crises in the best way and as fast as possible.

SPECIFIC CHALLENGES CAUSED BY THE PAST GLOBAL CRISES

For the 21st century, overcoming crises has become a constant challenge. Within the last decade, the world has experienced several shocks that could be characterized as global crises, including the U.S. mortgage crisis in 2008, the ISIS terrorist attacks in 2015, the refugee crisis following the Syrian Civil War, environmental disasters caused by climate change (e.g., Australian wildfires, South Asia floods), the COVID-19 pandemic (Davvetas *et al.*, 2022), and the Russian invasion.

As Kristalina Georgieva, IMF Managing Director has mentioned in her speech: "To put it simply: we are facing a crisis on top of a crisis. First, the pandemic: it turned our lives and economies upside down – and it is not over. The continued spread of the virus could give rise to even more contagious or worse, more lethal variants, prompting further disruptions – and further divergence between rich and poor countries. Second, the war: Russia's invasion of Ukraine, devastating for the Ukrainian economy, is sending shockwaves throughout the globe. Above all is the human tragedy – the suffering of ordinary men, women, and children in Ukraine, among them over 11 million displaced people. The economic consequences from the war spread fast and far, to neighbors and beyond, hitting hardest the world's most vulnerable people. Hundreds of millions of families were already struggling with lower incomes and higher energy and food prices. The war has made this much worse, and threatens to further increase inequality. And for the first time in many years, inflation has become a clear and present danger for many countries around the world. This is a massive setback for the global recovery. These double crises – pandemic and war – and our ability to deal with them, are further complicated by another growing risk: fragmentation of the world economy into geopolitical blocs – with different trade and technology standards, payment systems, and reserve currencies. Such a tectonic shift would incur painful adjustment costs. Supply chains, R&D, and production networks would be broken and need to be rebuilt. The actions we take now, together, will determine our future in fundamental ways." (Georgieva, 2022)

The situation presented above reflects the need of constant adaptation to the circumstances created that influence directly the course of a country's relationships with the external partners, the change in the export and import trades, inflow and outflow of human resources, as well as the social wellbeing of the population.

These directions that are newly taken and dictated by the changes at a global level for sure differ each time from the forecasted situation that each country expects. For example, for sure none of the countries could foresee and include in their strategic plan for 2022 such issues as Russia's invasion of Ukraine. This means that each imbalance that appear at a global level needs to be tackled as it appears, and as quick as possible, as much as the flexibility of the decision-making process in a country allows.

A similar strong impact at a large scale had the financial crisis that erupted in 2008, which led to a reconsideration of the previous policy regarding the way the market works and its capacity to self-regulate. "In particular, the role of anti-cyclical macroeconomic policies in sustaining the economy and jobs was widely acknowledged. In addition, unlike in earlier crises, social protection was reinforced and, in particular, the level and duration of unemployment benefits were improved – thereby departing from the view that higher benefits automatically aggravate market distortions (Howell, 2010). The initial results of this new approach were positive. Indeed, another Great Depression has probably been avoided, due to the anti-cyclical monetary measures and socially inclusive fiscal stimulus packages adopted in 2008 and 2009." (ILO, 2011)

All these seemingly different crises share two key characteristics. Firstly, they possess a "decentralized impact," transcending national borders even when their origins are clearly identifiable. Secondly, they are facilitated by the same forces that drive the progress of globalization, such as the free movement of people, advancements in technology and travel, the emergence of global media, and the integration of national economies (Ritzer, 2007). Despite these commonalities, the influence of global crises across different geographical areas is not consistent either quantitatively or qualitatively.

For instance, the 2008 financial crisis had a more pronounced effect on the gross domestic product growth of advanced economies compared to emerging economies. The political impact of populist parties in Europe, stemming from the sovereign debt crisis, was notably stronger in European countries participating in the Eurozone than those that did not (Guiso, 2019). Conversely, climate change disproportionately affects poorer countries compared to wealthier ones. Even the global COVID-19 pandemic, while impacting the entire world, resulted in varying infection and mortality rates across countries.

Various factors may account for the variability in the impact of global crises across countries, including national social structures, macroeconomic policies, geo-environmental factors, and demographic composition. It's crucial to recognize that global crises manifest uniquely in the areas they affect, and the acceptance and effectiveness of institutional interventions aimed at addressing and mitigating these crises must consider the interplay between their global reach and their localized manifestation within specific spatial units of analysis, such as communities, regions, or countries.

VARIABLES THAT DETERMINE THE RESPONSE TO THE CRISIS

Each time a new thread in face of a global crisis arise, the government is responsible to take action in order to prevent the destructive nature of the negative outcomes of that specific crisis. Naturally, those actions can be proven to be efficient or not over the years, can be criticized and decomposed by each and every mean, in order to understand what was done right and what could be done better. These affect not only the short-term decisions, but also the medium- and long-term strategic directions, shifting the weight to the new problems that have occurred.

Each government had different capacities to respond to a specific external shock and also each country is impacted on a different level by them, which implies that there are a set of variables that influence the decision-making process on a local level individually for each country.

Similarly to a big company that has been affected by an external shock and has a specific strategy of coping with that, a government may have a strategy that works the best for different priorities (Barbera *et al.*, 2021). On a company's level, there are 2 main strategies that are followed in such situations:

- *bouncing back* (e.g. retrenchment, buffering, downsizing, cutback) strategies, including increasing taxes and fees, deferring investments, reducing the costs, scope or size of the organization, and selling assets (Barbera *et al.*, 2017).
- *bouncing forward* strategies (e.g. transformation, repositioning, reorientation). This one emphasizes self-sufficiency, entrepreneurship and innovation by redefining the modes of service delivery and core activities, as well as improving existing services or supplying new services either to current or to new clients (Steccolini *et al.*, 2017).

In this research we are about to apply this concept to the decision-making process in the local governments and see the way it impacts the final outcome. As it is portrayed in Figure 1 below, the nature of the external shock, the vulnerability and the anticipatory capacities are the ones that determine the strategic decisions of the government.

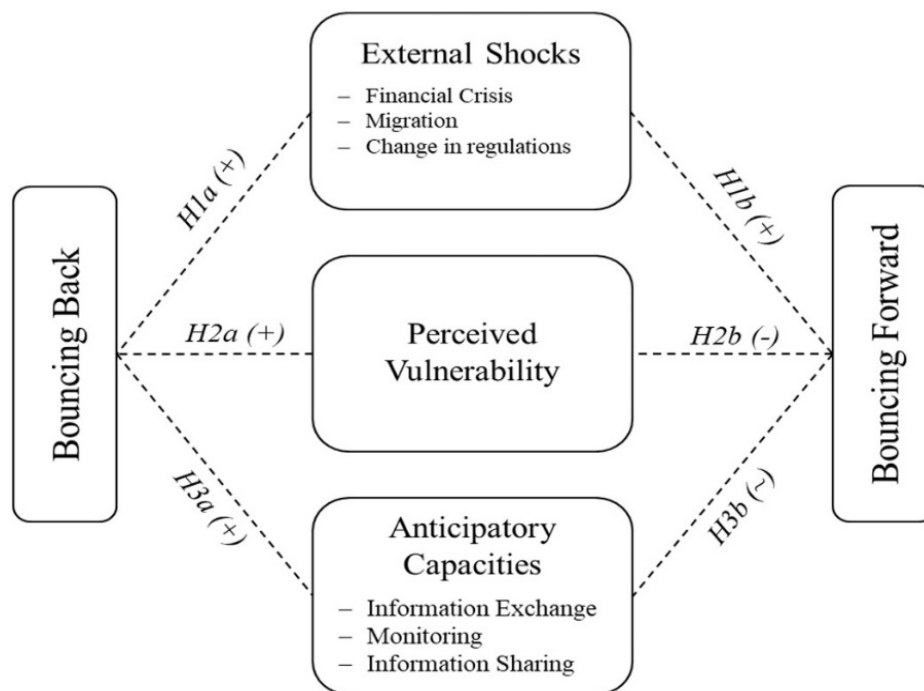


Figure 1. Bouncing Back and Bouncing Forward strategies

Source: Barbera, C., Jones, M., Korac, S., Saliterer, I., & Steccolini, I. (2021). Local government strategies in the face of shocks and crises: the role of anticipatory capacities and financial vulnerability. *International Review of Administrative Sciences*, 87(1), 154-170. Available: <https://doi.org/10.1177/0020852319842661> [Accessed 27 October 2024].

H1: Higher perceptions of external shocks are associated with higher reliance on both bouncing back (H1a) and bouncing forward (H1b) strategies.

H2: A higher level of financial vulnerability is positively associated with bouncing back strategies (H2a), and negatively associated with bouncing forward strategies (H2b).

H3: A higher level of anticipatory capacities (i.e. monitoring, information exchange, information sharing) is positively associated with bouncing forward (H3b) but not bouncing back (H3a) strategies.

External shocks represent significant events that can profoundly affect organizations, posing a potential threat to their continued existence. The impact of these shocks can be direct, such as diminishing tax bases, or indirect, stemming from occurrences like natural disasters or shifts in government policies. Several scholars emphasize the crucial role that perceptions play in how crises and shocks are managed.

Particularly, they argue that both individual perceptions and managerial interpretations of events influence the attention given to an event or potential shock and guide the organization's response. Extensive literature exploring governmental responses to the global financial crisis indicates that governments worldwide experienced varying degrees of impact. Some responded with incremental measures, while others implemented more profound changes. Case studies of local governments (LGs) in Germany, Italy, and the UK underscore that alterations in regulations, such as taxation limits, task devolvement, or cuts to public, can have unforeseen and enduring effects (Papenfuß *et al.*, 2017). These changes also influence public managers' perceptions and the development of subsequent response strategies.

Building on these findings, it can be anticipated that when public managers perceive a heightened intensity of external shocks, this perception will manifest in more robust responses. These responses may encompass both incremental adaptations and buffering measures to bounce back from the shock, as well as more radical transformations and repositioning strategies to bounce forward and

navigate the challenges posed by the external shocks.

Vulnerability denotes the extent to which an organization is exposed to potential shocks. Arising from a combination of external and internal factors, vulnerability exists at the intersection of the organizational environment. Qualitative examinations of the financial resilience of local governments (LGs) reveal that their ability to perceive and manage vulnerability influences the interpretation and response to shocks.

Previous qualitative investigations indicate that high vulnerability levels correlate with coping strategies primarily focused on buffering. This involves managing internal resources through cost reduction and downsizing. Conversely, LGs perceiving financial vulnerability as controllable and manageable tended to adopt proactive behaviors, demonstrating an increased capacity to anticipate and offset the impact of environmental conditions. Consequently, the perceived level of vulnerability is anticipated to have divergent effects on LGs' responses. Higher perceived vulnerability is likely to drive defensive and risk-averse approaches, aimed at bouncing back from shocks. In contrast, lower perceptions of vulnerability create room for transformative, innovative, and entrepreneurial approaches to navigate challenges.

Anticipatory capacities encompass the tools and capabilities that empower local governments (LGs) to effectively identify, manage vulnerabilities, and anticipate potential shocks before they materialize. This goes beyond traditional planning, monitoring, or risk assessment, extending to the cognitive aspects of situational awareness and sense-making. The presence or enhancement of anticipatory capacities, i.e., the tools and capabilities enabling LGs to foresee shocks and crises while effectively managing vulnerabilities, aids in proactively coping with these challenges.

Anticipatory capacities empower organizations to prepare for shocks in advance, exploring various avenues, including repositioning and reconsidering services and activities. This allows for the implementation of comprehensive strategies to respond to potential shocks. Consequently, a robust presence of anticipatory capacities is anticipated to facilitate the adoption of strategies aimed at bouncing forward, indicating a proactive response to challenges. However, it may not necessarily predict the adoption of strategies focused on bouncing back, which involves recovering from shocks through more traditional and reactive approaches.

There has been a study published in 2021 regarding the way the strategic decisions taken at a local level in United Kingdom, Italy and Germany are impacted by the external factors. All 3 countries have been chosen due to their similarities, especially regarding the services provided within the country, including social protection, education, public order, economic affairs, safety and health. That made possible to create an homogenous sample out of all 3 countries in one, making sure to equalize the circumstances in which the study was made. The survey was based on analyzing the public opinion on the action taken by the authorities in order to deal with the external influential factors. This showed an overall image for the characteristics of the strategy adapted in each case- more bouncing forward of bouncing back.

Table 1. Vulnerability and anticipatory capacities, descriptive and factor analysis

	Descriptives	
	Mean	Std.dev.
S Global financial crisis	3.26	1.126
S Migration	2.58	1.064
S Regulations (e.g. changes in tax base, task devolvment)	3.51	1.003
V Debt level	2.43	1.33
V Volatility of own revenue sources	3.00	0.99
V Level of reserves	3.04	1.15
V Autonomy	3.15	1.11
AC Information exchange with other local governments	3.66	0.86
AC Information exchange with upper levels of government	3.16	0.91

AC Information exchange with external service providers	2.93	0.91
AC Regularly approach professional service providers	2.91	1.00
AC Monitoring changing national policies and regulations	3.74	0.87
AC Monitoring changing citizens' needs	3.46	0.82
AC Monitoring economic developments	3.37	0.91
AC Monitoring socio-demographic developments	3.43	0.91
AC People have the information and knowledge they need	3.56	0.92
AC Information is shared freely	3.39	0.98
AC Relevant information is passed on quickly	3.56	0.98
AC People are encouraged to conduct a complete analysis of problems	3.14	1.00

Source: Barbera, C., Jones, M., Korac, S., Saliterer, I., & Steccolini, I. (2021). *Local government strategies in the face of shocks and crises: the role of anticipatory capacities and financial vulnerability*. *International Review of Administrative Sciences*, 87(1), 154-170. Available: <https://doi.org/10.1177/0020852319842661> [Accessed 27 October 2024].

In Table 1, regarding the reference to *shocks*, the present study looks at three different shocks, which have been mentioned across LGs in 11 countries: the global financial crisis, migration and (change of) regulations (Barbera *et al.*, 2021). With regard to *financial vulnerabilities*, four key issues were assessed to analyse if LGs are in control of both external and internal financial vulnerability sources: financial autonomy, abundance of financial resources (fiscal slack), level of indebtedness and volatility of own revenue resources (Hendrick, 2011). Responses load onto the expected three subcategories for anticipatory capacities, consisting of: (1) exchange of information with external actors (e.g. upper government levels, service providers); (2) monitoring activities (e.g. national policies and regulations, citizen's needs, economic and socio-demographic developments); and (3) providing staff with sufficient information and fostering an organizational setting that encourages problem analysis and information sharing (see Table 2). The summative variables for each subcategory reported acceptable alphas, reaching Cronbach alphas higher than 0.7 in all cases.

As it can be seen in the Table 1, respondents generally gave different weights to different types of shocks: changing regulations they see as being the most important external shock, which is pretty close with the global crises by the level of influence. Migration, in contrast, seems to have affected LGs only to a relatively minor extent.

The most vulnerable point that the respondents saw was the level of autonomy, followed close by the level of reserves. This shows that the great interconnection of those countries and the rest of the Europe is seen as a vulnerability in some way by the locals. Volatility of own revenue sources seem to be a great concern too, while the level of debt doesn't seem to bother much the locals (which is very reasonable regarding the states as powerful as Italy, UK and Germany).

Anticipatory capacities were assessed by 12 different indicators, out of which the most important was considered "Monitoring changing national policies and regulations". That shows the feel of great responsibility from the locals and the need to be always aligned with the overall strategic vision of the country. By that it can already be said that the global crises and the external factors are not only seen as important shock factors, but also as a need to be anticipated and forecasted beforehand. Not less important, the exchange of information and its relevancy is also an impactful factor for the Europeans.

Table 2. Results of regression analysis for response strategies

	Response strategies	
	Bouncing back	Bouncing forward
External shocks		
Global financial crisis	.079*	.102**
Migration	.081**	.160***
Regulations (e.g. changes in tax base)	.146***	.112***
Anticipatory capacities		
Monitoring	-.025	.117**
Information exchange	-.004	.173***
Information sharing	-.017	.080*
Financial vulnerability		
High level of (perceived) financial vulnerability	.372***	-.129***
Controls		
Size	.001	-.014
Debt ratio	-.007	-.022
Investing ratio	-.056	-.007
Current ratio	-.132***	-.077*
Dummy UK	.051	-.076
Dummy Italy	-.106**	-.165***
R ²	.285	.201
Adjusted R ²	.270	0.184
F	18.400	11.557

Note: *p < 0.1, **p < 0.05 and ***p < 0.01 levels, respectively.

Source: Barbera, C., Jones, M., Korac, S., Saliterer, I., & Steccolini, I. (2021). *Local government strategies in the face of shocks and crises: the role of anticipatory capacities and financial vulnerability*. *International Review of Administrative Sciences*, 87(1), 154-170. Available: <https://doi.org/10.1177/0020852319842661> [Accessed 27 October 2024].

The data presented in Table 2 investigates the factors influencing governmental responses, specifically considering various shocks, crises, financial vulnerabilities, and internal capacities that aid in recognizing potential financial shocks. Table 2 displays the results of multiple regression models examining the antecedents of two strategies: bouncing back and bouncing forward. All models exhibited favorable rates for multicollinearity.

Table 2 reveals that the adoption of bouncing back and bouncing forward strategies is driven by distinct antecedents. Although all types of external shocks exhibit a positive correlation with both strategies, supporting the hypothesis (H1) that higher perceived shock levels are linked to a greater reliance on response strategies, their significance varies. Migration plays a crucial role in driving recovery through a forward-looking approach, whereas regulation has the most significant impact on returning to pre-crisis conditions. Although the global financial crisis is statistically significant, its overall effect remains relatively modest, becoming most evident in the bouncing-back model.

Financial vulnerability emerges as a key factor in recovery, supporting the idea (H2a) that individuals who perceive greater financial risk are more likely to adopt strategies focused on returning to stability. At the same time, as expected (H2b), financial vulnerability is negatively associated with forward-looking recovery strategies, though its influence is less pronounced.

Different aspects of anticipatory capacity show a positive correlation with proactive recovery strategies among local governments (H3b). However, the extent of their impact varies – information exchange has the strongest effect, while information sharing remains significant but to a lesser degree. This correlation disappears when examining their relationship with traditional recovery approaches (H3a). Control variables suggest that both recovery strategies are negatively associated with a strong financial position over a 10-year period, while other factors show no significant influence.

It is important to note that this analysis does not provide a comprehensive global perspective on governmental decision-making, nor does it fully capture the long-term effects of strategic shifts on economic, environmental, educational, and social priorities. However, it does reflect how government measures are perceived at local and individual levels. Public opinion on strategic priorities influences responses from individuals, businesses, and broader economic and social structures, ultimately shaping the effectiveness of policies in addressing crises and disruptions.

CONCLUSIONS

In the 21st century, global challenges, spanning from pandemics to climate change and geopolitical tensions, compel governments to swiftly reassess strategic priorities. The intricate dance between crises and government strategies, exemplified by health crises like COVID-19, necessitates adaptability. Environmental crises require a harmonized approach to economic growth and sustainability. Economic downturns unveil vulnerabilities, shifting priorities to safeguard livelihoods. Geopolitical tensions prompt delicate balancing acts in national security. These interconnected challenges demand comprehensive responses at international and local levels. This exploration delves into how governments navigate and innovate amid uncertainty.

In conclusion, this survey has provided some insights into the intricate relationship between global crises and the evolution of government strategic priorities, drawing on international experiences. The findings underscore the dynamic nature of governance in the face of diverse challenges, at a local level as well as at an international level.

The observed variations in the significance of different shocks and their association with bouncing back and bouncing forward strategies emphasize the nuanced nature of governmental responses. Migration and regulation, for instance, emerged as influential factors, each playing a distinct role in shaping strategic priorities during times of crisis. The somewhat modest impact of the global financial crisis in comparison highlights the specificity and contextual nature of such influences.

Financial vulnerability, as a key enabler of bouncing back responses, reinforces the importance of economic considerations in governmental decision-making. The survey results align with the hypothesis that higher perceived financial vulnerability prompts a reliance on bouncing back strategies, offering valuable insights into the economic dimensions of strategic adaptation.

Moreover, the positive associations between anticipatory capacities, particularly information exchange, and bouncing forward strategies underscore the significance of proactive measures in navigating crises. This aligns with the hypothesis that different dimensions of anticipatory capacities influence the adoption of forward-looking strategies, providing governments with tools to not only recover but also thrive in the aftermath of crises.

Regarding the specific examples of a crisis that influenced greatly the government's decision on a strategic level, Covid-19 had a huge impact worldwide, as it has been stated in the current survey. As a big response to the challenges that arose with this crisis, administrative representatives decided collectively to switch their focus on the public health issues and to invest greatly in the development of this huge and vital structure. As a result the strategic priorities for 2026 indicate a substantial growth in public investments for healthcare systems. The data, detailed in this research paper and criteria outlined in Appendix 1, highlights significant increases in health spending from 2019 to the projected figures for 2026.

Upper-middle-income countries exhibit the highest growth rates, with a 34% increase in health expenses per capita over seven years, and a 9% growth in the weight of health spending as a percentage of GDP. Currently, high-income countries are the leading spenders on public health, expected to increase from 12.4% to 13.4% of total health spending by 2026.

In lower-middle-income countries, health expenses per capita are projected to grow by 20%, reflecting a commitment to economic stability and poverty reduction. Despite the stable weight in GDP, this indicates a prioritization of economic growth over extensive health spending.

Overall, the 15% growth in health expenses per capita by 2026 signals a shift in priorities, acknowledging that strategies effective in 2019 may no longer suffice. The 5% growth in global GDP underscores the imperative for economic improvement, particularly in response to the challenges posed by the significant crisis in 2019.

Even though the analysis of the impact of the crisis over the changing of the strategic priorities has been oriented only on a specific dimension, which is public health, the complexity of the influence is clear, being it on a country level or on a global level. Each type of economy has an order of priorities that needs to be tackled individually, and the answer to the crisis is the most obvious factor that delimitates those group of countries.

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