Modelling the future

What scenarios are being prepared to model recovery from COVID 19?
Introduction

This resource pack includes a compilation of different Scenarios which have been developed to model possible futures arising from the COVID-19 pandemic. These examples are drawn from different sectors and contexts. The main body of the report provides snapshots of 9 different snapshots. The annex provides more detail of each, and links to the work described.

Scenario planning

The future impact of COVID-19 is impossible to predict, and there are currently huge levels of uncertainty, making planning very difficult. Scenario planning is a technique widely used in business, civil society and the military to imagine what could happen, and to explore what different pathways into the future could look like.

Scenarios create plausible accounts about different possible futures, and as such, create tools for decision makers, campaigners and communities to influence the process of change.

Using scenario planning in a university setting

Universities are currently reeling from the impact of COVID-19 and having to readily adapt and re-focus their activity.

Scenarios can provide a useful tool to inform conversations about future strategy and activity. We have prepared this pack for people working in public engagement roles, to provide resources you might adapt to inform discussions about the context for and potential contribution of public engagement in the sector’s response to the crisis.
Many of the scenarios circulating currently focus on the two ‘front of mind’ dynamics of public policy response:

- **Epidemiology / public health** (the spread of virus / public health response)
- **Economic Impact** (economic policy response / knock on effects)

McKinsey’s scenarios, right, are a good example of this modelling.

Typically, Scenarios identify two key dimensions that underpin likely future outcomes and use these to explore the boundaries of possibilities. They are designed to act as planning and decision making tools.

See Annex 1
Others identify underpinning motivations / principles which guide decision making, to predict the likely social consequences of the policy choices being made. They posit ‘extremes’ which have been likened to ‘tent pegs’ at the corners of the future.

This scenario maps:
- **VALUE** (the guiding principle of our economy. Do we use our resources to maximise exchanges and money, or do we use them to maximise life?)
- **CENTRALISATION** (the ways that things are organised, either by of lots of small units or by one big commanding force).

This one maps:
- **OPTIMISTIC VERSUS PESSIMISTIC** (successful relationships versus unsuccessful relationships)
- **DISCONNECTED VERSUS CONNECTED** (local versus global)

See Annex 2

See Annex 3
This scenario combines elements of both approaches, mapping

- **LEVEL OF COLLABORATION** (within and between countries)
- **SEVERITY OF PANDEMIC**

See Annex 4
This scenario was developed to support community organisations to respond to the crisis, and was commissioned by the Local Trust.

It maps

- **HOW WE SEE OURSELVES** (‘collective’ vs ‘polarized’)
- **HOW WE TAKE DECISIONS** (‘centralised’ vs ‘distributed’)

**See Annex 5**
This scenario maps how the public might respond against the behaviour of the virus:

- **FREQUENCY** (how the virus behaves in the form of the frequency of the outbreak)
- **REACTION** (how people behave in the form of their emotional reaction and level of panic)

This scenario maps how institutions might respond against the behaviour of the virus:

- **FREQUENCY** (how the virus behaves in the form of the frequency of the outbreak)
- **INSTITUTIONAL RESPONSE** (how institutions respond in the form of either a fragmented or comprehensive response)

These scenarios also map the severity of the pandemic against the behaviour of institutions and individuals.

See Annex 6
Examples of Scenarios

This scenario explores the future of work, and in this case maps social trust against the economic impact

- **ECONOMIC RECOVERY** (Will we experience a near-term economic rebound or not?)
- **SOCIAL TRUST** (Will society adopt permanent caution and fear around physical interactions?).

See Annex 7
Some scenarios just take one dimension and model this. This is the case with Deloitte’s scenarios (more detail on the next slide) which models three economic scenarios, and a number of different variables.

See Annex 8
**Mild economic case**

**Economy**

Economic activity rebounds in late 2020 as the virus dissipates. Recovery initially slow, but speeds up in second half of 2021 as consumers become more confident.

- Dramatic change in behavior and public policy
- Deep but broader recessions in European Union and United States
- Small and medium businesses disproportionately impacted
- Substantial fiscal programs in European Union and United States help to limit damage

**Real GDP growth in 2020**

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>-5%</td>
</tr>
<tr>
<td>European Union</td>
<td>-5%</td>
</tr>
<tr>
<td>China</td>
<td>3%</td>
</tr>
<tr>
<td>Japan</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Epidemiology**

- Relatively constrained disease dynamics and effective health system response
- Outbreak remains in China and North Asia
- Supply chains begin to recover
- Virus spreads rapidly in European Union and United States
- Warmer weather in summer helps to limit the outbreaks
- Rebound of virus in autumn is dealt with through testing and tracking rather than shutting down the economy
- Overall settled human movement limits spread of virus

**Society, technology, policy, environment**

- Increased social cohesion emerging from periods of quarantine
- Acceleration in tech development, with more businesses shifting online
- Growing focus on public institutions and local government as their efforts appear to slow the pandemic

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**Harsh economic case**

**Economy**

The virus follows a wave pattern, abating and then peaking again in multiple global geographies. Economic recovery begins late 2021. Recovery slows in early 2022 and speeds up by second half of 2022.

- Chinese economy recovers slowly
- Deep and prolonged recession in the West affects supply chains and consumer demand
- Fiscal stimulus eases business failures, but does not boost spending

**Real GDP growth in 2020**

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>-8%</td>
</tr>
<tr>
<td>European Union</td>
<td>-8%</td>
</tr>
<tr>
<td>China</td>
<td>1%</td>
</tr>
<tr>
<td>Japan</td>
<td>-3%</td>
</tr>
</tbody>
</table>

**Epidemiology**

- Outbreak in China mostly contained, but some revival due to inbound travel
- European Union and United States have severe outbreak, which comes in waves and lingers until early 2021
- Virus contained by early 2021

**Society, technology, policy, environment**

- Extended and severe virus leads to all things virtual as the norm
- Comfort with life online increases even among previous holdouts
- Technologies of the fourth industrial revolution accelerate in development due to greater demand
- Mixed environmental impact occurs
- Controlled surveillance mechanisms become more prominent

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**Severe economic case**

**Economy**

The epidemic continues with severe infection rates late 2021 until either crowd immunity and/or a vaccine reduces the virality. Economic recovery by mid-2022. Significant risk of spreading outbreaks with feedback loops, limiting recovery.

- Financial system breaks down despite central bank efforts
- Fiscal stimulus is sustained, but fails to boost spending
- Many business failures and household disruptions occur
- Widespread and enduring nationalization of industries takes hold

**Real GDP growth in 2020**

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>-10%</td>
</tr>
<tr>
<td>European Union</td>
<td>-10%</td>
</tr>
<tr>
<td>China</td>
<td>-3%</td>
</tr>
<tr>
<td>Japan</td>
<td>-6%</td>
</tr>
</tbody>
</table>

**Epidemiology**

- Outbreak remains in North Asia, with negative economic consequences
- European Union and United States outbreak prolonged, causing multiple waves
- Efforts at suppression are only partially successful
- More complete custom of society
- Health care systems severely compromised
- Severe outbreaks in emerging countries, possible feedback to North
- Containment is achieved in the West by late 2021 along with mass immunity

**Society, technology, policy, environment**

- Social cohesion begins to emerge as suspicion of others becomes more prevalent
- Environments are in place for societal and domestic government digital data sharing
- Economic recovery prioritized over fighting climate change
- Solvency restored globally, with all border controls and international supply chains
Examples of Scenarios

This model (exploring the impact on humanitarian charities) also takes just three scenarios – in this case the level of containment. It anticipates their IMPACT and their PROBABILITY.

See Annex 9
Articulating uncertainties

Essentially, the scenarios are attempting to help make sense of the future by pinpointing key uncertainties. The scenarios underpinning the future of work were derived as follows. The team:

- Researched potential social, technological, economic, environmental and health, political, and competitive and industry (STEEP C) forces shaping the future of human capital in a post-COVID-19 world, along with conducting a survey of more than 40 leaders, to identify more than 70 potential forces.
- Identified more than 30 key trends and uncertainties based on assessments of likelihood and impact for each force.
- Combined the highest-impact uncertainties and range of outcomes to formulate a 2x2 scenario matrix and supporting blueprint for four plausible and diverse scenarios, built around the primary uncertainties of economic recovery (Will we experience a near-term economic rebound or not?) and social trust (Will society adopt permanent caution and fear around physical interactions?)

They outline the key forces affecting the workforce after C19 as follows

<table>
<thead>
<tr>
<th>Social</th>
<th>Technological</th>
<th>Economic</th>
<th>Environmental and health</th>
<th>Political and regulatory</th>
<th>Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual collaboration adoption</td>
<td>Automation displacing vs. augmenting workers</td>
<td>Recovery of global economy</td>
<td>Persistence of COVID-19 as an ongoing threat</td>
<td>Nationalism/protectionism vs. globalization</td>
<td>Resource sharing across companies</td>
</tr>
<tr>
<td>Fear of physical interactions</td>
<td>Increasing use of digital tools</td>
<td>Economic volatility</td>
<td>Change in delivery and funding of healthcare</td>
<td>Government intervention in industries</td>
<td>Shift in supply chains and location of manufacturing</td>
</tr>
<tr>
<td>Collectivism vs. individualism</td>
<td>Increasing use of data/analytics and data literacy</td>
<td>Growth of the gig economy</td>
<td>Manufacturing sources for healthcare/medical supplies</td>
<td>Government stimulus programs</td>
<td>Corporate restructuring</td>
</tr>
<tr>
<td>Attitudes toward privacy</td>
<td>Extent of digital divide</td>
<td>Variation in recovery by industry</td>
<td>Attitudes toward sustainability/being green</td>
<td>Polarization of political views impeding progress</td>
<td>Size of available workforce</td>
</tr>
<tr>
<td>Public trust in large organizations</td>
<td>Use of technology for tracking worker health/wellness</td>
<td>Increase in digital channels for serving customers</td>
<td>Immigration policies</td>
<td>Strength of organized labor</td>
<td></td>
</tr>
<tr>
<td>Level of social unrest</td>
<td>Shift to online education</td>
<td>Growing economic disparity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generational differences in values and skills</td>
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</tbody>
</table>

Forces affecting the workforce after COVID-19
This summary by McKinsey provides a really useful overview of the key uncertainties being explored in their different scenarios.

Making sense of the future

Five fundamental uncertainties are likely to have a significant impact post-COVID-19

Fundamental uncertainties explored

1. The overall severity of the pandemic and pattern of disease progression
2. The level of collaboration within and between countries
3. The health care system response to the crisis
4. The economic consequences of the crisis
5. The level of social cohesion in response to the crisis

Additional uncertainties explored

**Society**
- Levels of societal trust
- Psychological impacts after quarantine
- Impacts on different generations
- Long-term impacts on education

**Technology**
- Attitudes toward data sharing
- Speed of technological innovation
- Long-term effects on the workplace
- Types of new technology adopted

**Economy**
- Speed of economic recovery
- Distribution of economic growth
- Impacts on inequality
- Shifts to new business models

**Environment**
- Focus on fighting climate change
- Reduction of emissions
- Investments in renewable energy

**Politics**
- Long-term impacts on governments
- Impacts on public policy and regulation
- Levels of trust in political systems
- Changes in election methodologies
Annexes
COVID-19: Implications for business

The Imperative of our Time
"Timeboxing" the Virus and the Economic Shock

1
Safeguard our lives
1a. Suppress the virus as fast as possible
1b. Expand testing, quarantining and treatment capacity
1c. Find “cures”; treatment, drugs, vaccines

2
Safeguard our livelihoods
2a. Support people and businesses affected by lockdowns
2b. Prepare to get back to work safely when the virus abates
2c. Prepare to scale the recovery away from a -8 to -13% trough

Scenarios for the Economic Impact of the COVID-19 Crisis

Virus Spread & Public Health Response
Effectiveness of the public health response in controlling the spread and human impact of COVID-19

Rapid and effective control of virus spread
Strong public health response succeeds in controlling spread in each country within 2-3 months

Effective response, but (regional) virus recurrence
Initial response succeeds but is insufficient to prevent localized recurrences; local social distancing restrictions are periodically reintroduced

Broad failure of public health interventions
Public health response fails to control the spread of the virus for an extended period of time (e.g., until vaccines are available)

Ineffective interventions
Self-reinforcing recession dynamics kick-in; widespread bankruptcies and credit defaults; potential banking crisis

Partially effective interventions
Policy responses partially offset economic damage; banking crisis is avoided; recovery levels muted

Highly effective interventions
Strong policy responses prevent structural damage; recovery to pre-crisis fundamentals and momentum

Knock-on Effects & Economic Policy Response
Speed and strength of recovery depends on whether policy moves can mitigate self-reinforcing recessionary dynamics (e.g., corporate defaults, credit crunch)
Executive expectations about the shape of coronavirus crisis in the World
Survey of 2,079 global executives; % of respondents

**Most likely scenario**

- **B1**: Rapid and effective control of virus spread (15%)
- **B2**: Effective response, but (regional) virus resurgence (11%)
- **B3**: Broad failure of public health interventions (3%)
- **A1**: Ineffective interventions (31%)
- **A2**: Partially effective interventions (9%)
- **A3**: Highly effective interventions (16%)
- **A4**: Ineffective interventions (6%)
- **A5**: Partially effective interventions (2%)

**Knock-on effects and economic policy response**
Scenario A1: Muted world recovery

The virus spreads globally without a seasonal decline. Health systems are overwhelmed in many countries, especially the poorest, with large-scale human and economic impact.

**Epidemiological scenario**

China would need to clamp down on regional recurrences of the virus. The United States and Europe would fail to contain the virus within one quarter and be forced to implement some form of physical distancing and quarantines throughout the summer.

**Economic impacts**

China would recover more slowly and would also be hurt by falling exports to the rest of the world. Its economy could face a potentially unprecedented contraction. The United States and Europe would face a GDP decline of 35 to 40 percent at an annualized rate in Q2, with major economies in Europe registering similar performance. Economic policy would fail to prevent a huge spike in unemployment and business closures, creating a far slower recovery even after the virus is contained. Most countries would take more than two years to recover to pre-virus levels of GDP.
Scenario A1: virus recurrence, with muted recovery

Large economies

<table>
<thead>
<tr>
<th>Real GDP, indexed</th>
<th>Local Currency Units, 2019 Q4=100</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>China</th>
<th>United States</th>
<th>Eurozone</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Real GDP Drop 2019Q4-2020Q2</th>
<th>2020 GDP Growth</th>
<th>Return to Pre-Crisis Level Quarter (+/- 1Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>-5.7%</td>
<td>-4.4%</td>
<td>2021 Q4</td>
</tr>
<tr>
<td>United States</td>
<td>-11.2%</td>
<td>-8.1%</td>
<td>2023 Q1</td>
</tr>
<tr>
<td>Eurozone</td>
<td>-14.6%</td>
<td>-11.1%</td>
<td>2023 Q3</td>
</tr>
<tr>
<td>World</td>
<td>-8.4%</td>
<td>-6.5%</td>
<td>2022 Q3</td>
</tr>
</tbody>
</table>
Annex 2: Simon Mair
From an economic perspective, there are four possible futures: a descent into barbarism, a robust state capitalism, a radical state socialism, and a transformation into a big society built on mutual aid. Versions of all of these futures are perfectly possible, if not equally desirable.
Four futures

To help us visit the future, I’m going to use a technique from the field of futures studies. You take two factors you think will be important in driving the future, and you imagine what will happen under different combinations of those factors.

The factors I want to take are value and centralisation. Value refers to whatever is the guiding principle of our economy. Do we use our resources to maximise exchanges and money, or do we use them to maximise life? Centralisation refers to the ways that things are organised, either by of lots of small units or by one big commanding force. We can organise these factors into a grid, which can then be populated with scenarios. So we can think about what might happen if we try to respond to the coronavirus with the four extreme combinations:

1) State capitalism: centralised response, prioritising exchange value
2) Barbarism: decentralised response prioritising exchange value
3) State socialism: centralised response, prioritising the protection of life
4) Mutual aid: decentralised response prioritising the protection of life.
State capitalism

State capitalism is the dominant response we are seeing across the world right now. Typical examples are the UK, Spain and Denmark.

The state capitalist society continues to pursue exchange value as the guiding light of the economy. But it recognises that markets in crisis require support from the state. Given that many workers cannot work because they are ill, and fear for their lives, the state steps in with extended welfare. It also enacts massive Keynesian stimulus by extending credit and making direct payments to businesses.

The expectation here is that this will be for a short period. The primary function of the steps being taken is to allow as many businesses as possible to keep on trading. In the UK, for example, food is still distributed by markets (though the government has relaxed competition laws). Where workers are supported directly, this is done in ways that seek to minimise disruption of normal labour market functioning. So, for example, as in the UK, payments to workers have to be applied for and distributed by employers. And the size of payments is made on the basis of the exchange value a worker usually creates in the market, rather than the usefulness of their work.

Could this be a successful scenario? Possibly, but only if COVID-19 proves controllable over a short period. As full lockdown is avoided to maintain market functioning, transmission of infection is still likely to continue. In the UK, for instance, non-essential construction is still continuing, leaving workers mixing on building sites. But limited state intervention will become increasingly hard to maintain if death tolls rise. Increased illness and death will provoke unrest and deepen economic impacts, forcing the state to take more and more radical actions to try to maintain market functioning.

Barbarism

This is the bleakest scenario. Barbarism is the future if we continue to rely on exchange value as our guiding principle and yet refuse to extend support to those who get locked out of markets by illness or unemployment. It describes a situation that we have not yet seen.

Businesses fail and workers starve because there are no mechanisms in place to protect them from the harsh realities of the market. Hospitals are not supported by extraordinary measures, and so become overwhelmed. People die. Barbarism is ultimately an unstable state that ends in ruin or a transition to one of the other grid sections after a period of political and social devastation.

Could this happen? The concern is that either it could happen by mistake during the pandemic, or by intention after the pandemic peaks. The mistake is if a government fails to step in in a big enough way during the worst of the pandemic. Support might be offered to businesses and households, but if this isn’t enough to prevent market collapse in the face of widespread illness, chaos would ensue. Hospitals might be sent extra funds and people, but if it’s not enough, ill people will be turned away in large numbers.

Potentially just as consequential is the possibility of massive austerity after the pandemic has peaked and governments seek to return to “normal”. This has been threatened in Germany. This would be disastrous. Not least because defunding of critical services during austerity has impacted the ability of countries to respond to this pandemic.

The subsequent failure of the economy and society would trigger political and social unrest, leading to a failed state and the collapse of both state and community welfare systems.
State socialism

State socialism describes the first of the futures we could see with a cultural shift that places a different kind of value at the heart of the economy. This is the future we arrive at with an extension of the measures we are currently seeing in the UK, Spain and Denmark.

The key here is that measures like nationalisation of hospitals and payments to workers are seen not as tools to protect markets, but a way to protect life itself. In such a scenario, the state steps in to protect the parts of the economy that are essential to life: the production of food, energy and shelter for instance, so that the basic provisions of life are no longer at the whim of the market. The state nationalises hospitals, and makes housing freely available. Finally, it provides all citizens with a means of accessing various goods – both basics and any consumer goods we are able to produce with a reduced workforce.

Citizens no longer rely on employers as intermediaries between them and the basic materials of life. Payments are made to everyone directly and are not related to the exchange value they create. Instead, payments are the same to all (on the basis that we deserve to be able to live, simply because we are alive), or they are based on the usefulness of the work. Supermarket workers, delivery drivers, warehouse stackers, nurses, teachers, and doctors are the new CEOs.

It’s possible that state socialism emerges as a consequence of attempts at state capitalism and the effects of a prolonged pandemic. If deep recessions happen and there is disruption in supply chains such that demand cannot be rescued by the kind of standard Keynesian policies we are seeing now (printing money, making loans easier to get and so on), the state may take over production.

There are risks to this approach – we must be careful to avoid authoritarianism. But done well, this may be our best hope against an extreme COVID-19 outbreak. A strong state able to marshal the resources to protect the core functions of economy and society.

Mutual aid

Mutual aid is the second future in which we adopt the protection of life as the guiding principle of our economy. But, in this scenario, the state does not take a defining role. Rather, individuals and small groups begin to organise support and care within their communities.

The risks with this future is that small groups are unable to rapidly mobilise the kind of resources needed to effectively increase healthcare capacity, for instance. But mutual aid could enable more effective transmission prevention, by building community support networks that protect the vulnerable and police isolation rules. The most ambitious form of this future sees new democratic structures arise. Groupings of communities that are able to mobilise substantial resources with relative speed. People coming together to plan regional responses to stop disease spread and (if they have the skills) to treat patients.

This kind of scenario could emerge from any of the others. It is a possible way out of barbarism, or state capitalism, and could support state socialism. We know that community responses were central to tackling the West African Ebola outbreak. And we already see the roots of this future today in the groups organising care packages and community support. We can see this as a failure of state responses. Or we can see it as a pragmatic, compassionate societal response to an unfolding crisis.
Hope and fear

These visions are extreme scenarios, caricatures, and likely to bleed into one another. My fear is the descent from state capitalism into barbarism. My hope is a blend of state socialism and mutual aid: a strong, democratic state that mobilises resources to build a stronger health system, prioritises protecting the vulnerable from the whims of the market and responds to and enables citizens to form mutual aid groups rather than working meaningless jobs.

What hopefully is clear is that all these scenarios leave some grounds for fear, but also some for hope. COVID-19 is highlighting serious deficiencies in our existing system. An effective response to this is likely to require radical social change. I have argued it requires a drastic move away from markets and the use of profits as the primary way of organising an economy. The upside of this is the possibility that we build a more humane system that leaves us more resilient in the face of future pandemics and other impending crises like climate change.

Social change can come from many places and with many influences. A key task for us all is demanding that emerging social forms come from an ethic that values care, life, and democracy. The central political task in this time of crisis is living and (virtually) organising around those values.
Annex 3: The Corona Effect
Four possible scenarios of how the corona crisis can transform the world

25 Mar 2020 / Foresight, Health, Scenarios, Socio-cultural change

Experientia is an international, independent, award-winning UX research and service design agency. We design cutting-edge solutions that align products and services with people's behaviors, actions and aspirations, making them work better for those who use them.

The Corona Effect

Four Future Scenarios

ABOUT THE SCENARIOS

The four future scenarios are based on two central basic coordinates that describe the possible directions of development in principle:
1. Successful relationships versus unsuccessful relationships (optimistic versus pessimistic)
2. Local versus global (disconnected versus connected)

Based on the four possible developments, the scenarios describe consequences for society as a whole. As with all scenarios, the presentation is intended to illustrate the expected changes and does not claim to be “realistic”. However, it is in precisely this way that it helps to create orientation and open up spaces for a new, forward-looking way of thinking.

MAPPING OF THE 4 SCENARIOS

Total isolation: Everyone against everyone

First there was the shutdown - and then the shutdown has become the norm. It is normal to scan a chip in your wrist when you enter the metro or to exchange your health data to each other before your first date. It is also normal to need a permit when leaving your country, and for countries outside the EU, even a lengthy visa procedure is required. Global trade is largely a thing of the past; the trade agreements between individual states guarantee basic services, but nothing more.

SCENARIO 1

Welcome in the Super Safe Society. Society is once again clearly defining itself as a nation - because societal cohesion can only be guaranteed if the borders of the security zone are clearly defined. Security comes first. Every man for himself. The states use all available means to protect their citizens - even if that means stirring up deep-seated fears or artificially confining food. People therefore use all possible open spaces to grow their own fruit and vegetables. The black market and bartering are also flourishing.

De-Urbanisation: The countryside is gaining power.

Those who can, move out of the city, to fix their calendars - and aim good money by supplying impoverished city dwellers with food. The brand towards single-life, even smaller apartments and co-living is on the rise. Public transport and global community have made the urban population dependent. The urban hinterland has become a periphery.

Germophobia, the longing for sterility, has steadily increased. Most of producers whose origins cannot be traced. Fruit and vegetables are clinically disinfected before consumption, and research into safe packaging is being conducted at full speed. Smokes have been restricted because the fear of germs being introduced via products from abroad is too high. There are fewer exotic stalls - many of these can now be grown in countries where it was not previously possible, thanks to climate change. Agriculture and the manufacturing industry have experienced an enormous upswing, mass-producing has been put into practice.

System crash: Permanent crisis mode

The virus has made the world tumble and it can’t move on. The focus on national interests has massively shaken up the confidence in global cooperation, and a return to former routines is no longer possible. The fear of a new pandemic makes every local spread of a virus, no matter how small, the trigger for drastic measures, from border closures to the defence of resources. The loss of confidence in international cooperation based on solidarity makes long lasting stability impossible. So the world is nervously wobbling into the future.

SCENARIO 2

Preference in the multipolar world order are the order of the day, mutual mistrusts, aggressive threatening and nervous action alternate with efforts towards openness and cooperation - because there is a need for an awareness that we are dependent on each other. New relations on the rise, there is a constant state of tension.

Looking to national data markets, searching for becoming a political-ideological power. At the same time, however, dependence on international trade relations and commodity flows remains. Both tendencies apply and permanently stand side by side and are not apparent to each other. Globalisation, in fact, is only an expression of the 180-degree shift between national and international markets, which cannot exist without each other. Globalisation over the most vulnerable places in the world. This is where the tension between the regional and national international flows of finance, services and goods are constantly felt.

High times for Big Data! The more uncertain the times, the more analysis is required. The collection and processing of large amounts of data is experiencing a sort of boom. The development of artificial intelligence is being intensified, especially for the simulation of crisis scenarios and the control of crises. Consequently, cybercrime, on behalf of the state as well as on the side - with the aim of weakening international competitors. Information is the new oil. For measuring predictive analytics, the data-based prediction of human behavior is becoming increasingly important in a permanently insecure society.
Scenario 3

Neo-Tribes: The retreat into the private sphere

After the Corona crisis, the globalised society has returned to more local structures. There is more emphasis than ever before on regional products. Small communities are emerging and consolidating – always in careful differentiation from the others. Sustainability and a we-culture are important values, but these are only thought of locally, not globally.

- People no longer trust state actors and supranational alliances – nor do they trust them with the power to act. The barrier away from the global world community leads to a particular we-culture and the increased formation of neo-tribes. Community is sought on a small scale, because you are no longer afraid of the corona virus and the food chain. Post-industrialization has become attractive to a broader mass.
- The fear of infections has launched a retreat into the private sphere and the re-thinking of domesticity. There are practically no more errands abroad, but there is a lot of cleaning because you can participate in engagements virtually without having to leave your secure and comfortable home. Neighbourhood help is a top priority, and there are fixed structures for helping each other in a crisis. Supplies are shared or exchanged, special attention is paid to the old and weak. People are increasingly reuniting to the countryside or smaller towns – the Progressive Province has reached its peak.
- Instead of using public transport, people are more and more switching to bicycles or e-cars. Long-distance travel has lost most of its appeal – in contrast to surrounding regions or embattled countries. Individualization has had the effect that entire landscapes and former tourism hotspots are able to recover from overuse. Instead of no longer being taken for granted, but is again seen as something special, also because it requires a lot of precautions and planning in post-crisis times. Tourism is returning even more to its original form.
- The failure of global retail chains and mistrust of certain countries of origin are leading to a fundamental re-geographicalisation. More and more people are laying their share, the shopping economy is gaining momentum in regional networks. Traditional handicraft techniques are experiencing a renaissance. Urban farming and co-operatives are replacing capital consumption patterns, and a circular economy with autonomous ecosystems is emerging in regional communities. Concepts such as Co-dwell or co-consumption are naturally reflected in people’s everyday lives – as practices that are desired as they are necessary. The regional economy functions completely autonomously.
- The corona crisis has proven to be a test of the durability under new work trends and more flexibility. The fact that the workplace was made possible on a broad scale out of necessity has permanently changed working cultures. Home office is now an essential part of every corporate culture. International co-operation among conferences, contracts and joint research is being downgraded. Digital health applications calculate the potential risk of personal business meetings in advance – which are usually not recommended anymore.

Scenario 4

Adaption: The resilient society

World society is learning from the crisis and developing resilient, adaptive systems. Deep social currents towards post-growth, we-culture, globalization and post-individualization, which already existed before the crisis, are catapulted from the niche into the mainstream by our collective corona experience.

- The corona virus has triggered a self-qualification of the markets as a collective reflection of the origin of our goods, which has stimulated new patterns of consumption. The breakdown of global chains of production and action has led to a rediscovery of economic alternatives. Stationary trade, regional products and supply chains have experienced an upswing. Not only has a sense of balance between online and offline been achieved, but above all a new approach to globalised retail chains, a balance between local and global trade and a flourishing of direct-to-end platforms. Since then, weekly markets, regional producers and local wine shops have been booming. The monopolistic position of online retailers such as Amazon and Alibaba has dissolved in favour of several smaller players that are less dependent on global production chains and more readily available locally. Society is moving away from mass consumption and is throwing itself towards a healthier economic system.
- Global risks require supranational players who can act in a globally networked manner. The Corona crisis, for example, has given political power to act a new weight. While states now have real relevance, cities and supranational bodies are becoming increasingly important – re-organisation in the sense of ‘glocalities’ (the local level has cities, municipalities, mayors etc.) is directly linked to global organizations. In this way, local problems can be solved quickly and creatively, and global risks can be identified more quickly and tackled cooperatively. Overall, since the pandemic has suddenly received its historical validity, a global community that must solve challenges together for neither an epidemic nor the climate crisis stands at national borders. A global identity has emerged, supported by a fundamental change in values: solidarity and we-culture not only acts on a rights-based, but also on an international and global level.
- The corona crisis has led to concrete lessons in supranational handling of big data, predictive analytics and early warning systems. Artificial intelligence is now being used more constructively; not only to combat epidemics at an early stage, but also to minimize all possible global risks that do not respect national borders. Everyone is equipped with health tracking devices, because the global exchange of up-to-date health data allows risks to be detected early on. The continuous learning from each other in a multitude of functioning networks creates global resilience. This new spirit also shapes the media landscape: Constructive journalism focuses on solutions instead of spreading alarmism and fake news. This also helps to maintain a resilient and adaptive society that knows how to deal productively with crises.
Annex 4: Deloitte
A world remade

We are in uncharted waters, yet leaders must take decisive action to ensure their organizations are resilient.

Deloitte’s Resilient Leadership framework defines three time frames of the crisis

- **RESPOND**
  - Manage continuity
  - Refer to Recovering from COVID-19: Economic cases for resilient leaders for a medium-term view (18-24 months)

- **RECOVER**
  - Learn and emerge stronger
  - Focus of this document: Scenarios for resilient leaders with a long-term view (3-5 years)

- **THRIVE**
  - Prepare for the next normal

This document shares a view of how the world may develop over the next three to five years and is intended to help leaders explore some of the potential long-term implications of COVID-19.

Our view is based on scenarios—stories about the future created to spark insight and spot opportunity—created with some of the world’s best-known scenario thinkers.

Use these scenarios to inspire bold thinking about the future, because as Peter Drucker famously observed, “The greatest danger in times of turbulence is not the turbulence itself, but to act with yesterday’s logic.”

Objectives of this document

- Share scenarios about how the world might evolve in three to five years to help leaders:
  - Explore how trends we see during the pandemic could shape what the world may look like in the long term
  - Have productive conversations around the lasting implications and impacts of the crisis
  - Identify decisions and actions that will improve resilience to the rapidly changing landscape
  - Move beyond “recovering” from the crisis and toward “thriving” in the long run
Scenario thinking can help us prepare for a future no one can predict and clarify the potential implications of our choices.

This document explores various scenarios about how the COVID-19 pandemic could accelerate or redirect social and business changes over the next three to five years. While some of those trends may have already been in motion, others could be initiated by public and private reactions to the pandemic.

We have chosen a three-to-five-year time frame, as it offers a window wide enough for significant change to take place but narrow enough for executives to take practical action now to build their organizational resilience.

As you read this document, challenge yourself to imagine how the things you were sure would happen could now be on a different course. Avoid the temptation to conclude that the crisis will accelerate the changes you already expected or believed were inevitable.

This document should ultimately spark a number of questions around implications and next steps for your organization.

What are scenarios?

Scenarios are stories about what the future may be like, created through a structured process to stretch thinking, challenge conventional wisdom, and drive better decisions today. They are not predictions about what will happen. They are hypotheses about what could happen, designed to open our eyes to new opportunities or hidden risks.

Note that these scenarios stand as of 6 April 2020. They are based on our best understanding of the health trajectory, economic impacts, and government actions in response to the COVID-19 pandemic.
Making sense of the future

Five fundamental uncertainties are likely to have a significant impact post-COVID-19

Fundamental uncertainties explored

1. The overall **severity of the pandemic** and pattern of disease progression

2. The **level of collaboration** within and between countries

3. The **health care system** response to the crisis

4. The **economic consequences** of the crisis

5. The level of **social cohesion** in response to the crisis

**Additional uncertainties explored**

**Society**
- Levels of societal trust
- Psychological impacts after quarantine
- Impacts on different generations
- Long-term impacts on education

**Technology**
- Attitudes toward data-sharing
- Speed of technological innovation
- Long-term effects on the workplace
- Types of new technology adopted

**Economy**
- Speed of economic recovery
- Distribution of economic growth
- Impacts on inequality
- Shifts to new business models

**Environment**
- Focus on fighting climate change
- Reduction of emissions
- Investments in renewable energy

**Politics**
- Long-term impacts on governments
- Impacts on public policy and regulation
- Levels of trust in political systems
- Changes in election methodologies
Making sense of the future

Two critical uncertainties will drive the overall impact of COVID-19

1. What is the overall **severity of the pandemic** and pattern of disease progression?

- **Lower impact**
  - **Rapid peak**
    - The virus's spread shows a rapid peak before quickly declining
  - **Self-dampening**
    - Rapid exposure across individuals leads to eventual "herd immunity"
  - **Gradual progression**
    - A gradual and prolonged development of the virus's spread is seen
  - **Roller-coaster**
    - Seasonal waves of the viral disease are seen, with decreasing degrees of severity
  - **Second-act**
    - A second wave of viral infections emerges stronger than the first

2. What is the **level of collaboration** within and between countries?

- **Coordinated response**
  - Nations “think big and act fast.” Effective collaboration within and between countries to contain the virus’s spread through coordinated strategies and best practices (such as mandating quarantines and testing)
  - Coordination to reduce mobility of people and slow transmission
  - Proactive measures by public institutions to prevent future widespread viruses

- **Weak and divided**
  - Lack of coordination among governments and institutions to provide supplies and resources required to prevent virus’s spread
  - Lack of accountability and breakdown in communications and information-sharing
  - Insufficient and uneven response to effectively address mobility of people carrying the disease
Four distinct scenarios emerge based on current trends and critical uncertainties

**The passing storm**
- The pandemic is managed due to effective responses from governments to contain the virus, but is not without testing repercussions, which disproportionately affect SMBs and lower- and middle-income individuals and communities.
  - Relatively constrained disease dynamic
  - Effective health system and policy response

**Lone wolves**
- Prolonged pandemic period, spurring governments to adopt isolationist policies, shorten supply chains, and increase surveillance.
  - Severe, rolling pandemics
  - Insufficient global coordination and weak policy response

**Good company**
- Governments around the world struggle to handle the crisis alone, with large companies stepping up as a key part of the solution and an acceleration of trends toward “stakeholder capitalism.”
  - More prolonged pandemic
  - Collaboration to control the pandemic led by large companies

**Sunrise in the east**
- China and other East Asian nations are more effective in managing the virus and take the reins as primary powers on the world stage.
  - Severe pandemic
  - Collaborative health response led by East Asian countries
## Making sense of the future

These scenarios illustrate different ways in which the world could unfold after the crisis.

<table>
<thead>
<tr>
<th>The passing storm</th>
<th>Good company</th>
<th>Sunrise in the east</th>
<th>Lone wolves</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Society</strong>&lt;br&gt;Social cohesion...</td>
<td>rises, with a heightened appreciation for interpersonal and familial relationships</td>
<td>is maintained, as society shifts to become more “purpose-driven”</td>
<td>shifts to an increased emphasis on the “good of the whole”</td>
</tr>
<tr>
<td><strong>Technology</strong>&lt;br&gt;Technology advances...</td>
<td>stay on course, as previous holdouts move online</td>
<td>take the center stage, with large companies driving solutions in areas such as health tech and biotech</td>
<td>are accelerated, as more data-sharing allows for advances in AI and other advanced tech capabilities</td>
</tr>
<tr>
<td><strong>Economy</strong>&lt;br&gt;Worldwide economies...</td>
<td>enter an extended recession, with increased income inequality</td>
<td>are disrupted, with a growing concentration of power among large companies</td>
<td>shrink, due to the prolonged nature of the virus</td>
</tr>
<tr>
<td><strong>Environment</strong>&lt;br&gt;Focus on climate change...</td>
<td>is renewed, as global collaboration provides hope for progress</td>
<td>is mixed, with some sustainability-minded companies investing in renewable energy</td>
<td>is de-emphasized, as economic recovery is prioritized</td>
</tr>
<tr>
<td><strong>Politics</strong>&lt;br&gt;Governments around the world...</td>
<td>gain trust, and international organizations such as WHO grow in relevance</td>
<td>partner with large corporations, who step up as part of the solution</td>
<td>look to the east for guidance, as Asian countries effectively manage the virus</td>
</tr>
</tbody>
</table>
A closer look at the scenarios

As you reflect on these scenarios, consider:

- Which scenario best describes the world your organization appears to be preparing for?
- Is there a scenario that your organization is currently ignoring—but shouldn’t be?
- What would you need to do differently in order to win in each of these scenarios?
- What capabilities, partnerships, segments, and workforce strategies do you need to learn more about?

Remember, these scenarios suggest a range of possible outcomes as the COVID-19 crisis evolves. It is too soon to tell which of these or other scenarios will emerge, but resilient leaders are preparing now for what the future may hold.
Scenario 1

The passing storm

Scenario description

The COVID-19 pandemic shakes society but, after a slow start, is met with an increasingly effective health system and political response. The virus is eradicated earlier than expected due to coordinated measures by global players to spread awareness and share best practices. Their competence in the crisis renews trust in public institutions. Despite being relatively short-lived, the pandemic causes long-term economic impacts. Fiscal and monetary stimulus help blunt the shocks, but cannot reverse the losses that small businesses and lower- and middle-income individuals have begun to experience. Tensions sharpen between socioeconomic classes.

What we would need to believe...

- Governments effectively communicate the severity of the pandemic and collaborate to share best practices. Society complies with quarantine measures to effectively mitigate the virus’s spread.
- No indications of a second wave of the virus are identified. Mechanisms to combat the virus (such as immunization) are mobilized and lead to effective prevention and treatments in the long run.
- Economic activity rebounds in late 2020. Recovery is initially slow, but speeds up in the second half of 2021 as consumers become more confident.
### A closer look at the scenarios

#### The passing storm

| **Society** | • Social cohesion is generally improved coming out of the crisis, as people develop a heightened sense of appreciation for relationships following periods of quarantine.
  | • The forced exposure to work from home measures open some companies’ eyes to the benefits and cost-effectiveness of occasional or “as-needed” virtual opportunities, with white-collar workers seeing the biggest uptick in opportunities.
  | • Virtual learning rises in prominence, particularly in higher education, resulting in increased access and reduced cost of higher education.
  | • The lasting economic ramifications drive increasing tension between older and younger generations, as Boomers push back retirement ages to recover lost wealth. |
| **Technology** | • In response to short-lived quarantine measures, technological development in communications and collaboration tools sees an acceleration with increased investment in remote conferencing and virtual reality applications.
  | • Technology is seen as an enhancement to the in-person experiences people increasingly value. Virtual “hangout” sessions become a norm, helping to keep friends and families connected regardless of distance. |
| **Economy** | • Although short-lived, the pandemic launches the world into a recession and exacerbates the challenges of socioeconomic inequality, as people’s uneven ability to weather the storm becomes highly evident.
  | • Initial adjustments to fiscal policy and economic stimulus provide cushion for some, but SMEs still suffer. Trillions of dollars in stimulus focus on helping small businesses retain their employees, but the quarantine period still forces many to shut their doors. In turn, many nonessential and blue-collar workers find themselves unemployed in the longer term.
  | • Businesses adapt to become more resilient toward future crises, with a rise in subscription-based models as a method to generate more predictable streams of revenue. |
| **Environment** | • Renewed efforts to fight climate change are undertaken as successful global collaboration gives individuals hope of enacting actual change. Stricter global emission regulations are adopted. |
| **Politics** | • In the aftermath of the pandemic, countries and leaders around the world introduce new collaboration efforts to prevent the spread of future pandemics and increase proactive disaster response. Trust in government and public institutions is renewed.
  | • International organizations, such as WHO, see a rise in relevance, as a spotlight is placed on, and people become aware of their efforts. |
Scenario 2

Good company

Scenario description

The COVID-19 pandemic persists past initial projections, placing a growing burden on governments around the world that struggle to handle the crisis alone. A surge of public-private sector partnerships emerges as companies step up as part of the global solution. New “pop-up ecosystems” arise as companies across industries partner to respond to critical needs and drive much-needed innovation. Social media companies, platform companies, and tech giants gain new prestige. Ultimately, companies shift further toward “stakeholder capitalism,” with a more empathetic stance on to how they can best serve their customers, shareholders, and employees to rebuild after the crisis.

What we would need to believe...

- Businesses take initiative to combat the virus’s spread by supplying health care expertise and enhanced software and tools.
- A shift toward greater corporate responsibility is seen, with new long-term outlooks leading to greater emphasis on investing in workers and communities.
- Economic recovery begins late 2021. Recovery slow in early 2022 and speeds up by the second half of 2022.
Good company

### Society
- In reaction to extended periods at home and in quarantine, **society shifts to become more purpose-driven**.
- **Society becomes accustomed to more frequent telecommuting**, which results in a widespread rise in support for more flexibility in corporate policies toward work from home, sick leave, vacations, and parental leave.
- Individuals, empowered by technologies from wearables to AI, take **accountability for security and health** into their own hands.
- **Online education becomes more widely accepted** and significant investment is poured into moving schools or portions of education online; **telemedicine becomes the “front line”** of the medical field.

### Technology
- People increasingly embrace technology and its role in their lives, **reversing previous trends toward a “techlash.”**
- An innovation explosion occurs, with significant investment into new applications in areas such as **virtual reality, AI, and 3D printing**, as part of a digitally integrated customer experience.
- **Online security becomes a mounting focus** to maintain and protect the connectivity upon which people have become increasingly reliant; people become increasingly comfortable sharing information and data with companies.

### Economy
- The prolonged pandemic rocks the economy and leads to a **fundamental shift in the balance of power**. Bigger companies are more resilient, and smaller players are acquired or struggle to stay in business.
- Companies lagging in technological maturity and connectivity decline in prominence or go out of business during the extended periods of shutdown.
- **Larger companies take on some functions previously provided by the public sector** and work to revitalize their communities and provide support during a time of economic downturn.

### Environment
- **Focus on climate change is mixed**, with some sustainability-minded companies partnering to drive forward initiatives.

### Politics
- The public sector struggles to contain the virus on its own, prompting **large corporations to step up as part of the solution**; increased partnership between the public and private sector is seen in the long term.
- Some **decline is seen in trust in government** and public institutions.
Scenario 3

Sunrise in the east

Scenario description

The COVID-19 pandemic is severe and unfolds inconsistently across the world. **China and other East Asian countries manage the disease more effectively**, whereas Western nations struggle with deep and lasting impacts—human, social, and economic—driven by slower and inconsistent responses. The global center of power shifts decisively east as China and other **East Asian nations take the reins as primary powers on the world stage** and lead global coordination of the health system and other multilateral institutions. The ability of China, Taiwan, and South Korea to contain the outbreak through strong, centralized government response becomes the “gold standard.”

What we would need to believe...

- East Asian countries emerge from the recovery period with less economic impact.
- China significantly ramps up foreign direct investment efforts, bolstering its global reputation.
- People accept greater surveillance mechanisms as part of the public good.
- Economic recovery begins late 2021, with notably quicker and more robust recovery in the East.
A closer look at the scenarios

Sunrise in the east

| Society | • Social cohesion rises, with an increased emphasis placed on values such as public order and shared sacrifice.  
• An extended and more severe pandemic causes all things virtual to become the norm, particularly shopping online, learning and education, political activism, and managing social relationships.  
• The required shift to virtual interactions may be particularly challenging for older generations. |
|---|---|
| Technology | • The technologies of the fourth industrial revolution accelerate in development due to greater demand.  
• Increases in consumer data-sharing with governments and businesses cause a leap forward in AI and its quick embedding into everyday life, from health management to security. |
| Economy | • Significant shrinkage is seen in the global economy, and sweeping government bailouts are needed by countries to keep major industries afloat.  
• The pandemic creates a “social leveling” across all classes, as all are affected by the ongoing crises, but wealthy individuals are better equipped to withstand the shifting landscape.  
• The physical transportation and hospitality industries are hit hardest in the short term, with global flows of goods and people eventually stabilizing after an extended decline.  
• As China rises in prominence, they expand investments in the Belt and Road Initiative, New Development Bank, and Shanghai Cooperation Organization, providing much-needed relief and an economic spark for countries requiring capital. |
| Environment | • While declines in pollution are seen from increased “Stay-at-home” measures, the economic challenges lead to an overall decline in emphasis on climate change and renewable energy investment. |
| Politics | • East Asian nations who entered the pandemic period with stricter control measures find themselves better able to weather the storm than those without, and accordingly see more rapid economic recovery.  
• The shift in the center of political gravity toward the East motivates Western countries to take additional control measures. Momentum is with East Asian nations as they take increasing leadership roles in global institutions.  
• A rise in centralized government surveillance mechanisms is seen, with people generally accepting it as a part of the public good. |
Scenario 4

Lone wolves

Scenario description

The COVID-19 pandemic becomes a prolonged crisis as waves of disease rock the globe for longer than anyone was prepared for. Mounting deaths, social unrest, and economic freefall become prominent. The invisible enemy is everywhere, and paranoia grows. Nations put strict controls on foreigners and force supply chains home in the name of local security. Countries grow isolationist in the name of domestic safety. Government surveillance is commonplace, with tech monitors on people and their movements.

What we would need to believe...

- The SARS-CoV-2 virus strain which causes COVID-19 disease continues to mutate and evolve, evading eradication.
- Citizens cede freedoms to governments in the name of virus containment.
- Countries deemphasize working together and enforce isolationist policies.
- Governments turn to extreme surveillance and monitoring tools.
- Global economic recovery by mid-2022, with diverging rates of recovery across countries.
## Lone wolves

### Society
- Physical distancing becomes an ongoing fact of life, hampering social cohesion. Paranoia and distrust abound.
- A decline in individual freedom is witnessed as governments adopt strict measures (such as mandatory screening and tracking programs and penalties) to reduce the spread of the disease domestically.

### Technology
- Technology advances to meet society's virtual demands, but funding is spent primarily on extreme surveillance measures in hopes of containing the ever-present pandemic.
- Advanced forms of virtual communications are developed as curfews and regulations restrict in-person communication.
- Government and law enforcement oblige data-sharing and rapidly implement facial recognition and surveillance technology.
- With increased reliance on technology and rising global tensions, society finds itself increasingly vulnerable to cyberattacks.

### Economy
- Credit crisis spurred by prolonged virus increases cost of capital and reduces liquidity.
- Larger countries such as the United States, China, and Germany inject massive amounts of public investment to localize manufacturing and become self-sustained.
- Countries largely dependent on trade, like South Korea and Singapore, see their supply chains cut and find they must increasingly fend for themselves.
- Businesses and consumers become increasingly wary of frequent market shocks, and consumer surplus and savings decline due to the increased price of goods.
- Governments take more control over business life, and now yield major influence over flows of capital.

### Environment
- Environmental initiatives are de-prioritized as countries focus on energy and food independence.
- Countries withdraw from previous climate change agreements and focus on short-term economic recovery over longer-term environmental impact.

### Politics
- Isolationism is practiced globally as countries try to individually contain the disease. Initial border control policies are now cemented in place with full border lockdowns, international travel bans, and cancellation of work and student visa programs.
- Global coordination institutions like the UN, WTO, and ICANN become increasingly ineffective, and official international mandates such as the Paris Agreement are left in endless debate.
Annex 5: Local Trust & Long Crisis Network

At all levels, we face choices between collective action and polarisation.

Millions of lives, billions of people’s futures, and trillions of dollars depend on whether we act collectively in the face of crisis or instead polarise when under threat.

The response can also be centralised or distributed. In the rapids, does the captain steer the ship alone or does she also empower everyone to row?

The Long Crisis Network has created four scenarios about different futures, creating a foundation for decision makers, campaigners, and communities to influence the process of change.

The Long Crisis scenarios are shaped by two drivers of change, but the future is complicated and our scenarios do not fall neatly into the quadrants. Governments can be more or less focused on delivery or holding onto power. People can play a local role or be active at all levels of society.
In the Rise of the Oligarchs, power and prosperity are centralised and monopolised by elites, who adopt classic tactics from the populist playbook. Inequality is high, civil society is browbeaten, and communities are under pressure.

### Power
A new breed of “big man” politicians has close ties to the national security establishment and a cult media. Internationalists lose influence. Independent-minded civil society groups find that government and the media make life difficult if they don’t toe the line. Young, poor, and marginalised people are increasingly excluded from power.

### Prosperity
Big business and government play the game of patronage and mutual enrichment. The government panders to its power base — older and richer voters. Independent businesses, start-ups and entrepreneurs struggle. Wealth leaves local communities. There are few opportunities or prospects for young workers.

### Places
Public space is constrained by a new surveillance state. The capital recovers faster, but the countryside benefits as the government plays to its base. Devolution goes into reverse and local authorities lose autonomy. Regional inequalities increase and there is little investment in community resilience.

### People
National solidarity has a them and us flavour. The government and its media paint an ugly picture of the world. Trust is low and inequality deepens. Between and within communities, fake news corrupts mutual aid networks. They wither away — or take on a darker hue, fighting crime or resisting immigration.

As the oligarchs rise, they erode the basic foundations of collective action, blurring boundaries between public and private, right and wrong, and fact and fiction. To understand why someone is doing well, trace lines of allegiance and see where they lead.

### Local
Well-connected communities lobby politicians to protect their privileges. ‘Robin Hood’ civil society plays an influential role, delivering social goods informally, based on whom connections or patronage in less fortunate neighbourhoods, a few resilient people work long days to help the vulnerable with little support or pay.

### National
Public service is an opportunity to receive and give out patronage. Businesses use political connections to build monopolies they can exploit. Some subnational leaders try to forge a different path, but are fiercely resisted. Campaigners are ignored, harassed, or depicted as fronts for foreign influence.

### Global
Hard security threats predominate as major powers clash over power and resources. COVID-19 shut down borders and trade, with no race for globalisation to recover. While the UN was born from the ashes of the Second World War, it does little more than shuffle lists through this new global calamity.
Big Mother centralises power and prosperity, but in the public interest. Society is regulated and rewards conformity. Inequality declines with the poorest are looked after. But few have influence over the country’s direction, making people less willing to take action in their communities.

**Power**

The party that won an election has unprecedented power, as do civil servants. Big business and large NGOs wield influence if their lobbyists are good enough. Voters have power – but only every five years, not as active citizens. Local government loses out, as do community organisations.

**Prosperity**

If they survive the crash, big businesses do well. Public sector workers and pensioners benefit, as do the poorest as safety nets become more generous. There are fewer opportunities but better benefits for the young. Life is tough for small businesses – and anyone with assets they can’t hide away.

**Places**

Communities are a focus for ritual and celebration more than social or political organising. Peripheries feel excluded, threatening social cohesion. Places are regulated but below the radar. Rebellious youth subcultures flourish. A libertarian “awkward squad” provides sporadic challenge.

**People**

There’s strong national cohesion, with a sense that we’re all in this together – and that sacrifices need to be made for the future. As people expect more from the state, volunteering declines and more charities become insipient. Non-conformists and radical voices find themselves excluded.

Big Mother privileges the national over the local. One – generous – size is expected to fit all. At the global level, the focus is on ways back to business-as-usual, but it’s hard to find common ground with countries that have plumped for a different model.

**Local**

With so much commerce online, the high street has all but disappeared. Big businesses use branding, technology, and logistics to dominate. Smaller players struggle. A lot of money flows through local government, but the decisions are made centrally, with little way back to tailor decisions to local needs and preferences.

**National**

The grown-ups have taken charge. On Zoom interviews. Biographies of Angela Merkel feature prominently on ministerial bookcases. Top-tier public servants fancy themselves rulers of the COVID-era world. The government has a five-year industrial policy and it matters. Larger civil society organisations thrive, but as a public sector service provider.

**Global**

The international system plays a medley of greatest hits from the late 20th century – aspirational goals, landmark summits, and strongly worded declarations. The United Nations is taken seriously, but with the Secretary-General on a tight leash. Money is spent on resilience, but critics warn we’re preparing for the last war, not the next one.
Scenario 3

Fragile Resilient

Repeated waves of COVID-19 – and a financial crash, food system crash, climate crash, energy crash, trade crash – overwhelm the capacity of a state that finds itself in the latter, more frenetic, stages of a game of Tetris.

Amid intensifying levels of drama and chaos, national politics increasingly becomes a competition for what is left of the spoils. Bubbles inflate and burst. Fortunes are made – and lost.

At the grassroots, there’s a surge of innovation as communities fend for themselves. Like Italian towns facing the Plague – or developing countries today – people are fantastically inventive when making the best of a bad job.

Where you live matters – as some communities self-organise and others fall away. Politicians promise stability and strong national government, but no-one is listening. Globally, it’s all against all, as international cooperation wanes.

Local

Communities with assets thrive as they nourish local economies, organise internally, and collect resources to pay for it – but have little influence on national or global challenges. Communities without assets suffer as life expectancy falls and education worsens. Layers of abuse are high as the powerful prey on the weak.

National

Government inspectors from coast to coast – and the spectre of COVID – are prowling for cheating and mistreatment of people what they want to eat. Formal institutions become zombies – refusing to die, staggering forward, never getting far enough to connect with the struggles of those communities.

Global

The global gravy train shudders to halt, as few countries refuse to pay their annual contributions. Every so often, a coalition of the willing will pop up to try and fix a global challenge but without much success. The UN Secretary General is well-known and liked. She’s often seen on television, calling for a better outcome.
The pandemic creates a willingness to consider radical change and big ideas – but also to take on the hard work of building alliances capable of solving the hardest problems. Winning Ugly means being ambitious, but pragmatic – and doing whatever it takes to achieve a result.

**Power**
- A different kind of value emerges – a platform for enabling, connecting, collaborating, and catalysing. The leaders that flourish excel at storytelling and building shared awareness and common purpose. Those that are slow to adapt or won’t collaborate get left behind.

**Prosperity**
- Business sectors – healthcare, logistics, technology – flourish if they build resilience, but the ‘new normal’ is bad news for airlines, tourism, and high end retail. Low carbon innovators also do well. Global just-in-time supply chains are displaced by local economic clusters.

**Place**
- Life becomes more local. The virtual is the new norm as physical travel seems daunting. The most connected places are also the more vulnerable, as cities with hub airports find to their cost. Communities become more resilient and better at mutual aid, but we’re still wary of public spaces.

**People**
- This is an age of uncertainty. But as people accept that much won’t go back to normal, they find new reserves of cohesion, determination, and shared purpose. A growing number of people act as agents of change, with risks and responsibilities widely shared.

When you’re winning ugly, platforms matter – as a stage on which actors collaborate. They can be informal and dissolve when a problem is solved, semi-permanent where networks work together over a prolonged period, or architectural as a new institution or mechanism is created.

**Local**
- COVID mutual aid networks evolve into essential assets in most places, balancing flexibility and informality, even providing hardship funds and peer-to-peer loans. Local government is transformed. It doesn’t always have the resources it needs, so it’s often a facilitator of local action, rather than the sole provider of public services.

**National**
- Government puts people and their needs at the centre. Building partnerships between state and citizen, public and non-governmental actors. Data and evidence grease the wheels of change. Civil society is a platform too, as big networks of activists reach into communities and then share and scale innovations.

**Global**
- An international system emerges that gets the basics right – firefighting COVID, helping societies and people to feel secure, and protecting the critical global infrastructure on which we all depend. It also offers hope for the future, through a new deal for a new generation that promises education, jobs, and climate protection.

No-one said it was going to be easy.
No obvious sign the battle was won. No heroic moment of victory. Instead, an extended – and at times seemingly endless – attack on the pandemic. One that started in hospitals, moved into communities, and was driven by a collective willingness to learn and adapt.

The economic trauma was profound, but institutions held. Not just the organisations, but our ability to organise. To draw on reserves of community cohesion. To replace failed leaders with a new generation.

At first, we just threw money at the problem. But over time, this created space for smarter approaches to proliferate – and for the emergence of a narrative that promotes collective action to tackle other urgent risks such as climate change.
No future is immutable. There are always opportunities to promote collective action and broaden participation, and threats that increase polarisation and exclusion.
The pandemic has placed governments and other national decision makers under the microscope – resulting in a mix of panic, error, and innovative action. As leaders dig in for the long haul, the priority will be to create pressure, incentives, and space to act in the public interest.

**National**

- **Big Mother**
  - Use data to monitor whether new government programmes are delivering results to people and communities, including groups that are left out. Advocate for accountability and transparency. Build openness to new approaches and partners.

- **Winning Ugly**
  - Create a narrative that brings people together and amplifies marginalised voices. Provide platforms for problem-solving and participation. Celebrate successes and the people who made things happen. Actively reduce polarisation and marginalise disruptive actors.

- **Rise of the Oligarchs**

**Global**

- **Big Mother**
  - Build coalitions of countries who are prepared to invest in collective action. Focus international institutions on more ambitious responses to fewer priorities. Minimise investment in set-piece summits that deliver declarations and not much else.

- **Winning Ugly**

- **Rise of the Oligarchs**
  - Invest in hard security and de-escalating tensions between major powers. Target international flows of illicit assets. Use global pressure to protect national and grassroots human rights defenders. Work with coalitions of the willing to create global public goods.

- **Fragile Resilient**

**Local**

- **Big Mother**
  - Lobby for decisions to be taken by and with the communities they affect. Build strong links between local authorities and citizen groups. As investment in public services grows, promote alternatives to one-size-fits-all approaches.

- **Winning Ugly**
  - Build a narrative demonstrating the power of collective action at the grassroots and position communities as drivers of transformative change. Invest in community leaders, linking them to government at all levels, and to business and civil society networks.

- **Rise of the Oligarchs**
  - Provide a platform for mayors and other subnational leaders to show that better alternatives exist. Lock in power at a local level, strengthening networks and helping communities take control of their assets. Defend grassroots activists who face attack.

- **Fragile Resilient**
  - Foster innovation at local levels and knowledge sharing between communities. Build skills in governance and local partnership development. Scale more successful community businesses. Build the asset base in left behind communities and support their change makers.

**Different strategies will be needed in different futures, building on what is going right and confronting what is going wrong. Locally, priorities may range from protecting communities from economic and political failure to enabling them to play the fullest role in building a better future.**
Annex 6: Kantar
Anticipating the Balance of 2020

Scenarios exploring COVID-19
How to think about scenarios

They are...

- Descriptions of alternative coherent & plausible futures
- Narratives of the evolving dynamics of the future
- Specific strategy-focused views of the future that create a view of future possibilities

They are not...

- Predictions
- Variations around a midpoint/base case
- Generalized views of feared or desired futures
About scenarios—Defining the alternatives

Scenarios, when done right, paint the extreme plausible futures
About scenarios—*think beyond a single future*

The "real" future that plays out may include elements of all of the scenarios.
SCENARIO SET 1

People
Point of View

Pages 8-30

SCENARIO SET 2

Institutional
Point of View

Pages 31-53
People Point of View

Four Possible Futures

These scenarios were developed by examining two key uncertainties:

- How the virus behaves in the form of the frequency of the outbreak
- How people behave in the form of their emotional reaction and level of panic

The scenarios should be read as a set exploring the boundaries of possibilities—they are like the "tent pegs" at the corners of the future. It is likely that the future will actually contain elements of each of these scenarios.
SCENARIO 1

Close Call

One-Time Outbreak, Controlled Reaction

The public health system is strained by COVID-19 but not to the point of breaking. Cancellation of schools, sporting events, and religious gatherings—a redoubled effort to roll out testing kits—slows the spread of COVID-19. People heed the government’s plea to stay at home, distance themselves from others and remain vigilant but calm.

After the initial sell-off, markets stabilize. A moderate recession takes hold during the months the U.S. battles the virus, but the economy is saved from a severe recession by aggressive government action. As infection rates decline, consumer confidence rebounds. The worst is over by late summer, and people quickly return to previous levels of consumption with many splurging after several months of low levels of spending and pent-up demand.

SCENARIO 2

Panic Attack

One-Time Outbreak, Panicked Reaction

Federal, state, and local government are unequipped to handle public hysteria caused by the pandemic. The U.S. health system comes under extreme pressure as people hoard supplies, clamor for testing and treatment, and take advantage of government services even if ultimately unnecessary.

Panic selling continues on Wall Street, and while the government ramps up efforts to stop the freefall, fiscal interventions fail to combat a biological event. A global recession ensues as emotions and fear overpower attempts to shore up the economy.
Recurring Nightmare

Seasonal Outbreak, Panicked Reaction

The U.S. health system comes under extreme pressure as the first few seasonal outbreaks of the virus recur in 2021 and 2022. Hospitals limit elective surgeries and postpone care for non-fatal conditions every fall and winter while they focus on fighting each subsequent outbreak.

The 2020 pandemic causes a substantial economic downturn, and before the U.S. economy can fully recover, the 2021 outbreak begins. People’s anxiety levels spike, and stock sell-offs erase gains made since the market losses of March 2020.

Businesses have to adjust to new seasonal cycles that oscillate between people splurging and hunkering down. These erratic cycles inject a new level of unpredictability and complexity for everything from staffing...to cashflow...to logistics.

Brave New Reality

Seasonal Outbreak, Controlled Reaction

Governments and private sector actors come together to make systematic changes to help deal with the new seasonal pattern of outbreaks. In the absence of a strong federal government response, state leaders cooperate to an unprecedented degree. New regulations focus on sanitation and cleanliness of public spaces to keep illness in check and support for industries hit hardest by the annual loss in revenue.

People accept these measures in the name of public health and economic stability. They develop new habits for work and socializing and are hopeful that the annual spike in COVID-19 cases will decrease each year as some experts suggest. The economic downturn during the 2020 outbreak is severe, but investors and businesses begin to learn how to navigate this fundamentally altered marketplace.
What if government response is not enough?

Our underlying assumption a comprehensive government response to the outbreak. If the government response is fragmented and insufficient, our scenarios change in this way:

**Close Call** (Scenario 1): Where the government response is highly effective, the outbreak is less severe but these local successes will depend on limiting contact with poorly managed areas. National recovery takes longer, but new regional institutions and grassroots organizations are developed.

**Panic Attack** (Scenario 2): Instead of taking decisive steps that could blunt widespread panic, the fragmented and opaque government response fuels panic, conspiracy theories, and localized violence. The impacts of the outbreak are much longer-lasting and blatant rejection of national institutions takes hold.

**Recurring Nightmare** (Scenario 3): People turn to extreme protection measures and become more self-focused, ignoring the recommendations of experts and leaders in favor of doing their own thing, lengthening each outbreak and resulting in a new normal of economic volatility, paranoia, and extreme individualism.

**Brave New Reality** (Scenario 4): Without coordination and cooperation, good long-term responses will depend on new cultural norms like social distancing to take hold, leading to a societal rethink of each person’s role in collective safety, and a return to a more communal approach to the fragmented interventions being implemented.
Institutional Point of View

Four Possible Futures

These scenarios were developed by examining two key uncertainties:
- How the virus behaves in the form of the frequency of the outbreak
- How institutions respond in the form of either a fragmented or comprehensive response

The scenarios should be read as a set exploring the boundaries of possibilities—they are like the “tent pegs” at the corners of the future. It is likely that the future will actually contain elements of each of these scenarios.
SCENARIO 1

Brief Chaos
One-Time Outbreak, Fragmented Institutional Response

Fragmented public health and government response makes the impacts of the outbreak more severe and last longer. Mass disruption to routines extends into months as new clusters appear randomly around the country. Without a comprehensive institutional response, people and communities are forced to become self-reliant. Businesses not built for resiliency, especially small local businesses and restaurants, suffer from reduced demand, and many are forced to close. Vulnerable populations with little access to social safety nets suffer similarly with bankruptcies and homelessness soaring. Government interventions are unfocused and untargeted, while benefits are distributed unevenly.

While basic personal hygiene becomes the front line of defense, the virus spreads across the country and is never really contained. Instead, the virus burns itself out, leaving many dead in its wake—and a deep scar on the national psyche. Many families lose their eldest members, altering the demographics of the nation.

SCENARIO 2

Surviving the Storm
One-Time Outbreak, Comprehensive Institutional Response

After a rough start, the federal government takes the lead and helps coordinate a strong and comprehensive nationwide response that is enacted with precision. Businesses shut their doors, hunker down, and ride out the storm. Working in harmony with the government, they devise plans that allow the vast majority of workers to get paid during the lockdown. Likewise, the government takes focused action to help support the most impacted industries, staving off bankruptcies and a negative economic feedback loop. Stock markets stabilize as confidence in the government is restored.

People comply with quarantines, recommendations on social distancing, and take health advice seriously. While the measures are draconian, the country flattens the curve, limits the total number of cases, and avoids swamping the healthcare system. While the immediate hit is deep, the long-term impact is largely blunted. Once the immediate danger passes, businesses quickly ramp back up to meet pent-up consumer demand.
New Normal

Seasonal Outbreak, Comprehensive Institutional Response

With the muscle memory from the initial outbreak in place, the nation is well-placed to respond when ensuing waves of outbreaks occur. Before a vaccine is developed, the playbook of draconian measures like school and business closures, work from home policies, and social safety support systems are highly effective—turning COVID-19 into a predictable, if still deadly, cyclical occurrence. Bits and pieces of a new “NEW DEAL” take hold slowly but surely. Stock markets become adept at pricing virus-related risks and impacts, limiting volatility.

The continued exposure and experience with virus coping mechanisms leads the entire economic system to reorient around COVID-19 with “minimizing risk” taking priority over “maximizing efficiency.” Industries reliant on large crowds, gatherings, or consumer mobility become more seasonal. Technologies that enable productivity and leisure during COVID-19 season, like telehealth, video conferencing, e-learning, and communications infrastructure all see adoption rise throughout the year.

Putting Out Fires

Seasonal Outbreak, Fragmented Institutional Response

The federal government’s uneven, uncoordinated, and poorly targeted actions give rise to varying local government standards for health care, businesses, and people. Powerful large companies facing a fragmented landscape take matters into their own hands by setting up virus outbreak agendas for their companies and employees. These siloed responses lead to cycles of social, cultural, and economic disruption that further damage critical systems and national trust every time the virus returns.

The initial waves of panic from people will fade as the public becomes desensitized to recurring outbreaks and the mortality it brings. Both people and businesses will seek out policy-based loopholes and benefits to take advantage of the fragmented national landscape. Health care costs go up while effectiveness goes down as they become permanently locked in a reactive stance and expend energy and money putting out fires.
What if people begin to panic?

Our core assumption has been a calm and controlled reaction on the part of people. If instead people adopt a panicked, paranoid, and distrustful outlook, our scenarios change in the following ways:

**Brief Chaos** (Scenario 1): Mass hoarding of necessities like food, guns, and medicine depletes businesses. Communities become hostile and refuse to share resources. Localized L.A.-style riots break out, which further strain federal resources that are dealing with health issues.

**Surviving the Storm** (Scenario 2): People actively avoid rational quarantine measures and take advantage of opportunities for personal gain. They do not believe the epidemic is over and prioritize saving instead of spending. Instead of bouncing back like a “V-shape,” consumption lags and forms a “U-shaped” graph.

**New Normal** (Scenario 3): People become even more risk adverse and do not experiment with novel forms of consumption. Trusted brands and platforms are further ingrained in their minds disallowing anything new to take root. There is a direct hit to consumer confidence even if the markets are trending upwards.

**Putting Out Fires** (Scenario 4): Baby Boomers and Millennials cannot handle two depressions; a collapsing economy begets national protests that seek accountability for the inept handling of the epidemic.
| Scenario 1: BRIEF CHAOS  
(One-time, fragmented) | Scenario 2: SURVIVING THE STORM  
(One-time, comprehensive) | Scenario 3: NEW NORMAL  
(Seasonal, comprehensive) | Scenario 4: PUTTING OUT FIRES  
(Seasonal, fragmented) |
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<thead>
<tr>
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<tr>
<td><strong>Economic</strong></td>
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<tr>
<td>- Recession exacerbated by pandemic stock market and unforeseen economic interventions that help big companies and big investors rather than those who need it.</td>
<td>- Economic contraction that is integrated in severity by the effectiveness of social distancing and fiscal stimulus from the government.</td>
<td>- Economic contraction, followed by transition into new economic baselines - one for COVID-19 season and one for &quot;normal&quot; life.</td>
<td>- Full on recession: businesses, hospitality, and hotels are hit hard, causing a wave of insolvencies.</td>
</tr>
<tr>
<td>- Long-term, government response puts increasing numbers of people out of work.</td>
<td>- Long-term problems with labor force participation and stimulus from the government.</td>
<td>- Governments use a new set of social safety nets that provide basic income to workers during COVID-19 season.</td>
<td>- Supply side shock to the economy and a morbid work force further degrades the economy.</td>
</tr>
<tr>
<td>- Economic impact is vastly uneven, recovery is uneven, it takes time for different industries to recover.</td>
<td>- Aggressive government intervention to help the most financially vulnerable populations provides a safety net.</td>
<td>- Social distancing may be effective but wages remain.</td>
<td>- People adjust their annual rhythms around the potential outbreak season, meeting new needs for travel and entertainment seasonality.</td>
</tr>
<tr>
<td>- Social safety nets are incredibly strained.</td>
<td>- Stocks recover quickly after a period of volatility.</td>
<td>- Social distancing techniques start to falter community.</td>
<td>- Local distancing measures must adapt innovative ways of containing community.</td>
</tr>
<tr>
<td>- Economy enters an &quot;U-shaped&quot; recovery.</td>
<td>- US debt levels shot up.</td>
<td>- Experience one season of social distancing, then more normal business for Metallics.</td>
<td>- Tobacco shifts to deliver relaxation during COVID-19 season, increasing demand and need for Metallics.</td>
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<td><strong>Cultural</strong></td>
<td><strong>Cultural</strong></td>
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<tr>
<td>- Skepticism of the federal government grows and conspiracy theorists rise to prominence. Trust grows in community and local organizations and institutions.</td>
<td>- The importance of collective security and public health is reinforced, promoting a sense of collaboration and the reemergence of community trust in place of mass movements.</td>
<td>- People adapt their annual rhythms around the potential outbreak season, meeting new needs for travel and entertainment seasonality.</td>
<td>- Acceptable and acceptable recession as borders closures and travel bans are expected to change radically.</td>
</tr>
<tr>
<td>- Institutions of trust are eroding, people turn to conspiracy theory.</td>
<td>- Confidence in the ability of the government to respond to crisis is restored, pushing back against the tide of government distrust.</td>
<td>- Social distancing techniques start to falter community.</td>
<td>- The maintenance of a social structure is likely, with increased reliance on social and family safety nets.</td>
</tr>
<tr>
<td>- Dependability of the federal government is at risk.</td>
<td>- Social distancing techniques start to falter community.</td>
<td>- Social distancing may be effective but wages remain.</td>
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<tr>
<td>- Dependability of the federal government is at risk.</td>
<td>- Social distancing techniques start to falter community.</td>
<td>- Social distancing may be effective but wages remain.</td>
<td>- Non-contact culture takes hold.</td>
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<td><strong>Retail + Consumer</strong></td>
<td><strong>Retail + Consumer</strong></td>
<td><strong>Retail + Consumer</strong></td>
<td><strong>Retail + Consumer</strong></td>
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<tr>
<td>- Stockpiling of essential goods leads to local rationing in the near term, but businesses demand for those categories in the first half of 2020 saw the opposite.</td>
<td>- The convenience of click-and-collect mechanisms takes hold in suburban and rural areas while urban stores reorganize their physical space to better facilitate pick-up.</td>
<td>- Accelerated development and adoption of automated retail stores.</td>
<td>- Long-term uncertainty creates consumer confidence and spending, resulting in a seasonal factor.</td>
</tr>
<tr>
<td>- Consumption shifts online, and to low-commitment click-and-collect methods.</td>
<td>- Brand customers demand more entertainment to fill their days, increasing reliance on streaming content.</td>
<td>- Accelerated demand for services and the sale of raw materials.</td>
<td>- Long-term uncertainty creates consumer confidence and spending, resulting in a seasonal factor.</td>
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<tr>
<td>- Retailers use drive-thru hygiene precautions for employees and shoppers.</td>
<td>- Spending declines but less drastically, as most people have a safety net, consumer confidence quickly rebounds by 1H/2020.</td>
<td>- Retailers use drive-thru hygiene precautions for employees and shoppers.</td>
<td>- Long-term uncertainty creates consumer confidence and spending, resulting in a seasonal factor.</td>
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<tr>
<td><strong>Business</strong></td>
<td><strong>Business</strong></td>
<td><strong>Business</strong></td>
<td><strong>Business</strong></td>
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<tr>
<td>- Restaurants, entertainment, and small businesses all struggle to survive and many are forced to shut down.</td>
<td>- Companies adapt by raising national wages and ensuring that any that don’tdie and are left with good brands are acquired by consumers and employees.</td>
<td>- Accelerated investment in technology infrastructure that enables remote work.</td>
<td>- Large layoffs happen with each outbreak: human resource responses lead to more stability for employees in some companies.</td>
</tr>
<tr>
<td>- Retailers are using click-and-collect mechanisms to engage with their customers, companies step up and help consumers understand the most important issues in the market.</td>
<td>- Companies and the government cooperate to ensure that workers receive adequate support to survive the crisis period.</td>
<td>- Accelerated investment in technology infrastructure that enables remote work.</td>
<td>- Remote workers are given the same benefits as office workers.</td>
</tr>
<tr>
<td>- Companies aggressively adapt their existing assets for news use - delivery networks, manufacturing capabilities, etc.</td>
<td>- Restaurants, entertainment, and small businesses all struggle to survive and many are forced to shut down.</td>
<td>- Accelerated investment in technology infrastructure that enables remote work.</td>
<td>- Remote workers are given the same benefits as office workers.</td>
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<td><strong>Generational</strong></td>
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<td><strong>Generational</strong></td>
<td><strong>Generational</strong></td>
</tr>
<tr>
<td>- Gen Alpha: Fear and anxiety around hygiene leaves the younger cohort the greatest degree of anxiety and a need for education, technological and cultural touchstones like September 11th rallies or the 9/11 anniversary.</td>
<td>- Gen Alpha: Swearing the government actually affects their lives.</td>
<td>- Gen Alpha: The adoption of a learning and remote teaching machine that has schools preparing for education, traditional touchstones like September 11th rallies or the 9/11 anniversary.</td>
<td>- boomers: Stock markets means fewer can retire earlier.</td>
</tr>
<tr>
<td>- Gen Z/Alpha: Swearing the government actually affects their lives.</td>
<td>- Gen Alpha: Swearing the government actually affects their lives.</td>
<td>- Gen Alpha: The adoption of a learning and remote teaching machine that has schools preparing for education, traditional touchstones like September 11th rallies or the 9/11 anniversary.</td>
<td>- Boomers: Stock markets means fewer can retire earlier.</td>
</tr>
<tr>
<td>- Fear of social isolation increases among Gen Z as they are pushed to work longer and areas more</td>
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<td>- Boomers: Stock markets means fewer can retire earlier.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Boomers: Stock markets means fewer can retire earlier.</td>
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Annex 7: The Future of Work
COVID-19 and the future of work: Four scenarios

Heidrick & Struggles has developed four scenarios for the world of work in 2023. Here we explore the implications for leaders and organizations in each scenario.

The COVID-19 pandemic represents a historic crisis that is causing leaders and companies to rethink the way they operate. The most effective leaders are thinking not just about their immediate crisis response but also about how their choices now will position their companies in the post-crisis world. But, in a situation changing daily, it’s nearly impossible for any single organization to think that far ahead. By bringing together a range of perspectives, it is possible to sketch out a number of possible futures in 2023 that will allow leaders to incorporate foresight into their business and human capital decisions during the crisis and beyond.

https://heidrick.com/Knowledge-Center/Publication/COVID19_and_the_future_of_work_Four_scenarios
Bounding the future

We've turned to scenario planning, a methodology that is focused on not only thinking about the future (past tense) but also on how different uncertainties will combine to form a diverse set of futures. This concept has been developed by the Global Scenarios Project, which has helped us develop macro-scenarios for the future of human capital in the year 2023, stemming from the COVID-19 crisis, as well as implications for companies operating in different industries, as well as regions of the world. The key topics to be included take the following:

Researchers at the BCG Center for Human Capital Research have identified 50 key trends and uncertainties that are driving the future of human capital in the post-COVID world, allowing us to conduct a survey of more than 60 leaders, who identify more than 100 potential risks.

Identified more than 50 key trends and uncertainties based on assessments of individual and group impact for each topic.

- Forescored the top-impact uncertainties and range of outcomes to formulate a 2x4 matrix and output timeframes for four plausible and diverse scenarios: "built up," "unbuilt," "socially," and "technologically," with an emphasis on key uncertainties of economic recovery. "Built up" scenarios are near-term economic rebound as well as social and technical solutions to accelerate "unbuilt." 

- Developed additional detail for each scenario in terms of key themes, data signals, and implications for different industries and regions of the world.

**Scenario 1: Digital native**

The virus is mostly contained, and the economy has bounced back but continues to be somewhat unpredictable as different regions and industries recover.

- Sales for many e-commerce companies have surged, with less reliance on face-to-face business, spurring growth in virtual selling tools such as simulation/visualization software.
- People have a renewed appreciation for personal health and hygiene, self-diagnostics, and health monitoring, causing demand for more in-house employees, safety, and hygiene measures.
- More jobs become remote, companies have greater flexibility in sourcing talent, championing digital transformation, and increasing remote work to both lower risk and improve work-life balance.

**Scenario 2: Tech-powered humanity**

In this scenario, the virus is contained, and the economy starts to recover with peopleovan physical interactions and collaboration to balance the impact of remote work. There is unprecedented investment in digital and innovation skills, leading to a new era with a growing global market. Automation and artificial intelligence (AI) unlock significant productivity improvements in everything from medicine to manufacturing, creating opportunities for new types of jobs and benefits for employees.

- Employee expectations related to digital development, work experience, company culture, and personal and financial benefits are very high and will determine which companies are successful and retain future talent.

**Scenario 3: Growing divide**

In these scenarios, the economic divide is exacerbated, and social distancing measures lead to significant, lasting unemployment and a severe mental health crisis. People manage as we know it to be.

- Government adopts "big tech"-style solutions to monitor employees, due to lack of trust that mostly virtual work is staying productive. The digital divide is exacerbated, as the "have nots" are not able to get fast enough and are left behind in the dust, forced to take much lower paying jobs or stay unemployed. The supply of digital "have nots" is growing for any work, as well as essential workers, gets a general slowdown in automation efforts, other than for quick-fit applications such as robotic process automation and task robotics. Entire industries are under, while new ones such as virtual travel agents and virtual reality sport, sensor wins up.

**Scenario 4: In this together**

In this future, COVID-19 social distancing measures last for 12 months (the Great Lockdown), causing enormous economic damage. Central banks have little headroom for interventions, and a long, deep recession ensues. Families and communities pull together to support the system, and communities lose their identity as volunteerism and the network of non-governmental organizations increase significantly. As distancing measures are relaxed, authentic social interaction becomes very highly valued. Governments take actions for more in-house employees, safety, and hygiene measures, including those in the gig economy. Digital businesses remain strong, and digital skills flourish at all levels, as everyone needed to upskill to learn to survive. Automation continues to ramp up, and many industries see job losses.

**Four scenarios for the post-COVID world of work**

<table>
<thead>
<tr>
<th>Social</th>
<th>Technological</th>
<th>Economic</th>
<th>Environmental</th>
<th>Political and institutional</th>
<th>Competitive</th>
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<tr>
<td>Virtual collaboration</td>
<td>AI</td>
<td>Productivity</td>
<td>Sustainability</td>
<td>Governance innovation</td>
<td>Risk-sharing schemes</td>
</tr>
<tr>
<td>Physical interactions</td>
<td>Cloud</td>
<td>Productivity</td>
<td>Sustainability</td>
<td>Government innovation</td>
<td>Risk-sharing schemes</td>
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<tr>
<td>At-home work</td>
<td>Social media</td>
<td>Productivity</td>
<td>Sustainability</td>
<td>Government innovation</td>
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<tr>
<td>Social distancing</td>
<td>Automation</td>
<td>Productivity</td>
<td>Sustainability</td>
<td>Government innovation</td>
<td>Risk-sharing schemes</td>
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</tbody>
</table>

**Digital natives**

- Digital literacy: In Silicon Valley, "digital natives" are building on their skills.
- Virtual collaboration: People are working together virtually.
- Social distancing: Social distancing measures last 12 months.
- Creating enormous economic damage, and communities pull together.
Annex 8: Deloitte - economic cases
Recovering from COVID-19
Economic cases for resilient leaders
18-24 months

6 April 2020

Deloitte’s Resilient Leadership framework defines three time frames of the crisis . . .

This document, *Recover/economic cases*, is designed to guide leaders in strategic, financial, and operational planning over the next 18–24 months, as the Respond time frame emerges into Recover.

Each of the economic cases posits a potential future state—including trends in epidemiology, society, technology, policy, and the environment—leading to corresponding economic implications.

These economic cases are not predictions about what will happen; they are hypotheses about what could happen, designed to frame planning discussions.

Focus of this document: Economic cases with a medium-term view (18–24 months)

Refer to *The world remade by COVID-19: Scenarios for resilient leaders* for a view of long term (3-5 years)
**Economy**

**Mild economic case**
- Economic activity rebounds in late 2020 as the virus dissipates. Recovery initially slow, but speeds up in second half of 2021 as consumers become more confident.
- Dramatic change in behavior and public policy.
- Deep but quick recessions in European Union and United States; small and medium businesses disproportionately impacted.
- Substantial fiscal programs in European Union and United States help to limit damage.

**Harsh economic case**
- The virus follows a wave pattern, abating and then peaking again in multiple global geographies. Economic recovery begins late 2021. Recovery slow in early 2022 and speeds up by second half of 2023.
  - Chinese economy recovers robustly.
  - Deep and protracted recession in the West affects supply chains and consumer demand.
  - Fiscal stimulus eases business failures, but does not boost spending.

**Severe economic case**
- The epidemic continues with severe infection rates late 2021 until either herd immunity and/or a vaccine reduces the virality. Economic recovery by mid-2022. Significant risk of exceeding outbreaks with feedback loops, limiting recovery.
  - Financial system becomes even more fragile as cash dries up.
  - Fiscal stimulus is sustainable, but fails to boost spending.
  - Many businesses fail while household disruptions occur.
  - Widespread and enduring nationalization of industries takes hold.

**Real GDP growth in 2020**

<table>
<thead>
<tr>
<th>Country</th>
<th>United States</th>
<th>European Union</th>
<th>China</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>-5%</td>
<td>-5%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Industry impact (supply side)</td>
<td>Production cuts in European Union and United States; disruption of supply chains.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry impact (demand side)</td>
<td>Weak demand in European Union and United States; export market hit.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration from 1/1/20</td>
<td>8 quarters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovery</td>
<td>Slow recovery begins in second half of 2020.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on 2021 global GDP</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Epidemiology**

- Relatively constrained disease dynamic and effective health system response.
- Outbreak recedes in China and North Asia; supply chains begin to recover.
- Virus spreads rapidly in European Union and United States.
- Warmer weather in summer helps to limit the outbreak.
- Relapse of virus in autumn is dealt with through testing and tracking rather than shutting down the economy.
- Overall self-inflicted human movement limits spread of virus.

**Society, technology, policy, environment**

- Increased social cohesion emerging from periods of quarantine.
- Acceleration in tech development, with more businesses' models shifting online.
- Growing prospect for public institutions and local government as their efforts appear to slow the pandemic.

**Outbreak in China mostly controlled, but some revival due to inbound travel.**

**European Union and United States have severe outbreak, which comes in waves and lingers until early 2021.**

**Virus contained by early 2021.**

**Society, technology, policy, environment**

- Extended and severe virus leads to all things virtual as the norm.
- Comfort with life online increases, even among older households.
- Technologies of the fourth industrial revolution accelerate in development due to greater demand.
- Mixed environmental impact occurs.
- Contactless surveillance mechanisms become more prominent.

**Outbreaks in emerging countries, possible feedback loop.**

**Containment is achieved in Western Europe late 2021.**

**Society, technology, policy, environment**

- Social cohesion begins to erode as suspicion of others becomes norm and xenophobia grows.
- Technology advances to meet society's virtual demands; digital government begins to drive.
- Economic recovery prioritized over fighting climate change.
- Solvency remains globalized; with all borders open and顺畅 supply chains.
**Mild economic case**

What if the pandemic *eases sooner than experts anticipate?* What if *effective public measures* combine with faster testing to contain the virus and lead us out of the crisis phase in the next few months? Small- and medium-sized businesses will surely be hurt, and the *economic impact can’t help but be sizable.* But something like “normal” returns, even if it’s not the same as before. More *business and social activities have moved online*—and are staying there. Perhaps there’s growing respect for public institutions and medical expertise and a *new appreciation for reliable information when lives are on the line.* And as we come out of our homes so that life on the street returns, the *new appreciation for our friends and neighbors,* and even the loss of some treasured local shops, remind us not to take those things for granted . . .

**Epidemiology**

- Relatively constrained disease dynamic and effective health system response
- Outbreak recedes in China and North Asia; supply chains begin to recover
- Virus spreads rapidly in European Union and United States
- Warmer weather in summer helps to limit the outbreak
- Revival of virus in autumn is dealt with through testing and tracking rather than shutting down the economy
- Overall stifled human movement limits spread of virus

**Society, technology, policy, environment**

- Increased social cohesion emerging from periods of quarantine
- Acceleration in tech development, with more businesses’ models shifting online
- Growing respect for public institutions and local government as their efforts appear to slow the pandemic
Economy
Economic activity rebounds in late 2020 as the virus dissipates. Recovery initially slow, but speeds up in second half of 2021 as consumers become more confident.

- Dramatic change in behavior and public policy
- Deep but quick recessions in European Union and United States, small and medium businesses disproportionately impaired
- Substantial fiscal programs in European Union and United States help to limit damage

Real GDP growth in 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
</tr>
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<tbody>
<tr>
<td>United States</td>
<td>-5%</td>
</tr>
<tr>
<td>European Union</td>
<td>-5%</td>
</tr>
<tr>
<td>China</td>
<td>3%</td>
</tr>
<tr>
<td>Japan</td>
<td>0%</td>
</tr>
</tbody>
</table>

- Industry impact (supply side): Production cuts in European Union and United States, disruption of supply chains
- Industry impact (demand side): Weak demand in European Union and United States spreads globally, multiple industries hurt
- Duration from 1/1/20: 6 quarters
- Recovery: Slow recovery begins in second half of 2020
- Impact on 2021 global GDP: 0.0%
Harsh economic case

What if the pandemic lasts longer than we’re ready for, with waves of infection lasting through summer, maybe into the fall, keeping us in crisis mode for months? A prolonged recession with weak supply and weak demand, combined with financial system shocks, wreaks havoc on social and economic life. But maybe not all countries suffer to the same degree. Those which faced the pandemic sooner and reacted more aggressively bounce back faster, while those slower or less consistent in their responses are hurt more deeply and for longer. Before long, virtual life is real life in many places. Will those companies that can still invest accelerate their investments in robotics and other techniques to reduce their reliance on human labor subject to the disease? Or will the need to rebuild the economy and restart consumption favor policies that promote getting people back to work in 2021?

Epidemiology

- Outbreak in China mostly contained, but some revival due to inbound travel
- European Union and United States have severe outbreak, which comes in waves and lasts until early 2021
- Virus contained by early 2021

Society, technology, policy, environment

- Extended and severe virus leads to all things virtual as the norm
- Comfort with life online increases, even among previous holdouts
- Technologies of the fourth industrial revolution accelerate in development due to greater demand
- Mixed environmental impact occurs
- Centralized surveillance mechanisms become more prominent
Harsh economic case

Economy
The virus follows a wave pattern, abating and then peaking again in multiple global geographies. Economic recovery begins late 2021. Recovery slow in early 2022 and speeds up by second half of 2022
- Chinese economy rebounds slowly
- Deep and prolonged recession in the West affects supply chains and consumer demand
- Fiscal stimulus limits business failures, but does not boost spending

Real GDP growth in 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>-8%</td>
</tr>
<tr>
<td>European Union</td>
<td>-8%</td>
</tr>
<tr>
<td>China</td>
<td>1%</td>
</tr>
<tr>
<td>Japan</td>
<td>-3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry Impact (Supply Side)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry impact (supply side)</td>
<td>Deep drop in output; supply chains disrupted</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry Impact (Demand Side)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry impact (demand side)</td>
<td>Severe decline in global demand; financial stress akin to 2008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Duration from 1/1/20</th>
<th>9 quarters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery</td>
<td>Recovery starts in second half of 2021</td>
</tr>
<tr>
<td>Impact on 2021 global GDP</td>
<td>-3.0%</td>
</tr>
</tbody>
</table>

Timing of economic recovery by region

- CN: Second half of 2021
- JP: Second half of 2021
- REST OF ASIA: First half of 2021
- REST OF WORLD: Second half of 2021
Severe economic case

What if the pandemic fools us into thinking we are making gains, when in fact we have mistaken the foothills for the mountain? What if the countries that today seem to have things under control face a return of the virus, while those still struggling today find that the pandemic outruns every effort at containment? And what if we discover that the world is just too big, as the virus cycles (and mutates) between wealthier nations and the emerging economies they trade with. Will even the most expansive fiscal and monetary interventions in history fall short? Will societies begin to shut down as health care systems overload? Yes, technology adoption will grow, but so will distress and suspicion. Is privacy—about our health, our whereabouts, the people we have been near—a luxury we can no longer afford? How would our calculus of trust change?

Epidemiology

- Outbreak returns to North Asia, with negative economic consequences
- European Union and United States outbreak prolonged, coming in multiple waves
- Efforts at stifling activity are only partly successful
- Near-complete shutdown of society
- Health care system severely disrupted
- Severe outbreak in emerging countries; possible feedback to West
- Containment is achieved in the West by late 2021, largely due to herd immunity

Society, technology, policy, environment

- Social cohesion begins to unravel; suspicion of others becomes the norm and xenophobia rises
- Technology advances to meet society’s virtual demands; government obliges data-sharing
- Economic recovery prioritized over fighting climate change
- Isolationism practiced globally, with strict border controls and shortened supply chains
**Economy**

The epidemic continues with severe infection rates into 2021 until either crowd immunity and/or a vaccine reduces the virality. Economic recovery by mid-2022. Significant risk of cascading outbreaks with feedback loops, limiting recovery

- Financial system breaks down despite central bank efforts
- Fiscal stimulus is substantial, but fails to boost spending
- Many business failures and household disruptions occur
- Widespread and enduring nationalization of industries takes hold

**Real GDP growth in 2020**

- United States: -10%
- European Union: -10%
- China: -3%
- Japan: -6%

**Industry impact (supply side)**
Severe drop in output; supply chains break down

**Industry impact (demand side)**
Severe decline in demand; many business failures; some nationalization

**Duration from 1/1/20**
12 quarters

**Recovery**
Starts in 2022

**Impact on 2021 global GDP**
6.0%
2020 vision can be myopic

There are numerous macro-uncertainties that affect any near-term economic cases, many of which present either additional upside opportunities and/or downside risks beyond the accompanying economic cases.

**UPSIDE OPPORTUNITIES**

- Rapid vaccine development and/or herd immunity developed
- No recurrence in Asia
- Significant drops in US and EU infection rates this summer
- Minimal spread to rest of world
- Rebound in economic activity substantially back to pre-outbreak levels by Q4 2020
- Consumers return to previous activity levels with minimal lasting impact of social distancing; government intervention enables >80% of small businesses to sustain
- Supply chains reestablished quickly
- Ubiquitous deployment of broadband and 5G leads to rapid digitization of business and society
- Rapid impact of public and private partnerships tempers economic downturn and increases trust in both public and private institutions
- Step-change increase in corporate social responsibility consistent with Business Roundtable tenets

**DOWNSIDE RISKS**

- Catastrophic EU and US outbreak
- Second outbreak in North Asia
- Severe problem in emerging markets
- Outbreak contained by 2022
- Severe, long recession
- Substantial breakdown of supply chains
- Severe weakness of demand globally for two years
- Economic recovery in 2023
- Homelessness, social unrest
- Government bailouts of numerous industries in many countries
- More government involvement in economy

as of 6 April 2020
Annex 9: acaps
COVID-19: SCENARIOS

Possible global humanitarian developments over the next six months
April 2020

About this report

These scenarios have been developed to consider how the global humanitarian system will be impacted over the next six months in relation to COVID-19. This involves considering how changes in donor and recipient countries will affect each other, as well as the possibility that Covid-19 will trigger new humanitarian crises. To achieve this, this report considers the global interplay between countries, and the implications of both primary and secondary of the COVID-19 pandemic and containment measures.

The primary purpose is to inform strategic humanitarian decision-making through an understanding of the possible changes in needs for humanitarian assistance and possible constraints in meeting these needs.

The following scenarios consider three ways the global humanitarian context might change in the coming six months. The scenarios do not go into detail about how the virus may affect specific contexts or countries. They are not forecasts; their aim is to offer alternative, possible futures to assist in decision-making.

For each scenario, a description of the possible future over the next six months is followed by an analysis of impacts on the humanitarian situation and response that might be expected. To easily compare the three scenarios, ACAPS has prepared an excel table, which can be accessed HERE. These impacts cover both the impact of the virus itself and the impact of containment measures brought in by governments. A separate report focusing on key areas of concern for each region will be published later in April.

Compounding factors that could occur and impact any of the scenarios are discussed at the end of the document.

The three scenarios considered are:

1. global containment of the pandemic
2. partial containment; major outbreaks overwhelm health systems in middle- and low-income countries, and
3. no significant containment of the virus; many health systems are overwhelmed

Please note that not all scenarios are equally probable; they are developed to consider significantly different ways the future may develop. The actual future may lie somewhere between the three (combining different elements of each).

1 Containment is used in this report to mean the process of controlling the spread of the COVID-19 virus. It does not imply that the virus has stopped spreading, simply that the rate of new infections is reduced to levels that enable a country's health system to cope.
**Scenario 1 Global containment**

Health systems in almost all countries remain able to provide essential services. Most high-income countries enter a planned pattern of imposing, relaxing, re-imposing containment measures as necessary. Almost all other countries continue to impose containment measures. Most state employees continue to be paid and many states around the world implement measures to assist businesses and households, although this is insufficient to compensate for loss of earnings. Many of the poorest, predominantly urban communities and marginalised groups, are driven further into poverty.

Most pre-crisis humanitarian operations continue, albeit at a somewhat reduced level, with reduced direct oversight and a shift to remote management. Organisations work to refocus and adapt projects while attempting to respond to increased numbers of people in need. Bureaucratic and logistic costs increase. Donors provide significant health assistance to countries worst affected by COVID-19.

**Scenario 2 Partial containment**

Health systems in most high-income countries continue to be able to provide essential services and, as caseloads reduce by July, economies cautiously restart.

In many middle- and low-income countries health systems are overwhelmed as the virus spreads. Some countries increase containment measures that have significant economic and social repercussions; others relax, or fail to maintain, current measures and the virus spreads rapidly. Containment measures disproportionately impact the poorest, although in some countries the impact is even broader with governments ceasing or delaying payment of state salaries. Many families lose caregivers or primary earners (breadwinners) as a direct result of the disease.

Most pre-crisis development and humanitarian activity is severely scaled down or suspended; humanitarian health assistance is provided to countries worst affected by COVID-19 but is insufficient to meet need.

**Scenario 3 Limited containment**

COVID-19 cases increase in many countries and global mortality rates soar. The virus spreads in many countries across all regions. Only a few countries begin to see a decline in new cases with no significant resurgence. Most governments continue with strict containment measures to prevent cross border movement and curtail non-essential domestic movement.

In many countries the scope of the spread is not realised early enough due to insufficient testing and lack of access to healthcare. Many middle- and low-income countries have insufficient critical care staff, supplies, and equipment. Even where funding is available procurement is slow.

With tight containment measures proving the most effective way to slow the spread to levels that do not overwhelm health systems, more governments enact emergency legislation, while more authoritarian regimes employ increasingly repressive measures. Unemployment rises dramatically, sparking civil unrest and rising criminal activity in many countries. Social cohesion and confidence in government authorities declines.

Humanitarian operations are severely compromised. Most existing operations are suspended, scaled down, or continue with revised operational models and activities. While some countries encourage humanitarian organisations to continue working, they are hampered by movement restrictions that impact both staff presence and programme implementation, decreased community acceptance where COVID-19 is perceived as being brought by foreigners, and decreased government funding. Even in the worst-affected countries, humanitarian organisations are unable to mobilise an effective, timely response.

The situation leads to reduced global humanitarian strategies, with increased inequality in global needs coverage. National/local reactions to the pandemic create additional discrepancies in the situation of those in need from one country to another.
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The NCCPE is supported by the UK Higher Education Funding Councils, UKRI and Wellcome, and has been hosted by the University of Bristol and the University of the West of England since it was established in 2008.