

A breakdown in globalization or a world committed to sustainability?

Five scenarios for exploring the post-COVID-19 world

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Introduction

About half a year into the COVID-19 pandemic, uncertainties around its duration and longer-term impacts remain extremely high. While we can be certain that societies will change, we cannot be certain about the nature and dynamics of such change, the time-horizon for new normalities to emerge, the outcomes of far-ranging transformations, or the costs and trade-offs involved in transitioning societies.

In this brief we present five post-pandemic scenarios that look as far ahead as 2050 and which decision makers can use to re-assess and test the robustness of plans, strategies and policies in a range of possible futures. The scenarios were developed by experts from different fields in a series of surveys and interactive online workshops. Participants identified a set of future driving forces (socioeconomic issues, uncertainties and change factors) and assigned to them “plausible states” – that is, alternative ways in which each driver could unfold. They then narrowed this set down to the most important drivers and critical uncertainties, on the basis of which our research team generated five alternative scenarios, which are listed below.

- **Responsible globalization:** An interconnected world where valuing society, sustainable development and protection of human life are shared principles of the global community.
- **Chaotic globalization:** A world in which inequalities increase significantly, and tumultuous interconnections, opportunism, and growing rivalry undermine global collaboration.
- **World of walls:** A fractured world in which there is an upsurge in nationalist values, conflicts grow substantially, and international institutions lose their legitimacy.
- **Cold peace:** A highly polarized world splintered into two opposing blocs; each remains politically stable and grows economically, but global collaborative efforts collapse, and trade networks are disrupted.
- **Adaptive mosaic:** A localized world focused on sustainability; countries collaborate across borders, but emphasize resilience and self-sufficiency and reduce their dependence on global markets and supply chains.

This set of scenarios depicts alternative versions of the world’s socioeconomic prospects after the current global crisis. The scenarios allow decision makers to test and measure the outcomes and effectiveness of their recovery plans against various features of a range of plausible futures. These assessments allow policymakers to adjust or make new and more robust policies that prepare societies for a world radically changed by the COVID-19 pandemic.

The five scenarios



Responsible globalization

The global community succeeds in controlling the spread of COVID-19 by the end of 2020 through improving international collaboration and better coordinating efforts to implement containment measures, advancing epidemiological research, and developing a vaccine. A just and human-centred transition becomes the core value of economic recovery plans, in light of the growing inequalities highlighted by the crisis.

The implementation of social protection measures to support the unemployed, followed by timely relaxation of quarantine measures reduces frustration among citizens and allows them to get back to work rather swiftly. As a result, there is little social unrest and disorder and the political stability allows governments to focus on economic recovery. Public trust in national governments increases in most countries because governments have shown that they successfully collaborate with others in handling the health crisis during the pandemic and in instituting short- and long-term economic policies such as immediate stimulus packages and recovery plans.

Coming out of the COVID-19 crisis, a more collaborative global community emerges that is less polarized, has more trust in international institutions and becomes more active and successful in coordinating global efforts. The global community embraces open societal values that foster international collaboration and partnership.

Collective global efforts toward reducing inequalities and socioeconomic gaps between countries contribute to meeting the Sustainable Development Goals. Because governments rely on science to tackle the pandemic, public trust in and demand for science-driven policies and actions increase. In keeping with the 2030 Agenda, governments prioritize climate targets and environmental ambitions and tackle them in an integrated manner.

Affected economies rebound rapidly as the global market and international supply chains start working once lockdowns are lifted. While interconnected global production and trade networks continue to operate as before, both states and private sectors reform their operations to become more responsible, resilient, and sustainable. Drawing lessons from the pandemic, labour markets adapt and adjust globally, reducing income gaps, especially for essential workers, and providing lifelong learning opportunities for people to prepare for new jobs.

International institutions together with national governments start to reconsider possible negative effects of unchecked expanding globalization, including cascading risks of interconnected production networks. The world transitions to a united and cohesive society that values accountability and protection of human life.



Chaotic globalization

Recurrent COVID-19 outbreaks across the globe dominate late 2020. The persistence of the disease arises from an internationally uncoordinated immediate response once it became obvious that the new coronavirus was constituting a major international public health crisis, and uncoordinated lifting of lockdown and social distancing policies. Despite continual calls from global leaders, governments and international institutions for global collaboration in the fight against the pandemic, opportunistic values and growing economic competition lead nations to follow divergent policies.

Inconsistent policies and uncoordinated measures, resulting in the failure to control the spread of COVID-19, create disharmony and mistrust in the global community. While many countries seek to maintain global collaboration, conventional collaborative mechanisms do not function as in pre-pandemic days, as international institutions lose their relevance and legitimacy. The world remains connected, but the connections are dysfunctional and disorderly. Global collaboration is but a fragile shell.

As recurrent COVID-19 outbreaks continue damaging economies, national governments struggle to provide the support needed for a sustainable economic recovery. Short-term economic plans and stimulus packages provide minimal capacity for the private sector to keep operating. Structural unemployment prevails, as businesses are crippled by financial challenges and disruptions to trade networks. Governments fail to provide vulnerable groups with social protection, such as healthcare or unemployment insurance and benefits, which in turn increases social inequalities. People take to the streets to protest against periodic lockdowns that lack a clear end date, and to protest against the lack of unemployment benefits. As their protests go unanswered, social and political stability decline.

Although affected economies seem to rebound shortly after lockdown policies end, efforts to control recurrent outbreaks lead to chronic fluctuations, creating an extremely uncertain environment that impedes global economic growth. The global community makes every effort to keep global production networks operating, but the fragile state of collaboration, unstable partnerships, and disrupted supply chains destabilize trade networks and contribute to trade conflicts.

The public's trust in science declines as it observes the failures in epidemiological responses and vaccine development for the SARS-CoV-2 virus, and disinformation guides public discourse. Chronic economic and financial problems, as well as mistrust in international institutions, drive nations to de-prioritize environmental commitments, including to the Paris Agreement and national climate targets.



World of walls

The world moves into a long-lasting economic downturn as governments fail to control the spread of COVID-19. Towards the end of 2020, governments increasingly squabble over where and how the virus originated, and what measures and actions to contain it are effective. As the global community fractures, countries revert to isolationism and antagonistic interactions. In this divided world, countries increasingly seek to protect themselves by raising walls, whether physical, political, or legal.

Global collaboration declines massively as international tensions increase over where and how the SARS-CoV-2 virus originated, how and which national and regional measures are effective, and over accusations among governments that others withhold information about the virus and statistics about the number of cases. Nations lose trust in international institutions and their objectivity. Those institutions lose legitimacy and the capacity to coordinate collective dialogues. There is an upsurge in calls for a return to "traditional values". Countries increasingly embrace nationalist values and vote for nationalist parties.

As nationalist and opportunist politics exploit and cultivate public disappointment in open values and global cooperation, they harvest ever more support for fortifying borders, ratifying anti-migration policies, engaging in tariff wars and abandoning global trade networks. Structural unemployment and poor economic performance are framed and justified through a discourse of enmity with "others". In a bid to restore public trust and a measure of social stability, nationalist propaganda identifies economically marginalized groups, migrants, neighbouring countries, and regional competitors as the sources of problems.

The global economy goes into a long-term recession, from which it is expected to take several years to recover. Governments implement short-term measures and fiscal policies to fuel national businesses and keep local production networks running, but massive unemployment and poverty persist as economic growth slows. Disruptions in global trade networks hit import and export dependent countries the hardest and substantially shrink their economies. Lack of local resources and declining financial support to less-developed countries causes the gap between rich and poor countries to widen ever more.

Countries make divergent, uncoordinated, short-term, and minimal efforts to deal with the impacts of climate change domestically. In stark contrast, commitments to mitigate climate change are not a priority and governments invest few resources into systemic adaptation and resilience building.



Cold peace

By late 2020, initial collaborations around developing a vaccine against the SARS-CoV-2 virus have become competitive. As the rivals – a US-Europe alliance on one hand and China on the other – get closer to mass production of their respective vaccines, the race gets fierce, resulting in intense competition over patenting, mass production, and marketing of their products in order to get a bigger share of a global market. Increased polarization between the two blocs cascades to other areas, weakening international collaboration and negotiations, and disrupting global trade networks. The world is splintered into two regional blocs that keep the peace but refuse to collaborate except in the narrowest of circumstances.

International institutions and mediator countries make every effort to resolve ongoing tensions between the blocs, but the polarization continues to grow. Established spaces for international dialogue turn into platforms for propaganda wars between the opposing blocs. Over time, both blocs undermine the mandate and operations of international institutions by questioning their objectivity and threatening to suspend funds or pulling out of international agreements altogether.

At first, other countries try to align with one or other of the blocs to get access to the vaccine. But as the world becomes ever more polarized, national governments remain within a bloc to support their economic recovery efforts and get access to regional markets protected by high tariffs. Affiliation with either bloc forces governments in many instances to compromise on their national interests. In turn, governments succeed in their economic recovery plans, which increases political stability and overall trust in national governments.

Over time, economies in each respective bloc rebound. Economic power is split somewhat equally between the two blocs so that a long-lasting polarization becomes feasible and is maintained. Production networks are largely confined within each bloc. Each bloc's trade network performs relatively well in isolation from the other.

Inequalities increase within countries in both blocs, as economic growth and exchange value guide societies rather than ideas about sustainable development and protection of human life. Progress on achieving climate targets grinds to a standstill, as both blocs merely brag about their own environmental commitments at the same time as they accuse the other of inaction.



Adaptive mosaic

The COVID-19 pandemic has highlighted the risks and pitfalls of unrestrained globalization. A set of tailor-made policies and measures specific to different countries and contexts – border controls, decreased international travel and locally-adapted solutions – proves to be effective in controlling the spread of the disease. By the beginning of 2021 it has been largely contained. The global community re-evaluates the impacts of global production and trade networks, and individual countries act to improve resource efficiency and make better use of national and local assets. The world fits together like a puzzle, with countries working cooperatively, and valuing openness, cooperation and mutual support, while developing localized and self-sustaining economic and societal structures.

International institutions continue to function as facilitators of international relations and global collaboration platforms for humanitarian and environmental dialogues. But as a result of a broad focus on localism around the world, countries reduce their imports and shrink their international supply chains. They advocate for restrained globalization as a means to maintain and increase trust and respect among nations.

National governments turn their attention to localized sustainability, economic development (as distinct from economic growth) and local production networks to build resilience to risks posed by global interconnections. In some parts of the world neighbouring countries form small-scale regional alliances, which provide platforms to coordinate policy processes and trade networks.

The economies most strongly impacted by COVID-19 bounce back to pre-pandemic growth rates, but not as quickly as some predicted, as the global community takes the time to accurately re-evaluate the old global market institutions and create alternative systems and solutions. Effective private-public partnerships in which national governments play an enabling role support business models focused on sustainability and local operations that mitigate risks from global trade.

As a result of long-term transformative public policies, including improved national health care, social protection systems and safety nets, trust in governments increases and citizens contribute to protecting and maintaining social and political stability. Responsible medium and large businesses offer their employees continual training and preparation for new tasks, helping to reduce unemployment.

Nations turn to science and evidence-based policies for contributing to a sustainable and resilient global society. While committing to climate targets and implementing environmental policies on national levels, countries collaboratively support the achievement of the Sustainable Development Goals and associated targets.

Making use of the post-pandemic scenarios

Our set of post-pandemic scenarios is a tool for strategic planning and decision-making.

Policymakers at global, regional, and local scales can use the scenarios to assess the robustness of their current policies in alternative hypothetical future socioeconomic contexts. Based on that assessment, they may choose to modify and enhance their policies to make a positive outcome more likely.

Such policy assessments are usually made in respect to overarching goals, objectives, and evaluation of core competences. For example, a small country with little influence on global trends might use the scenarios to stress-test its development strategy against alternative futures and improve it to ensure that the country make progress in reaching the Sustainable Development Goals.

Alternatively, in a larger and more influential country or regional bloc with significant political power, policymakers may identify a particular scenario as desirable and develop targeted plans and strategies that support a shift towards the future they wish to see. They might seek to influence global agendas or their global partners to move in a positive direction.

Decision makers in the private sector could use the scenarios to improve their resilience and readiness for the post-pandemic world. They can evaluate which risks and opportunities the post-pandemic environment poses to their business arrangements and how prepared they are to seize opportunities and minimize threats.

For example, the aviation industry might use these scenarios to assess the prospect and magnitude of financial loss as a result of the pandemic. Firms within the industry may then decide to scale down current operations or cut back on their fleet. The steel industry, on the other hand, might use these scenarios to understand socioeconomic drivers and barriers to industry transition and design a set of robust strategies to safeguard progress toward decarbonization in the post-pandemic world.

We encourage users to conduct scenario-based planning in participatory settings and engage stakeholders and problem owners in decision processes. It is certainly possible for policy makers to apply these scenarios in a top-down process. However, combining the insights of different actors, including researchers' expertise, stakeholders' experience, and citizens' and problem owners' perceptions and concerns about the future helps to ensure a more comprehensive exploration of risks, opportunities, and trigger points for policy intervention. This in turn helps decision makers to produce robust and socially relevant policies and to plan proactively for an uncertain future.