



Post-Corona-Scenarios

Society, economy and politics after the COVID19 crisis

In parallel to the handling of the COVID19 pandemic, the question of what our world will look like after the crisis is increasingly being asked. It might not seem like the focus of attention - and yet with today's decisions we are already laying the foundation for possible structural answers and paths of action. Or do our decisions made today already lead to unfavorable developments, blocking potential opportunities? That is why it is important to know: What are the future options resulting from nowadays crisis? Which of these scenarios do we expect - and which would be desirable? And what can we learn from this evaluation for today's decisions?

In order to work out first answers to these questions, ScMI AG has carried out an open online scenario process together with selected partners. More than 80 experts from companies, organisations, science and consulting actively participated in this process. In this working paper, the results of this project - scenarios, future map and evaluations - are presented. Further results are available on our homepage (www.scmi.de/en).

Working paper

1 Introduction

During the first weeks of COVID19, possible pandemic developments were primarily depicted in the form of (rather short-term) scenarios. But, future scenarios are now increasingly being drawn up which are supposed to deal with the time after the Corona crisis. Many of these scenarios are either closely related to the course of the pandemic and show a strong quantitative orientation, or they concentrate on individual long-term consequences, representing a more media-driven nature. ScMI AG has launched an online scenario process for the post-corona period which was designed to meet the mentioned criticism in a clearly defined process following specific guidelines:

- **Methodological foundation:** The scenario process was based on the sound methodology of Szenario-Management™.
- **Thematic scope:** The consequences of the COVID19 pandemic were not narrowed down to individual areas of consequence, but were considered in a comprehensive and holistic way.
- **Open process:** In order to integrate the existing diversity of opinions and perspectives into the scenario process, a heterogeneous group of participants should be won.
- **Link to pandemic progressions:** Due to a specific and modified approach, ScMI AG has created the possibility to link the scenarios to short-term expectations concerning pandemic progression, in order to allow further interpretations.

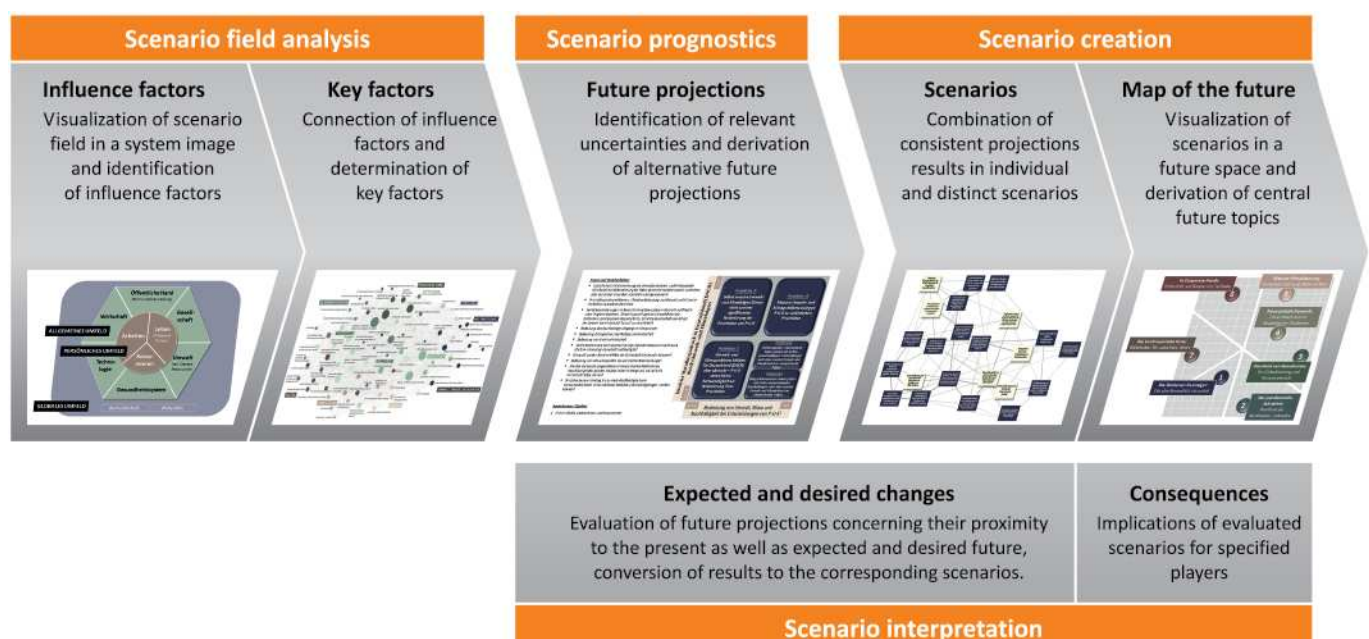
The scenario process was implemented in four online workshops in which more than 80 people participated - from partners and customers of the ScMI AG, scientists, experts and consultants to participants who could register on their own initiative via the ScMI AG homepage or other social media platforms. With this interdisciplinary scenario team, the methodology of Szenario-Management™ could be absolved within four weeks - from April 16 to May 7, 2020 (see Figure 1).

Scenario field analysis: After the considered fields had been visualized in a system image, a total of 79 influence factors were identified and described in detail. An influence analysis then provided insights into how the individual factors are interacting in this post-corona system. On this basis, the scenario team selected a total of 23 key factors. These key factors are to be understood as „our questions to the future“, since the scenarios address precisely these issues.

Scenario prognostics: In a subsequent step, up to five possible development options for each key factor were created in the form of alternative future projections. These projections formed the „building blocks“ from which the scenarios were later assembled.

Scenario creation: In the third step, the compatibility (consistency) of the individual future projections was evaluated. Using the software Szenario-Manager, eight conceivable scenarios were then identified. These raw scenarios each represent a coherent and consistent picture of the future. On the other hand, they were constructed in such a way that the scenarios differ from one another as much as possible. Due to this scope of content,

Figure 1: **Methodical approach of the online project**



the entire future area could finally be represented in a „map of the future“.

Scenario interpretation: Subsequently, the projections and scenarios were evaluated with regard to their proximity to the present as well as to the expected and desired future. This made it possible to strategically interpret the map of the future.

On the one hand, the scenarios provide a framework for targeted reflection on the years following the COVID19 pandemic. On the other hand, the scenarios also serve as a basis for making future-proof decisions today. Various tools are available for this purpose - for example a corona stress test with individual evaluation.

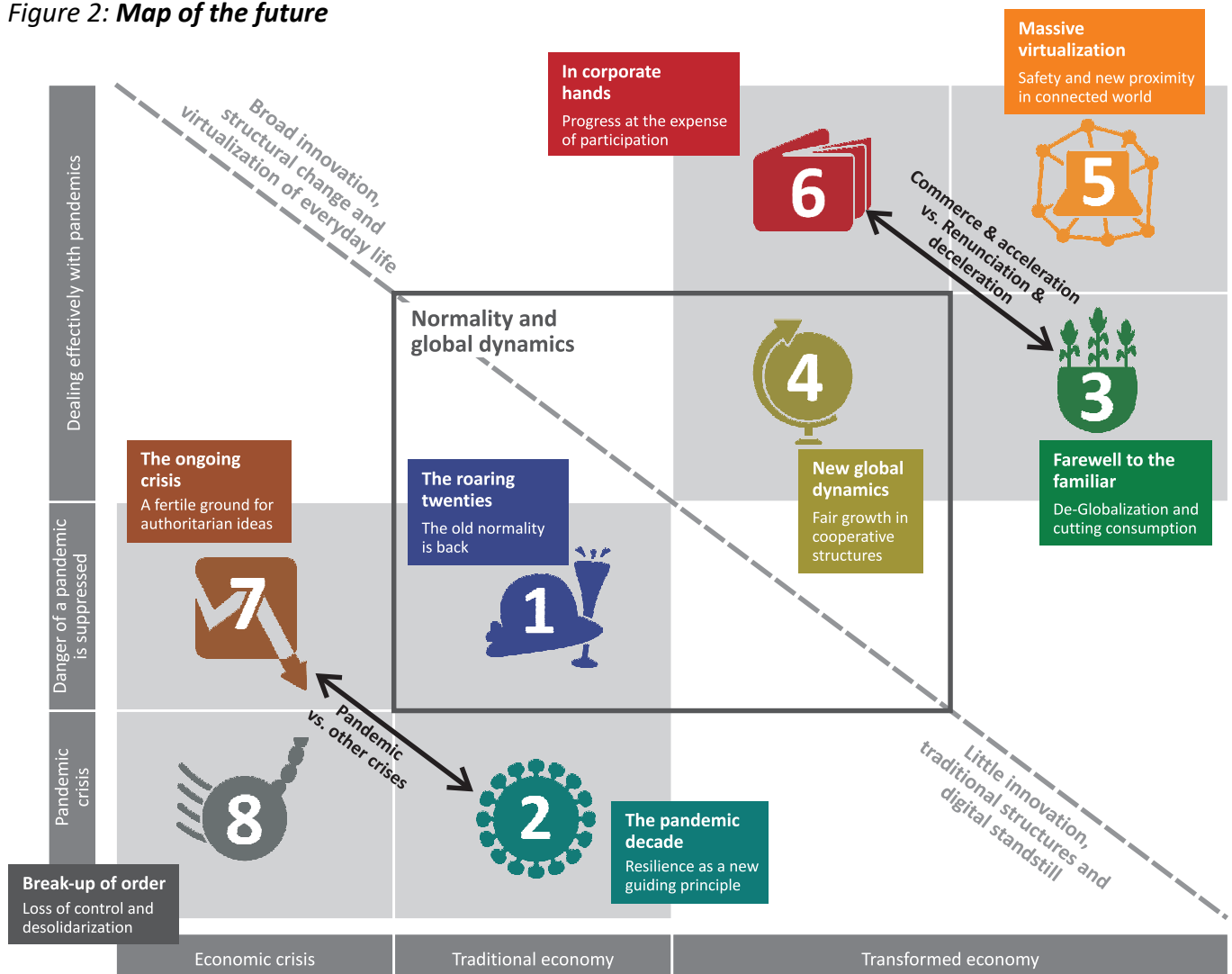
2 Map of the future

The map of the future shown in Figure 2 shows the central differences between the scenarios - and thus also the most relevant future issues. It is based on the more statistically backed Future Space Mapping.

In the map of the future, two core areas can be clearly distinguished from each other: in the lower left-hand area, scenarios 1, 2, 7 and 8 depict rather traditional worlds with moderate innovation and digital stagnation, while the upper right-hand area with scenarios 3 to 6 covers strongly changed ecosystems - with broad innovations, strong structural change and a clear virtualisation of everyday life. Scenarios 1 and 4 each depict a (traditional or new) normality within their core areas and can also be understood as mental starting points.

Crisis themes dominate traditional worlds: While scenario 1 („The roaring twenties“) describes a widespread return to a form of old normality, scenarios 2 and 7 form the antipodes within the traditional worlds: In scenario 2 („The pandemic decade“), for example, new epidemics

Figure 2: **Map of the future**



repeatedly dominate decision-making processes, but also cause societies to move even closer together. In Scenario 7 („The ongoing crisis“), the COVID19 pandemic is merely the initial spark that ignites the crisis mode, only to turn into economic and other crises.

Finally, scenario 8 describes how the out-of-hand pandemics and other crises can lead to a downward spiral with loss of control and disintegration of the old order. This „worst case scenario“ can arise both as a loss of solidarity from scenario 2 and as a result of additional pandemics from scenario 7.

Three driving forces in structural change: The scenarios in the second core area, which are characterized by diverse, structural change, can be described starting from scenario 4 („New global dynamics“), because it represents a world that is similar to the Pre-Corona period in many aspects and can thus be understood as a „new normality“. However, this structural change also requires a variety of corresponding changes, including stronger global cooperation.

- Scenario 3 („Farewell to the familiar“) is characterized by the driving forces of de-globalization and regionalization and the departure from the commercialized growth society. This goes hand in hand with strong regulatory power on the part of politics and a greater orientation towards self-sufficiency in technological processes.
- Scenario 6 („In corporate hands“) describes a completely different picture, in which companies become central problem solvers through high innovative power, while politics can hardly keep up with this speed. The central driving forces are innovation and privatisation (some also say „through-commercialisation“).
- Added to this is scenario 5 („Massive virtualization“), in which digitization becomes the driving force, bringing massive changes to the economy, society and politics of the Post-Corona era. This scenario is driven by a strong security orientation in society and the realization that new proximity can be created, especially in the network worlds.

In summary, it is clear that without structural change, a return to the old normality is the desired image, while at the same time there are various images of possible structural change that would be extremely worth arguing about.

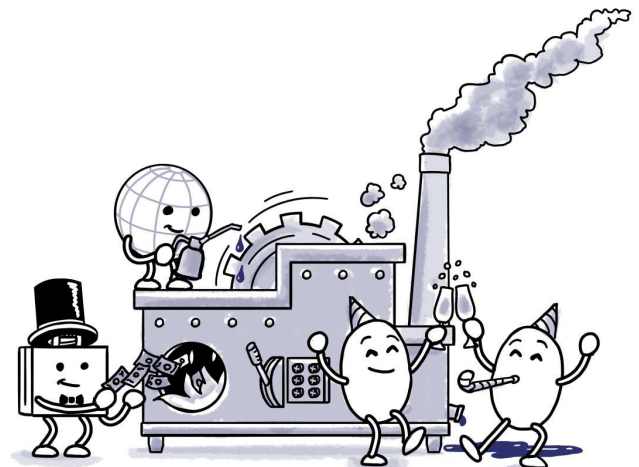
3 Scenarios

The eight scenarios depicted in the map of the future can be presented in short as follows.

Scenario 1: THE ROARING TWENTIES The old normality is back



The memory of COVID19 as a short-term shock fades - the world has repressed its pandemic experience, has returned to old normality. Even the economic slump was quickly overcome in most countries - and so now they do not want to be torn from their regained routine by new, less acute crises such as climate change. The German economy has continued to focus on its key industries and has strengthened its position as the world's export champion in a reinvigorated free trade system. In return, Germany is lagging far behind others in the digital transformation. Successful crisis management has led to a sustained strengthening of the political centre. Fear and insecurity have been largely forgotten and the old attitude to life with its pronounced individualism has returned. Physical contacts are once again dominating everyday life; people are following the old mobility and consumption patterns and making up for missed leisure and consumption opportunities without distance. The new carelessness is accompanied by the renunciation of proven resilience strategies or systemic changes in the health care system.



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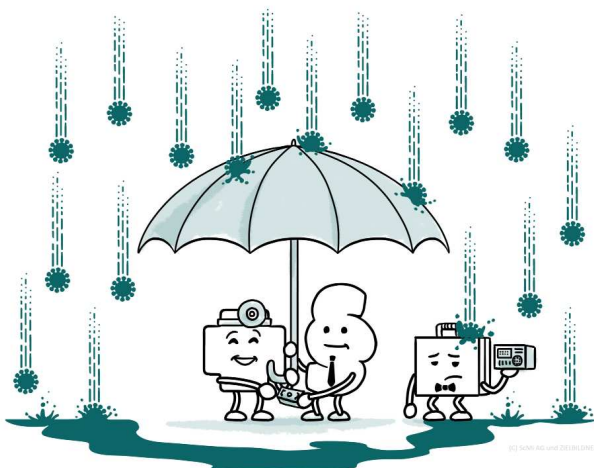
Scenario 2:

THE PANDEMIC DECADE

Resilience as a new guiding principle



COVID19 was only the beginning: New pandemics are changing all areas of life and are reducing the perception of other crises such as climate change. The international community is working together to counter the new threat. However, not even a return to multilateral thinking and free world trade can prevent the measures from repeatedly leading to economic collapses and an overall reduction in innovation. The German economy is relying on its key industries and can largely maintain its position there. The focus on pandemics leads to a high need for security and ultimately to health systems and policy in general being geared in such a way that they are able to deal with possible pandemics much better than before. This also includes the adaptation of remuneration systems, i.e. improved payment for occupations relevant to resiliency. The consumer climate is suffering from the critical economic situation and the increasing tax burden. Social life is taking place in smaller units - overcrowded cities are becoming less attractive.



Scenario 3:

FAREWELL TO THE FAMILIAR

De-globalization and cutting consumption



Pandemics are not everything: a variety of crises are shaking humanity. Massive environmental and climate problems are forcing politics, business and consumers to change their priorities. Globally, a system of different spheres of interest is emerging - as well as within the European Union. Within the new blocs, production is increasingly regional, so that the global flow of goods is being reduced. A paradigm shift is taking place in the German economy: growth at any price no longer exists

and the former world champion exporter has to reinvent himself. Diverse innovations promote sustainable structural change, and regional approaches are also gaining ground in the digital world, and German companies are very successful in implementing them. In politics, the balance is shifting towards stronger regulation and greater public influence. Both the public sector and companies are strengthening their foresight and increasingly focusing on resilience strategies. The broad return to sustainable values is leading to a conscious decision to forego consumption. Virtual communication is used in many ways - but as a complement to the physical contacts that are still dominant and actively cultivated by people. Social life focuses on local units and the model of urban life is losing its lustre.



Scenario 4:

NEW GLOBAL DYNAMICS

Fair growth in cooperative structures



COVID19 has been perceived by all people as a decisive event and has led to a global rethink. Transnational politics has become more powerful and has created new framework conditions. Thus a fair free trade system has been created, which has enabled a return to global economic dynamics. Germany is profiting from this new dynamism and is developing into a driver of structural change. This also includes the fact that Europe, with its focus on open architectures, has become a leading digital location on a par with the USA and China. This is associated with significant changes in the labor market, employment relationships and remuneration systems. In this world, professional success is inextricably linked to the creation of meaning and personal development. The strengthened political centre is establishing sustainable resilience strategies. Although new pandemics and crises do exist, they are no longer perceived as threatening in everyday life. Challenges are met with global responsi-

lity, but above all with openness and curiosity - the joy of innovation dominates and education is essential, as are high-quality information offerings.

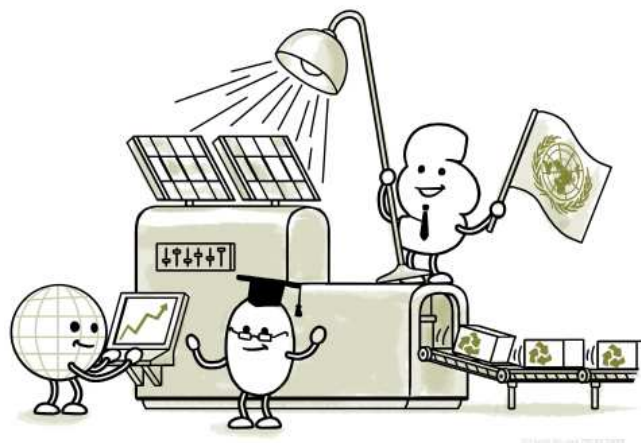


Figure 3: Scenario overview

The roaring twenties	The pandemic decade	Farewell to the familiar	New global dynamics	Massive virtualization	In corporate hands	The ongoing crisis	Break-up of order
The old normality is back	Resilience as new guiding principle	De-globalization and cutting consumption	Fair growth in cooperative structures	Security and new proximity in connected world	Progress at the expense of participation	A fertile ground for authoritarian ideas	Loss of control and desolidarization
Moderate crisis development and low resilience orientation.	New pandemics as a central crisis topic - the state pushes forward with resilient systems.	Especially climate change is forcing new priorities and a broad orientation towards resilience.	Effective handling of a wide range of crises, including pandemics - broad resilience orientation.	Effective handling of a wide range of crises, including pandemics - broad resilience orientation.	Medical and biological progress allows partial abandonment of resilient systems.	Abundance of crises, especially beyond pandemics. State ignores the need for action; no resilience.	Abundance of new pandemics and multiple global crises. No effective counter strategies.
Free world trade with global disparities. German industry relies unilaterally on traditional key technologies and expands its position as the world champion exporter	Resilience burdens households and pandemics repeatedly lead to economic crises. The German economy remains in old structures and tries to stay on course.	Reduction of global flows of goods creates opportunities. In Germany, a new paradigm concerning regionalisation and structural change gains acceptance.	Return to dynamic free trade while strengthening of the global framework. Rapid and successful structural change in the German economy.	Largely free world trade with a strong framework but large global disparities. Rapid and successful structural change in the German economy.	Overall free world trade with strong global disparities. Rapid and successful structural change in the German economy.	Protectionism slows down the economic dynamic. German economy relies on traditional yet shrinking businesses. Economic recession.	Closed economy in prolonged recession. The German economy falls into a downward spiral and weakened companies are taken over.
Largely constant global innovation landscape. Germany is falling behind digitally. Largely constant labour markets.	Open global innovation landscape with focus on resilience. Better remuneration for areas relevant to resilience. Data protection slows down digitalization in Germany.	Changing global innovation landscape with strong self-sufficiency. Powerful users with modern adaptation of digital solutions. Restructuring of the labour market.	Open global innovation landscape with high importance of Open Source systems. Powerful users and German digital champions. Flexibilisation of the labour market.	Opportunity-driven global innovation system. Multiple open data structures and development of German digital champions. Highly flexible labour market.	Opportunity-driven global innovation system. Users comply with the rules of global (including German) digital companies. Labor market is tailored to company needs.	Risky innovation policies focus on self-sufficiency. Dominance of global digital corporations - Germany is falling behind. Sharp rise in unemployment.	Self-sufficiency focus, critical users and other risks slow down the technological development. Germany is a digital no man's land. Sharp rise in unemployment.
Cooperation in case of systemic differences characterizes world politics. High confidence in continuous politics: traditional systems guarantee participation.	Cooperation in case of systemic differences characterizes world politics. High level of trust in strongly regulated politics: traditional systems guarantee participation.	Stronger concentration on geo-blocks (also within the EU). In Germany, shift to progressive forces. New systems for more participation.	Global strengthening of open democratic systems. In Germany, the middle class is strengthened. New systems for more participation.	Global strengthening of open democratic systems. In Germany, the middle class is strengthened with little regulation. New systems for more participation.	Globally oriented companies gain power and undermine the role of the state: leading to a systemic crisis. The regulation is pushing further disparities.	Agitated politics afar from facts. Dissatisfaction, but no agreement on reforms. Desire for "strong hand politics".	Strengthening of authoritarian forces in a critical state of the world (e.g. disintegration of the EU). Partial authoritarian forces determine certain political events.
New normality is close to the old normality: Traditional consumption and back to physical contacts.	Partially reduced consumption and a return to physical contact in the face of stagnant urbanisation.	Conscious consumer renunciation. Virtual contacts expand the social radius with a significant trend towards rural areas.	Changed consumer behaviour: Focus on sustainable and fair consumption. Virtual contacts expand social radius.	Changed consumer behaviour: Possession and stationary trade are becoming less important. Massive virtualisation in a security-oriented society.	Consumption plays a major role. Digital services offer added value, but also lead to massive isolation.	Society is shaped by individual interests and the protection of personal interests. Traditional consumption patterns and merely superficial virtualization.	Consumption restricted by crises. Companies are no longer able to cope with risks: retreat into private spheres.

Icons: ZIELBILDNER

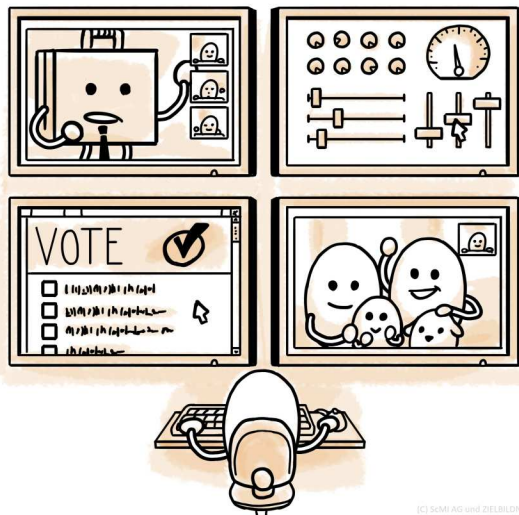


Scenario 5:

MASSIVE VIRTUALIZATION

Security and new proximity in connected world

While the economic consequences of COVID19 were overcome relatively quickly, the pandemic was accompanied by a different paradigm shift: digital services are gaining ground all over the world, including in Germany, and are changing business and working life and everyday life. As a result, an increasingly global awareness is emerging; technologies and innovations are being developed in multilateral cooperation. The EU is making a name for itself as a responsible digital player and is gaining in profile and identity: even the „United States of Europe“ is no longer a utopia. Politics is open to a wide range of experiments and reforms - right down to an unconditional basic income. However, the digital transformation also goes hand in hand with greater openness of data - but few people talk about monitoring. The new digital world also includes new possibilities for fact-based media and leads overall to transparency and a productive social discourse. In everyday life, a lifestyle characterized by risk avoidance, but not hysteria, is developing that contains elements of social distancing and prosperity away from cities. The massive virtualisation of everyday life is also associated with significantly changed purchasing behaviour. Possession and the physical shopping process are losing importance in this world.

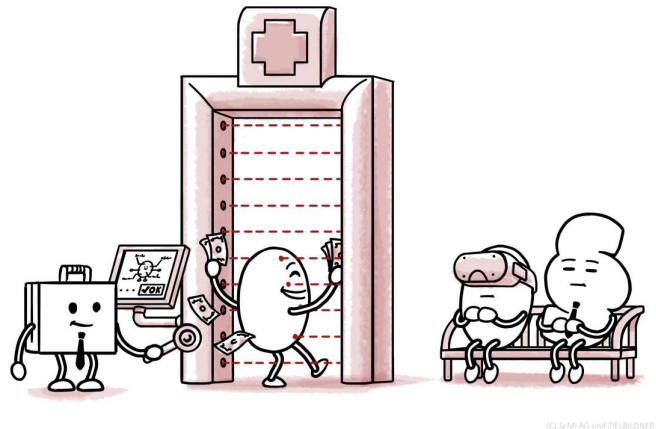


Scenario 6:

IN CORPORATE HANDS

Progress at the expense of participation

The deceleration during the COVID19 pandemic was followed by a massive acceleration of the economy and everyday life. Working life has become massively more flexible and new technologies are developed in a highly innovative and globally open system. Thus, new pandemics can be suppressed at an early stage through medical and biological progress, which makes costly resilience strategies unnecessary. World politics is increasingly being shaped by globally oriented and long-term forward-looking companies whose innovative strength makes them superior to traditional nation states and multilateral organizations. Unregulated location competition prevents global solutions to problems, and within societies the privatised education and social systems in many places increase disparities. The German economy is experiencing a surge of innovation, is changing rapidly and is building up strong world market leaders, which in turn are exerting political influence, undermining the role of the weakened state and causing a creeping systemic crisis. In everyday life, increasing virtualization offers numerous solutions to problems - but it also has the effect of immobilizing those who can no longer keep up in the accelerated digital world. The end result is often social isolation.



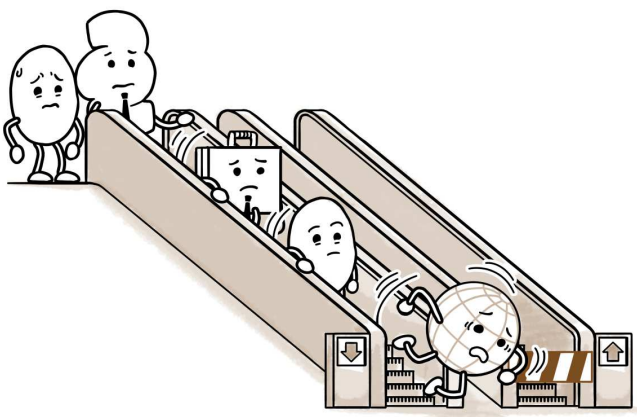


Scenario 7:

THE ONGOING CRISIS

A fertile ground for authoritarian ideas

Although the health consequences of COVID19 were quickly overcome, a severe and prolonged recession with a sharp rise in unemployment has occurred worldwide. At the same time, the rescue measures have intensified the turn away from global trade and slowed down global economic growth. The world has disintegrated into different spheres of influence, which are striving for greater self-sufficiency in their technology and innovation policies. The European Union is stagnating and falling behind in the global competition between the georegions. In this world of diverse crises and conflicts, those responsible set other priorities than environmental and climate protection. The German economy remains despondent and unimaginative in its traditional structures and is losing importance in the global competition between locations. There is less and less scope for investment in R&D - the capacity for innovation is declining structurally. Fact-based media and independent sciences are finding less and less attention in the turbulent mood democracy. Destabilization is accompanied by a desire for a „strong hand policy“. Although people perceive the ossified education, social or health systems as unjust, they are unable to reach social agreement on reforms or necessary resilience strategies in a world dominated by individual interests and the preservation of vested interests. Traditional consumption patterns are defended and the virtualisation of everyday life remains superficial.



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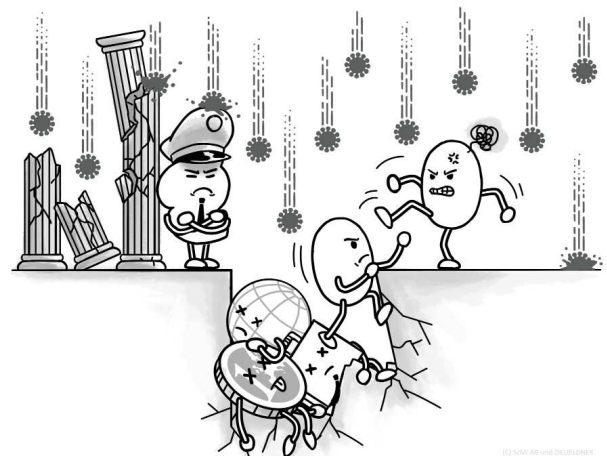


Scenario 8:

BREAK-UP OF ORDER

Loss of control and desolidarisation

COVID19 has set off an undreamt-of downward spiral worldwide. Already the first severe and prolonged recession was accompanied by a sharp rise in unemployment and manifold social conflicts. At the same time, nation states have increasingly closed off their domestic markets, which has aggravated the global economic crisis and undermined global confidence. In global politics, authoritarian and nationalist forces are gaining ground. As a result, the global financial system has been destabilized with numerous state bankruptcies and unavoidable debt cuts. Even the EU is marked by severe disintegration. Those responsible are closing their eyes to the increasingly obvious environmental and climate consequences. The German economy, which has been deprived of its export markets, is also being dragged down, with the result that many weakened companies are being taken over by global competitors. Even in a previously stable Germany, political events are increasingly being determined by semi-authoritarian forces, which prevents the implementation of resilience strategies and reforms in the education, social and health care systems. For people, uncertainty and an obvious loss of control lead to a retreat into their cramped, private spaces and comfortable „knowledge bubbles“. Social cohesion and common identity are lost. Everyone fights for their privileges (or those of their clan) in everyday life, with more and more people being left behind in this uninhibited elbow society and having to restrict their consumption, which keeps the downward spiral going.



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4 Scenario Assessment

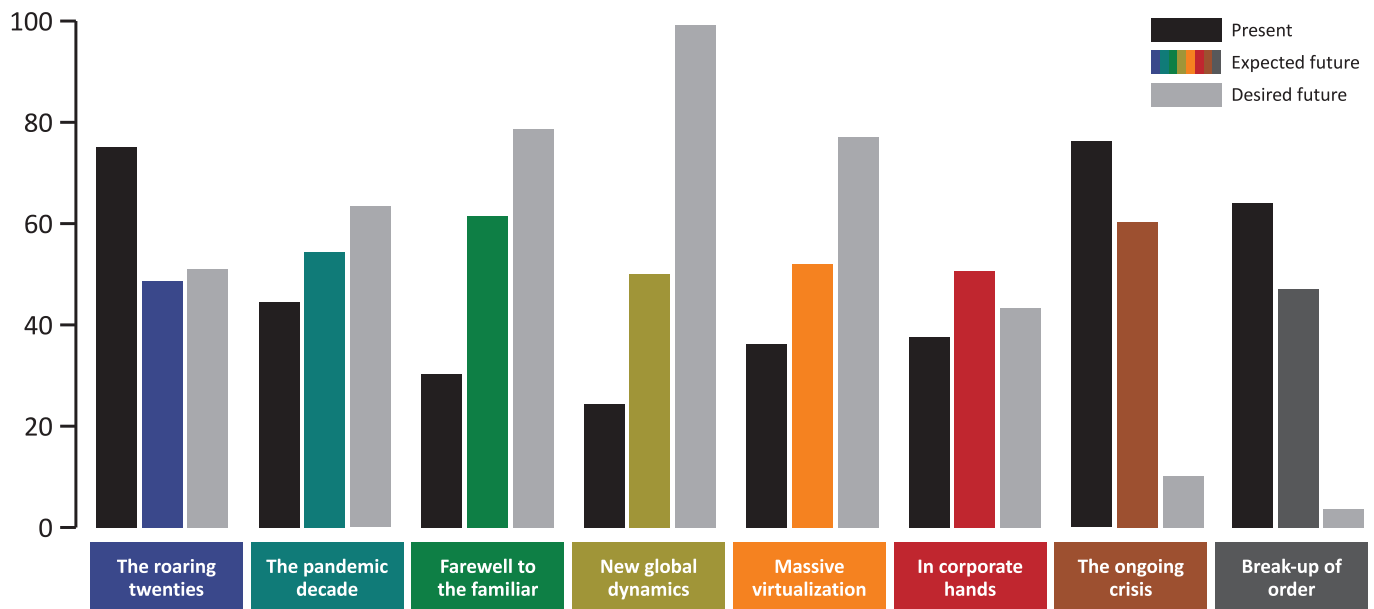
The result of the scenario assessment¹ shown in Figure 4 initially shows that a continuation of the current development would lead above all to scenarios 1, 7 and 8 - i.e. straight to the scenarios with increasingly harsh economic consequences of the COVID19 pandemic.

Furthermore, Figure 4 shows that all eight scenarios have a quite similar evaluation concerning the expected future and that the long-term future is thus extremely uncertain. This relatively similar assessment of the expected future has led us to use an approximation procedure to determine standardized parameters for the eight scenarios, which, in addition to the expected future, also express the closeness to the present and the expected future (see Figure 5).

All experts participating in the scenario evaluation agree regarding their wishes for the future: Scenario 4 largely represents a desired future - followed by scenarios 3 and 5 („Massive virtualization“).

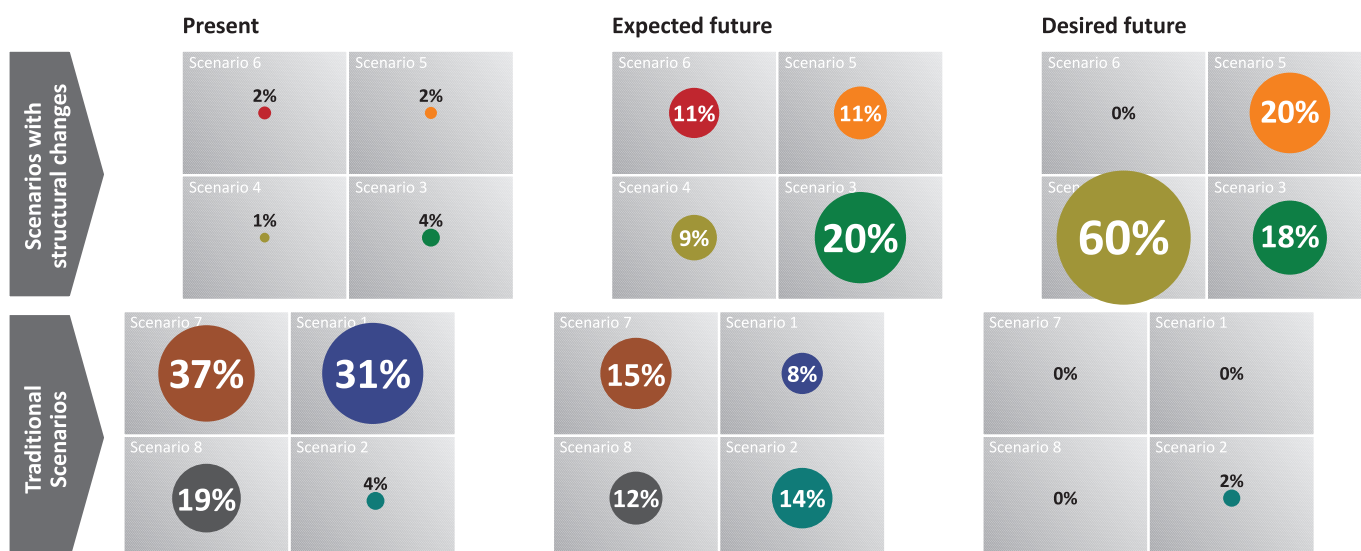
In summary, Figure 5 also shows that concerning the present, the evaluation have a focus on traditional scenarios (left), while the desired future focuses on innovative scenarios with strong structural change (right). In the expected future, the uncertainty regarding structural changes becomes clear, as the values for the upper change range (51%) and the lower constant range (49%) are roughly balanced.

Figure 4: **Scenario assessment**



¹ As part of the scenario assessment, all 96 future projections were examined to see how similar they are to the current situation and to the expected and desired future. This evaluation was carried out by a total of 32 experts in the period from 25 April to 6 May 2020.

Figure 5: Normed values of the single scenarios



Four questions for the future

Looking at the desired future, four relevant future questions can be asked:

- How can we overcome the crisis mode that merely aims at the old normality and achieve a development towards broader innovation and significant structural change? [Scenario 4]
- How much (global) dynamic or how much (regional) deceleration should be associated with the desired change? This is also linked to the question of the future role of rural areas. [Scenario 3]
- How much virtualization are we accepting for both work and leisure activities, and at what cost? [Scenario 5]
- How can we prevent innovation and structural change from leading to over-commercialisation and undermining the public sector? [Scenario 6]

Relationship to the perception of the current pandemic development

An additional assessment of six factors concerning the current pandemic development has shown that the performance of the health care system and the crisis management of the policy is seen rather positively, while the economic and geopolitical consequences are seen as rather critical (Figure 6).

According to this additional assessment, the evaluators could be divided into four groups: (1) the optimists, who assume that the pandemic will be less critical overall, (2) the pessimists, who expect critical developments in most areas, (3) the prudent policy advocates, who assume that political crisis management will have a positive effect, and (4) the policy critics, who expect that strong social conflicts will result from current political measures.

Figure 6: Assessment of pandemic development

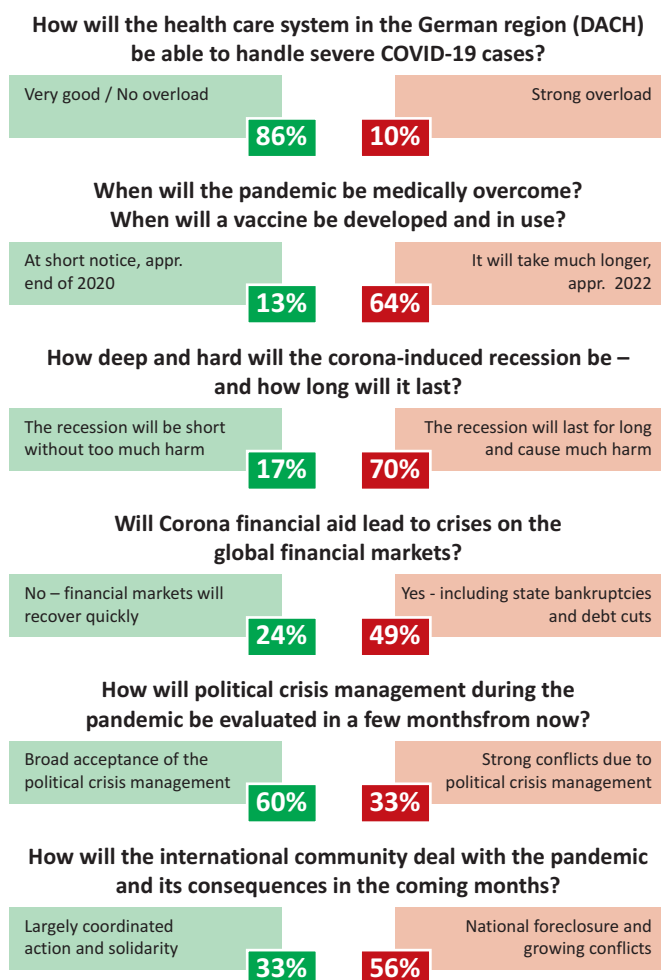
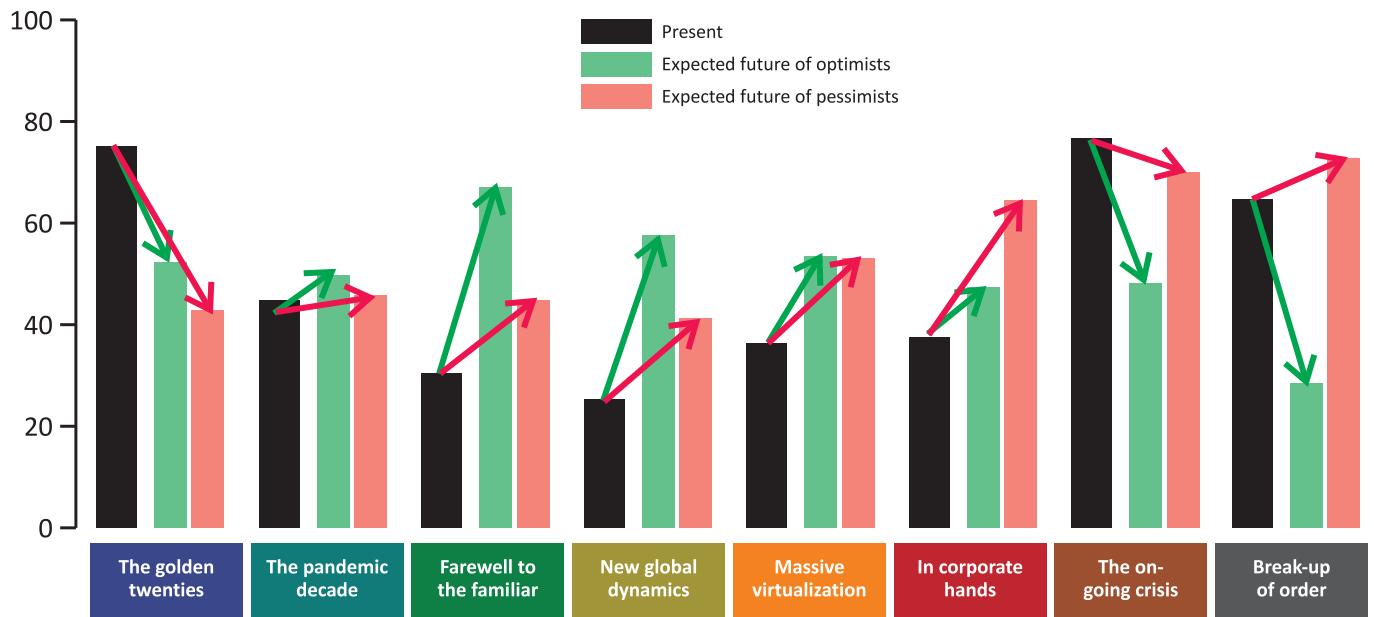


Figure 7: *Expected future, described by optimists and pessimists*

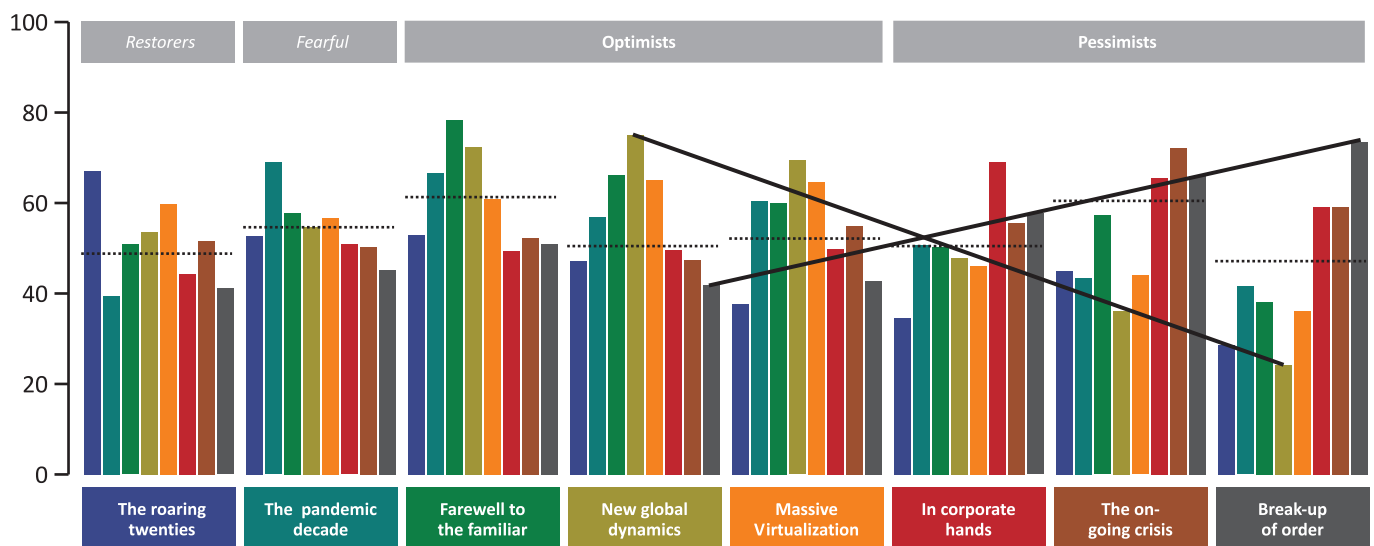


While these groups hardly differ in their views of the present and their wishes for the future, there are major differences in the expected future: Optimists expect scenarios 3, 4 and 5, which are assessed as positive, to occur (see Figure 7). The optimists also believe that a return to the old normal (scenario 1) is possible. The pessimists, on the other hand, assume that the current crisis will continue (scenario 7), if not even worsen (scenario 8). The increase in economic power and social division (scenario 6) is also a realistic option from the perspective of the pessimists.

Figure 8 confirms this finding, as well. It shows that the optimists - i.e. those who expect scenarios 3, 4 or 5 to occur - also expect the other two scenarios to be disproportionately strong. The same applies to the pessimists, i.e. those who expect the occurrence of scenarios 6, 7 and 8.

Scenarios 4 and 8 turn out to be antipodes in the future space (see Figure 8): Those who expect a disintegration of order are the least able to imagine a new global dynamic - and those who expect a new global dynamic are the most doubtful about the disintegration of order.

Figure 8: *Expected future depending on highest rated scenario*



Overall, it is also apparent that the particularly strong pessimists (i.e. those who assume scenario 8 to occur) show the greatest deviation from the average framework of expectations.

In addition to the optimists and pessimists, there are also the „restorers“ who expect a return to the old normality and the more fearful ones who assume that the pandemic will continue for a long time. Both are found particularly often in the groups of weighted-up political supporters and political critics.

Sustainability and labour markets

Climate change and sustainability are key issues that distinguish optimists from pessimists in the post-Corona evaluation. Optimists expect a fundamental change compared to the Pre-Corona period, while pessimists expect a continuation of the previous development. Further fears of the pessimists are self-sufficient individual technology policies, the loss of power of state authorities, short-term-driven entrepreneurial decisions, disparities due to privatisation, declining quality of information and restrictions on consumption.

The analysis of the individual key factors also reveals the expected change in the labour markets. The more optimistic evaluators further assume that labour markets and employment conditions will change, but see a significantly lower risk of high unemployment and instead the chance to change the remuneration systems.

5 Outlook

With the scenarios presented, the map of the future and the scenario interpretation, we provide a tool to systematically analyze the possible consequences of the COVID19 pandemic for society, economy and politics. The presented results were developed in an open process, which was initiated and moderated by ScMI AG. In addition to this working paper, further detailed documentation will be provided. Furthermore, we want to verify and further develop the results in the coming months with the working group that has been created.

The available results can be freely used by any company or organization, for example to check their own strategy for one's own future robustness in the post-Corona period. As ScMI, we are at your disposal for advice on such applications and would also like to present our offers in this regard. We are happy to get in touch with you.



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