PANDEMIC AND ENERGY CRISIS – INFLUENCES ON THE LABOR MARKET. RUSSIAN INVASION IN UKRAINE AND ITS CONSEQUENCES

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Abstract

This article aims to present a brief analysis of the 2022 moment in the light of the evolution occurred on the labor market under double crisis conditions (pandemic and energy crisis), on the one hand, and of the way of adapting labor resources to the new conditions, on the other hand.

The European and Member States welfare depends on the way people adapt themselves or are helped to adapt to the economic and social environment imposed by the new living conditions that have occurred worldwide in recent years. Given this socio-economic situation, we intend to sum-up the way in which labor work has been affected and changed and whether it has succeeded in adapting to the new challenges.

During the elaboration of this study, the political, strategic and economic perspective was radically changed. On 21 February 2022, after a period of extreme tensions, Russian President Vladimir Putin decided to recognize administrative regions Donețk and Luhansk of Ukraine as independent entities and to send troops of Russian Federation to these areas. In the morning of 24 February 2022, Russian Federation began the illegal invasion of Ukraine, an independent state, member of the UN.

Keywords: *labor market, pandemic crisis, political and military crisis, social and economic security, energy crisis.*

1. Introduction

Current crisis which initially took the form of a sanitary crisis and later of an economical, technical and social crisis has caused so much transformations that the world would need years before being able to measure the scale of the disaster. Covid 2019 pandemic which started at the end of 2019 continues to produce new victims due to changes in the structure of the original virus. The crisis has produced long-term "scars" on economies and societies as a whole.

As we mentioned in previous paper works, the economic sectors affected by the effects of the pandemic and the losses of small and medium-sized enterprise drew back the growth, already modest, recorded in latest years, before the pandemic.

For example, only SMEs have been 50% more affected than large companies. In fact, the loss of jobs due to the pandemic has ruined five years of progress, according to a 2020 UN report, and the return to pre-crisis levels will be very slow. Until at least 2023, employment growth will be insufficient to offset the losses suffered. In the same context, Guy Ryder, Director-General of the International Labor Organization, noted: "the world will be completely different". On this path that we have set out, the labor market will surely recover in the coming years, but there will be huge inequalities between the states of the world. There can be noted a sharp recovery in developed countries with high income and jobs destinated to highly qualified specialists.

Risk of unemployment in economic sectors and impact on output as a result of COVID-19 crisis, at global and EU-27 level

Economic sector	**Potential impact on output**	**Potential risk of job loss in the EU (%)**
Hospitality industry	high	74
Culture and entertainment	medium- high	50
Trade	high	44
Constructions	medium	30-40
Manufacturing industry	high	20
Utilities	low	10-20
Transport, storage	medium- high	19-20
Finance and insurance	medium	18-20
Administration and public order	low	10-17
Local administration	high	10-17
Education	low	10-15
Real estate	high	10-15
Health and social work	low	10-13
Professional services	low	under 10
Computer science, telecommunications	low	under 10
Agriculture, forestry, fishing	low	under 10

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Economic sector	**Number of workers before the crisis** (thousands)	Share in the global number of workers (%)	**Jobs in the E.U.** (millions)
Hospitality industry	143661	4.3	8.4
Culture and entertainment	179857	5.4	1.7
Trade	481951	14.5	14.6
Constructions	257041	7.7	5.9
Manufacturing industry	463091	13.9	7.9
Utilities	26589	0.8	0.4
Transport, storage	204217	6.1	2.3
Finance and insurance	52237	1.6	1.2
Administration and public order	144241	4.3	1.7
Local administration	-	-	2.5
Education	176560	5.3	3
Real estate	-	-	0.3
Health and social work	136244	4.1	3.5
Professional services	-	-	1.6
Computer science, telecommunicati ons	-	-	0.6
Agriculture, forestry, fishing	880373	26.5	0.4

Source: The Romanian Academy – Department of Economic, Legal and Sociological Sciences, Institute of Economic Forecasting, Evaluări ale impactului macroeconomic al COVID -19, Coord. Acad. Lucian Liviu Albu, p.18

At the same time, developing countries will be severely disadvantaged. In other words, “the rich get richer” because they will quickly adapt to the new working conditions that require advanced technology. On the opposite side, “the poor get poorer” by immeasurably affecting human resources, especially women, young people and employees in the informal sector.

2. The effects of the pandemic crisis during 2020-2022

During the 2 years of pandemic, European companies recorded a series of losses with medium- and long-term effects. The most affected were small and medium-sized enterprises operating in the accommodation, food, wholesale or retail trade, construction and much of the manufacturing industry. The losses recorded by companies have major impact on investment, productivity and the ability to set up new jobs. At the EU level, the SME instrument was set up under Horizon 2020 research framework programme[1] to support innovation in SMEs. With an overall budget of €3 billion for the period 2014-2020, the instrument provides grants to high-potential companies. The support is granted in three phases. Therefore, a capital of up to €50,000 is available for supporting feasibility studies, in Phase 1. In Phase 2, a capital of €2.5 million is available for conducting research and development and market-testing. In the last phase, assistance may also be provided through coaching, mentoring or other business acceleration services. The European Commission published a special report meant to help European business to avoid bankruptcy in the wake of the pandemic on 3 November 2021. The report shows that there are a number of common features of the affected businesses, such as a lack of liquidity that has quickly turned into insolvency. Thus, with the support of the national authorities, financial and fiscal measures were taken immediately to help the employees in the affected areas, in the first place.

Despite all these quickly adopted measures, EU surveys show that a quarter of informal businesses face imminent bankruptcy. If we extrapolate this percentage to the world economy, it turns out that about 2 billion informal workers have lost all forms of income. At the same time, these people can no longer receive the minimum income insured by social assistance. Along with informal workers, there is also a very large category of unskilled or lower-skilled workers who have fully felt the effects of layoffs during this period. Obviously, there are also overworked sectors in which there has been an acute shortage of staff, such as the medical field, where even resident students were called to work, due to the lack of medical staff Along with doctors, those in transport or personal care workers, *i.e.* those most exposed to the virus infection, were also required.

In terms of education and training, the pandemic has meant a slowdown and in some places a stagnation in the pace of development. It is already mentioned that we will face generations of illiterate children and later of young people. These are children who learned more or less from home, in the first grades. Their proper training was largely the responsibility of their parents.

[1] The European Court of Auditors, Special Report 02, 2020, SME Instrument.

3. Discrepancies in the human resources market

Since the beginning of the pandemic, more than 80 countries[2] have initiated hundreds of social protection measures in 2020 in response to the impending crisis. The large majority of these are measures related to the adjustment of social spendings, followed by measures to allocate additional funds or the introduction of new aid programs.

By means of Law Decree no. 18 of 17 March 2020, Italy approved "social depreciation" measures to compensate income reduced as a result of social isolation and thus the restriction of economic activity, such as: granting a non-taxable allowance of €600 / month for freelancers, holders of collaboration contracts and workers[3];

Germany launched the largest package of economic recovery measures, aimed mainly at supporting enterprises. However, the program also includes measures for households and specific categories of employees such as: the creation of a separate € 50 billion aid fund for smaller companies and self-employed workers. This fund is intended, for example, for artists, taxi drivers, bookstores, etc.; small companies and sole proprietors, with up to five employees, receive € 9,000 for three months to cover current expenses or to pay debts; companies with 6-15 employees will receive €15,000 for three months.

In Belgium, as of March 2020, self-employed workers who can demonstrate that their activity was affected by COVID19 pandemic, can benefit from the following facilities: if they find that their income is lower than estimated for tax purposes, they can claim a reduction of the taxes to be paid; they can benefit from payment deferral or exemption of social security contributions (for social security contributions in the first two quarters of 2020, a one-year deferral is granted, with no interest on arrears or exemption from paying social security contributions); if they have to stop working for more than a week, they are eligible for financial support of EUR 1,266.37 / month if they do not have dependent family members and EUR 1,582.46 / month if they have dependent family member.

The largest real economy aid program in history has been approved in the United States. Its scope is to strengthen the economy, inject liquidity and stabilize financial markets[4].

The program includes aid distributed directly to households, loans to SMEs and large companies, as well as more financial resources in health. The program, amounting to more than $2,000 billion provides, among other, support for family income by granting $1,200 for an adult, namely $2,400 for a couple and additional child care. The aid will be capped starting with annual income exceeding $75,000 per person. Furthermore, unemployment benefits are increased by $600 per week, for 4 months, in addition to the amount set by each US State. Unemployment benefits vary from state to state, the average being of $385 per week.

In France, 100% of the technical unemployment benefits are paid by the state. In support of companies but also of the self-employed, payments for social security contributions and taxes were deferred from payment;

In Spain, a guaranteed minimum income is introduced to compensate for lost income, for Spanish citizens and for foreigners legally residing in Spain.

In addition, packages of fiscal measures have been adopted to support economic agents. Specifically, the social protection measures are aimed at: payments for sick persons; payments for parental assistance during school closure; salary benefits or extension of unemployment insurance. Furthermore, a large number of transfers and advance payments for the financing of companies have been made; encouraging public investment; providing sectoral support or guarantees especially for SMEs. Among fiscal measures, we mention: the deferral and reduction of taxes and duties for companies and households; VAT reduction, etc.

The International Labor Organization (ILO) grouped the measures to fight the effects of the pandemic on four pillars of action:

- Using social dialogue to find solutions;
- Stimulating the economy and jobs;
- Supporting enterprises, employment and incomes;
- Protecting workers in the workplace.

In this background, ILO maintains a system of international labor standards aimed at promoting opportunities for all to obtain decent work. Given that, for many workers, the shift to telework was abrupt and highlighted the importance of a safe, healthy and even pleasant teleworking environment, a number of issues related to occupational health and ergonomics have been rethought. In this respect, within ILO, the General

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[3] The Romanian Academy – Department of Economic, Legal and Sociological Sciences - "Costin C.Kirițescu" National Institute for Economic Research, *Vulnerabilități ale pieței muncii și ocupării în contextul pandemiei covid-19. Posibile soluții*, Dr. Luminița Chivu, Dr. George Georgescu (coord.).

[4] https://www.ecb.europa.eu/pub/annual/html/ar2020~4960fb81ae.ro.html.

Survey on Employment and Decent Work[5] in a changing landscape acted by measures to protect labor resources against the new dangers to which they are subject. Specifically, by means of discussions and agreements, the authorities of some countries have considered infection with the new virus as a work-related injury, in order to ensure easier and faster access to associated benefits. In other states, it has been explicitly considered that infection can be considered an occupational disease, especially among highly exposed workers. Information and communication technology have a special impact on work organization as well as on working hours, by participating in the development of telework. Therefore, the boundaries between working time and rest periods are blurring.

The ILO's policy framework for responding to the COVID-19 crisis uses an integrated approach incorporated in the international labor standards and social dialogue, in order to mitigate the socio-economic implications of the pandemic and help countries recover from it. This framework presents a set of interventions to be tailored to country-specific needs, based on four pillars[6].

Regulations are required in the national legislation of the countries on the needs of workers in relation to their physical and mental health and the particularly fragile balance between professional and private life. Within the same framework, it is required to count working hours as accurately as possible, in cases of the employees who have been forced to work from home, in order to ensure compliance with the limits of working hours and rest periods.

All of these measures are in line with recent ILO concerns, derived from labor resource analyses that address issues related to employment, social protection, wage protection, SMEs promotion, cooperation at workplace and even combating discrimination in the current situation.

However, pandemic has opened a real "Pandora's box" in the relationship between employees and employers. According to the American historian Benjamin Hunnicott of the University of Iowa, at the beginning of the last century, it was thought that progress would bring less work and higher wages. The famous economist John Maynard Keynes stands in the support of this argument[7] by predicting that people would work only 15 hours a week, by 2030.Work will be a path to achieve an end, not the end itself. However, after the great economic crisis of 1929-1933, time stopped for employees and we remained with the same 40-hour-a-week schedule, although both technology and labor productivity increased greatly.

The number of American employees leaving their jobs continues to grow, making it increasingly difficult for companies to fill a record number of vacancies, according to MarketWatch. Nearly 4 million Americans have resigned since 2021, twice the level of the same month in 2020. As for private sector employees, the percentage of resignations increased by 2.8%. The main argument[8] supporting such data is that people are looking for better jobs with better salaries. In this respect, many companies have increased their salaries or offered benefits to attract workers. For example, a recent study performed by Bank of America notes that people who have decided to change jobs have earned 13% more due to their new positions. At the same time, more and more people have re-evaluated their careers and decided that they are no longer attracted to their current position and want to try something different. The phenomenon has given employees more freedom as the economy gets rid of the effects of the pandemic. Moreover, Americans could benefit from generous unemployment benefits during Coronavirus crisis. Since most of the restrictions on individuals and businesses have already been given up to, demand in the United States has risen dramatically, and businesses are eager to hire more and more people to cope the current situation. Therefore, employees were given more leeway in the competition to attract labor force, allowing people to be more demanding about the jobs they choose, according to economists. Other analysts believe the government's benefits have allowed Americans to stay out of the labor market or even to resign. Biden administration launched tax incentive in March, offering $1,400 to nearly all citizens. In addition, the new law added a $300 compensation to state benefits for the unemployed. Federal benefits expire at some point, and then resigners will want to get hired. Normally, people who give up work cannot qualify for unemployment benefits, but there are exceptions in many states for reasons related to children's health and care. This situation has spread rapidly in Europe as well. Thus, in Western Europe, the strength of social systems has made people less likely to leave their jobs. Thus, in Western Europe, the strength of social systems has made people less likely to leave their jobs. OECD studies show that around 14 million people within Member States left labor market between 2020 and 2021. In addition, about 3 million of young people are

[5] International Labour Organization Standardele OIM şi COVID-19, dispoziţii generale ale standardelor internaţionale de muncă relevante evoluţiei pandemiei COVID-19 of 29 May 2020, version 2.1.

[6] https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/briefingnote/wcms_761916.pdf.

[7] *Marea resetare a muncii, cum arată revoluţia demisiilor în România faţă de fenomenul American*, Andrei Luca Popescu, May 2022.

[8] Eduard Ivanovici, 13.06.202, Ziarul financiar, *Numărul de demisii din SUA ajunge la un nivel record: În aprilie, aproape 4 milioane de americani şi-au părăsit de bună voie jobul*, Finance Newspaper - The number of resignations in the US hit record highs: In April, almost 4 million Americans left their jobs voluntarily.

neither in employment nor working in the EU. A survey conducted in August 2021 found that a third of German companies reported large shortages of skilled workers in many sectors. Detlef Scheele, head of the German Federal Employment Agency declared for "Suddeutsche Zeitung" that Germany would have to import 400,000 skilled workers to balance out manpower shortages in many sectors, from healthcare to industry sector. The temporary closure of borders, but also the relative increase of salaries in Central and Eastern Europe explains why countries as Germany or Denmark face accentuated human resource shortage in slaughter-houses or hospitality industry.

The study conducted in 2018 by the Bureau of Labor Statistics estimated that, on average, men change jobs every 3 or 4 years and women every 4 years. This number varies greatly with age. While young people are willing to change jobs more often, at about 2.8 years old, those approaching the age of 50 are much more stable, with a trend of resignation after 10 years. The reasons why people want to resign are various, starting from the need for more attractive salaries and the desire to develop, to form a professional career and ending with feelings of failure, limitation and injustice. Prior to the pandemic crisis, Amazon Company, declared that it rewarded its employees who retired from the company and wanted to start their own delivery business, going further, they were even willing to grant three severance pays to those who quitted job. These practices were aimed at keeping in the company only those employees who really wanted to work there. All this happened before the pandemic broke out. Now, the situation is completely different, companies are trying to get their employees back to work and therefore, they make great efforts by offering attractive salaries, bonuses and the opportunity to work from home 2 or 3 days a week.

4. Russia-Ukraine Conflict – Economic and Political Consequences

Russia-Ukraine conflict triggered financial market tensions and drastically raised uncertainty over global economic recovery. In February 2022, the world changed and the same happened to economic. social and political risks.

The conflict threatens to further affect the energy and commodity markets. The Russian Federation is the world's third largest producer of oil, the second largest producer of natural gas and one of the top 5 producers of steel, nickel and aluminum. It is also the largest exporter of wheat (almost 20% of global trade in this product). At the same time, Ukraine is a major producer of agricultural products.

On 24 February 2022 – the day when the invasion started, the financial markets around the world declined sharply and the prices of oil, natural gas, metals and food increased. Following the escalation of the crisis, the price of Brent oil surged to $100 a barrel for the first time since 2014, while Europe's TTF gas prices surged at a record €192 (4 March 2022). Although high commodity prices have been some of the risks already identified as potentially disruptive to the global economy recovery, the escalation of the military conflict increases the possibility that commodity prices would fluctuate to record levels for a long time. Furthermore, the current conflict on the background of a global economy affected by the pandemic crisis, sharpens the threat of a high and long-term inflation, thus increasing the risks of stagflation and social unrest, both in developed and emerging countries.

The crisis triggered by the conflict between Russia and Ukraine severely affects the automotive industry, already strained due to various shortages and high prices of commodity and raw materials: metals, semiconductors, cobalt, lithium, magnesium etc. Ukrainian car factories deliver to major Western European carmakers: some of them have announced a shutdown of factories in Europe, while other factories around the world are already planning to shut down due to a shortage of chips. Air and sea freight companies will also be affected by higher fuel prices, airlines being most at risk. Firstly, fuel accounts for about a third of their total costs. Secondly, European countries, the United States and Canada have banned Russian airlines from entering their territories, and Russia has banned European and Canadian aircraft from its airspace. This means higher costs, as airlines will have to choose longer routes. Finally, these companies cannot increase their costs very much, as they continue to face lower revenues due to the impact of the pandemic[9]. Freight rail transport will also be affected: European companies are banned from doing business with Russian railways, which is likely to disrupt freight activity between Asia and Europe, which transits to Russia. Moreover, it is expected that petrochemical raw materials become more expensive and rising natural gas prices have impact on fertilizer markets, and therefore on the entire agri-food industry.

[9] https://adevarul.ro/economie/business-international/impactul-economic-razboiului-rusia-recesiune-puternica-europa-expusa-risc-scumpiri-majore-lumea-1_62285fbb5163ec4271f735d3/index.html.

5. The Main International Sanctions Generated by the Invasion of the Russian Federation in Ukraine

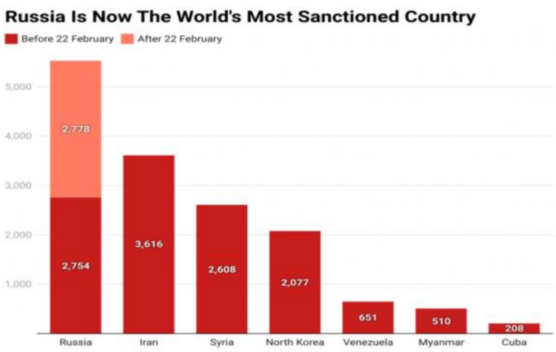
Russia's economy will be in dire straits in 2022, by falling into a deep recession. Updated GDP forecast[10] Following Russia's recognition of non-government-controlled areas in the Donetsk and Luhansk regions of Ukraine and the onset of Russian military aggression against Ukraine, the EU has reacted promptly through a wide range of restrictive measures[11].

Restrictive measures taken by the European Union in response to Russia's invasion in Ukraine

Chronological evolution	Measures taken by the European Union
23 February 2022	The EU imposed the first package of measures, among which: • specific restrictive measures • restrictions on economic relations with areas not controlled by the government in Donetsk and Luhansk Oblasts • financial restrictions
25 February 2022	The EU imposed the second package of measures, among which: • individual sanctions against Vladimir Putin, Serghei Lavrov and members of the Russian State Duma, among others • economic measures
28 February 2022 2 March 2022	The EU imposed the third package of measures, among which: • providing equipment and materials for the Ukrainian military forces by the EU's Instrument contributing to Stability and Peace • a ban on the overflight of EU airspace and on access to EU airports by Russian carriers • a ban on transactions with the Russian Central Bank • a ban on SWIFT access for seven Russian banks • the suspension of the broadcasting activities in the EU of the outlets Sputnik and Russia Today • individual and economic sanctions against Belarus
9 March 2022	The EU imposed new measures, among which: • a ban on SWIFT access for three Belarusian banks • prohibits transactions with the Central Bank of Belarus • limits the financial inflows from Belarus to the EU • prohibits the provision of euro-denominated banknotes to Belarus • restrictions on export of maritime navigation goods and radio communication technology to Russia • sanctions imposed to another 160 persons

Source: https://www.consilium.europa.eu/ro/policies/sanctions/restrictive-measures-ukraine-crisis/

2,754 economic and political sanctions were already in force against Russia. After the invasion of Ukraine on 24 February 2022, other 2,778 sanctions were imposed, leading to a total of 5,532 – by exceeding the 3,616 sanctions imposed to Iran. According to the ranking, the two states are followed by Syria, North Korea, Venezuela, Myanmar and Cuba[12].



Source: castellum.ia

US was the main source of sanctions, with a rate of 21%, followed by the combined total of 18% of the United Kingdom and the EU. The states that have imposed most sanctions on Russia. Countries around the world have stepped up sanctions against Russia in an attempt to step up pressure on Moscow to stop the attack on Ukraine. Other sanctions are expected as Moscow continues its aggression against Ukraine. The list of sanctions imposed by Western powers includes the blocking of loans in foreign markets, the removal of Russian banks from SWIFT, the blocking of assets and the seizure of Russian oligarchs' and top officials' property from abroad or export restrictions[13]. The economic impact of the war: Russia – strong recession.

[10] https://www.coface.com/News-Publications/News/Outlook-2022-peering-through-the-jungle-of-economic-news.
[11] https://www.consilium.europa.eu/ro/policies/sanctions/restrictive-measures-ukraine-crisis/.
[12] https://www.libertatea.ro/stiri/raport-rusia-este-statul-cu-cele-mai-multe-sanctiuni-impuse-impotriva-ei-4020546.
[13] https://www.libertatea.ro/stiri/raport-rusia-este-statul-cu-cele-mai-multe-sanctiuni-impuse-impotriva-ei-4020546.

Europe – exposed to risk. Major price increase worldwide[14].

Russia-Ukraine conflict sparks financial market tensions, raising uncertainty over global economic recovery.

There are a series of economic implications[15] of Russia's invasion in Ukraine which are considered major, according to a S&P report:

- Risk repricing that drives up borrowing costs or limits funding access for weaker borrowers;
- A drag on economic expansion, particularly in emerging markets, which are already feeling inflationary pressures and U.S. monetary policy tapering;
- Sustained inflationary pressures across economies via higher energy, food, and metals prices;
- The possibility of a migrant crisis in Eastern Europe, as Ukrainians attempt to leave the theater of war;
- Profit erosion for sectors that are energy intensive or rely on consumer discretionary spending.

Disruption to production and exports—particularly if Black Sea ports are shut down – could exacerbate food price inflation globally, adding to the energy price shock that is already weighing on disposable incomes[16].

Wages in Russia are falling because of the war. What will the Russian people do in the event of an economic collapse?[17]

Western countries have turned the economy into a weapon in response to the Russian invasion in Ukraine. More than 300 companies are closing or suspending operations in Russia, with hundreds of thousands of employees directly affected. Under these circumstances, the following questions arise: Will the Russian people resist? For how long? What will Russians do? Russia became the most sanctioned country in the world, surpassing Iran, after the invasion in Ukraine which started two weeks ago. More than 5,500 sanctions against Russian individuals and entities are in force on 9 March 2022. "The question is whether these economic and social effects can be converted into opposition political attitudes towards Putin. The sanctions affect those who, before the application thereof, benefited from the positive effects of clan capitalism of Russia. For many Russians, ideological fuel is at least as important as material fuel"[18].

As a result of the sanctions, Russia's currency collapsed and the population rushed to withdraw both rubles and foreign currency from banks. In order to save currency and fight inflation, Russia's Central Bank has raised key interest rates to 20%, a record high. A dollar was bought in March 2022 even for 136 rubles. When Putin first became president of Russia in 2000, a dollar was bought for 30 rubles, and when the Covid pandemic broke out in 2020, a dollar was worth 60 rubles. At the same time, 71.5 million Russians were employed in Russia, in January 2022, the number falling from 72.50 million in December 2021. The minimum wage in Russia was of 13,890 rubles, about 177 US dollars, at the beginning of 2022.

Many Russian supermarket chains[19] agreed to limit price increases to a maximum of 5% for dairy and bakery products, sugar and some vegetables, according to TASS Russian News Agency, which cites federal antitrust authorities. But it will be difficult for Russia to go through the sanctions imposed by the West.

In addition to the fact that disconnecting from SWIFT will temporarily block transactions, the freezing of Russia's central bank assets will mean that the institution can no longer intervene in the foreign exchange market to defend the ruble. About 400 billion euros of the 600 billion euros of Russia's reserve are frozen[20].

In addition, the citizens of Moscow took bank ATMs and branches by storm in search of cash, both in rubles and dollars, because they fear a collapse of the national currency and the inability to use international payment systems, according to the American press. Such a withdrawal of money from the Russian banking system will put even more pressure on the depreciation of the ruble. Moreover, first round of sanctions announced by US President Joe Biden is also very painful for Russia. US President announced the limitation of Russia's possibility of doing business in dollars, euros, pounds and yens in order to be part of the global economy and the sanctioning of Russian banks that together hold about $ 1 trillion in assets.

6. Conclusions

Humanity is currently immersed in a process of irreparable change in which professionals in digital marketing, on line training, data analysis or experts in

[14] https://adevarul.ro/economie/business-international/impactul-economic-razboiului-rusia-recesiune-puternica-europa-expusa-risc-scumpiri-majore-lumea-1_62285fbb5163ec4271f735d3/index.html.

[15] https://economie.hotnews.ro/stiri-finante_banci-25392586-8-implicatii-economice-efectelor-razboiului-ucraina-raport-agentie-rating-rusia-intrat-gunoi-china-nu-inlocuiasca-deplin-europa-piata-cheie-rusiei.htm.

[16] *Ibidem.*

[17] https://romania.europalibera.org/a/populatia-rusa-sanctiuni-economice-combustibil-ideologic/31744822.html.

[18] Cosmin Popa, scientific researcher at "Nicolae Iorga" Institute of History.

[19] https://www.mediafax.ro/externe/razboiul-din-ucraina-este-o-catastrofa-economica-avertizeaza-banca-mondiala-20587422.

[20] https://economedia.ro/cum-va-fi-afectat-sistemul-bancar-romania-de-sanctiunile-impuse-bancilor-din-rusia-ce-masuri-ia-banca-nationala-in-plin-razboi.html#.Yi7q3LbP2Uk.

cybersecurity and various sectors of health can find a wide range of possibilities. Therefore, it's time for many economies to reinvent themselves. Unfortunately, according to the DESI index, our country is the third least digitized EU member state, the difference from the last place occupied by Bulgaria, being made by connectivity (internet access).

As of 2020, immediately after the spread of the pandemic in Europe, the European Commission anticipated the earthquake caused by the installation of the virus and created the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE). This is a support system for part-time work regimes meant to help protect the jobs and employees affected by the pandemic. SURE, with a total value of 90 billion euros, has been distributed to countries severely affected by the pandemic. In this situation, the countries affected by the large number of cases of illness, Italy and Spain benefited from aid amounting to 27.4 billion euros, respectively 21.3 billion. Romania received 4.1 billion euros.

Despite all the aid received, many European countries, including Romania, are facing worrying and contradictory phenomena such as the feeling of isolation or failure for those who have worked from home, and on the other hand the desire to change the current workplace and even to quit. As Michael Miebach, CEO of Mastercard noted, according to Bloomberg, workers who are looking for job changes to better their prospects is a phenomenon exacerbated by the pandemic that will remain for some time. In the same context, a study conducted by Microsoft during this period of the pandemic shows that 41% of employees worldwide are seriously considering leaving their current jobs. In Europe alone, it is estimated that 46% of employees plan to resign in the next 6-12 months, according to a study conducted by the German company Personio. In fact, more than 50% of those surveyed by the German company said they intended to resign before the pandemic broke out, which only accelerated people's desire to explore new options.

Notwithstanding, Ursula von der Leyen, the President of the European Commission believes that sooner or later scientists will find a vaccine to eradicate coronavirus. But the changes produced during this period will leave definitive marks at least on the level of human consciousness.

In this context, the period 2020-2022 will certainly produce consequences that are impossible to assess at this time. Russia has reached a relatively strong financial stage before the conflict: a low level of external public debt, a recurring current account surplus, as well as substantial foreign exchange reserves (about $640 billion). However, the freezing imposed by the Western depositing countries on the latter prevents Russian Central Bank from deploying and mitigates the effectiveness of Russia's response. Russia's economy could benefit from higher commodity prices, especially for its energy export. However, EU countries have announced plans to limit imports from Russia. In what concerns the industrial sector, the restricted access to the equipment of semiconductors, computers, telecommunications, automation and information security produced in the West will be detrimental, given the importance of these inputs in the Russian mining and manufacturing sectors. The European economies are most at risk. Due to dependence on Russian oil and natural gas, Europe seems to be the region most exposed to the consequences of this conflict. Replacing the entire supply of Europe with Russian natural gas is impossible in the short and medium term, and current price levels will have a significant effect on inflation. At the time of writing this material, with a barrel of Brent oil traded at over $125 and natural gas prices on the futures market above €150 /Mwh, an additional inflation of at least 1.5 percentage points in 2022 is expected to erode household consumption and, along with the expected decline in business investment and exports, will determine a decline in GDP by about one percentage point. While Germany, Italy and some Central and Eastern European countries are more dependent on Russian natural gas, trade interdependence in Eurozone countries implies a general slowdown.

Furthermore, specialists[21] consider that a complete reduction in Russian gas flows to Europe would raise the cost by 4 percentage points in 2022, bringing annual GDP growth close to zero and possibly in negative territory - depending on demand management. No region will be exempt from imported inflation and disruptions in world trade. In the rest of the world, the economic consequences will be felt mainly by the increase of commodity prices, which will fuel existing inflationary pressures. As always, as commodity prices rise, net energy and food importers will be particularly affected, with the specter of major supply disruptions if the conflict escalates. The decrease of the demand in Europe will also prevent global trade. The impact will be felt almost immediately in Asia-Pacific by the increase of import prices, especially in energy prices, with many economies in the region being net energy importers, in front with China, Japan, India, South Korea, Taiwan and Thailand. As North American trade and financial ties with Russia and Ukraine are quite limited, the impact of the conflict will be felt mainly through the

[21] https://adevarul.ro/economie/business-international/impactul-economic-razboiului-rusia-recesiune-puternica-europa-expusa-risc-scumpiri-majore-lumea-1_62285fbb5163ec4271f735d3/index.html.

price channel and the slowdown in the growth of the European economy. Despite the prospect of slower economic growth and higher inflation, recent geopolitical events are not expected to affect monetary policy in North America, at this stage.

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