



7. Foresight: the many possible post-pandemic futures

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As this foresight analysis shows, we do not have to be passive onlookers: by outlining and considering the various possible scenarios we can exert (some) control over our future."

Christophe Degryse, ETUI

Introduction

It did not take long for the SARS-CoV-2 pandemic to set in motion a series of profound upheavals across the world, not only in terms of health but also politically, economically, socially, industrially and culturally. In such a context of transformation, the usefulness of the foresight methodology, which involves the building of possible future 'scenarios', is to enable us to apprehend the multiple uncertainties inherent in such an event and to examine possible future developments and their probable implications. As defined by Ponce del Castillo, 'Foresight is the umbrella term for methodologies and approaches that take volatility, uncertainty, complexity and ambiguity as their starting point, explore possible and probable futures (...), and generate insights and "cross-sights" that enable transformative actions in the here and now' (Ponce del Castillo 2019). In this sense, foresight can be seen as a decision-making aid in a context marked by a great deal of unpredictability. A large number of prospective studies and other initiatives have been undertaken in the wake of the Covid-19 crisis, reflecting this climate of uncertainty, particularly for business leaders (see, among others, the World Economic Forum initiative, 'The Great Reset'), for economists (see, for instance IMF 2020; for the eurozone, Wyplosz 2020), for investors (<https://www.foresightgroup.eu/covid-19/>), for the world of work (ILO 2020), and of course for policymakers (OECD 2020).

This chapter attempts to examine the possible or probable future transformations that will occur as a result of the 'polycrisis' resulting from the pandemic. It begins by outlining some basic facts about the foresight approach, before moving on to pose a question that takes into its sweep a wide range of issues: what are likely to be the main societal, technological, economic and environmental changes caused by the crisis? It will then develop these reflections in relation to a more specific political context: that of the European Union and, in particular, the eurozone.

Foresight: and then what?

Building a foresight process



Source: Aida Ponce del Castillo (2020) / design: Aymone Lamborelle (ETUI).

Foresight in fair weather

Before examining the possible transformations in this time of crisis, it should be noted that foresight is also a tool for anticipation even when the weather is fair, so to speak. For instance, a number of studies were published a good while before the outbreak of this pandemic that clearly identified the inherent vulnerability of our societies and, above all, how ill-prepared they were to cope with an event such as this. One of them was published in 2006 by the UK Office of Science and Innovation (OSI, London) as part of a foresight programme it conducted (Brownlie

et al. 2006); a second one was included in the French government's 'White Paper on Defence and Security', published in 2008 (Commission sur le Livre blanc 2008); and a third one was published almost exactly one year before the start of the pandemic, in January 2019, by the World Economic Forum in collaboration with the Harvard Global Health Institute (WEF 2019). These three papers have been highlighted, but many other documents could also have been cited, such as the European Commission's paper (2005) on strengthening coordination at EU level on generic preparedness planning for public health emergencies, or, at the global level, the WHO's guidance (2018) on how to manage pandemics.



It is fair to say that the Covid-19 pandemic should not be understood as a 'black swan'."

A perfectly predicted pandemic

The first of these reports, published by the OSI and involving more than 200 experts and stakeholders, looked at eight major categories of health risks, including acute respiratory infections (ARIs) and coronaviruses such as SARS. This study clearly mentions, as early as 2006, that new ARIs could spread around the world very rapidly (in a matter of weeks) causing millions of deaths worldwide, and tens of thousands in the UK alone (p. 44). The report explains in detail, 15 years before the Covid-19 pandemic, the four reasons why this type of threat must be taken very seriously: very 'fast-moving' infections, infected persons without symptoms (undetected transmission), high transmission potential, and an absence of vaccine or drug treatment once the outbreak is detected. The second study, published by the French government in 2008, stresses that 'over the next 15 years, the emergence of a pandemic is plausible' and that it is necessary to create 'European stocks of medicines and [coordinate] the management of the various necessary safeguards'. And the third report, published as recently as 2019 by the World Economic Forum, delivers a very clear warning: 'The world remains ill-prepared to detect and respond to outbreaks and is not prepared to respond to a significant pandemic threat' (p. 8).

A lack of foresight strategy leads to chaotic responses

These warnings did not, however, prevent a chaotic management of the health crisis that broke out in the early months of 2020, as we saw in many countries. In countries such as the United Kingdom, this was due to delayed, contradictory, or even seemingly whimsical policy responses in the early stages of the epidemic (House of Commons 2020). In certain cases, there were logistical failures affecting the sourcing and stockpiling of personal protective equipment; in France, for example, a journalistic investigation showed how, due to a change in doctrine prior to the crisis and, above all, budgetary cuts, stockpiles of protective masks were still being destroyed as the pandemic was spreading. This investigation has led to the setting up of a parliamentary commission of enquiry (Davet and Lhomme 2020). Then there was the clear inability of certain countries to effectively manage the first surge in the number of patients requiring hospital and intensive care treatment; an underestimation of the health crisis silently developing in care homes and hospices; the various, often haphazard, attempts to develop streamlined and effective test-and-trace strategies; and, last but certainly not least, the budget cuts in the field of health decided on by the heads of state or government at the meeting of the European Council in July 2020, i.e. in the midst of the pandemic. Whatever the specific combination of factors, it is fairly clear that historians will not be

kind when looking back at how the majority of EU Member States dealt with a pandemic that, as noted above, should not have caught them by surprise.

Was the EU prepared?

In the face of this unpreparedness on the part of the governments of the European countries, the EU in itself did not have the necessary powers to harmonise measures. The Constitutional Treaty that was signed in 2004 provided for legislative harmonisation tools to monitor and combat 'serious cross-border health threats', but the treaty was rejected in 2005, and such tools were replaced by 'incentive measures' in the Lisbon Treaty of 2009. The results of such legislative constraint showed in the weakness and inefficiency of policy measures taken at the beginning of the 2020 pandemic. Lessons will need to be learned to lay the foundations for 'a better future for the next generations' (European Commission 2020e).

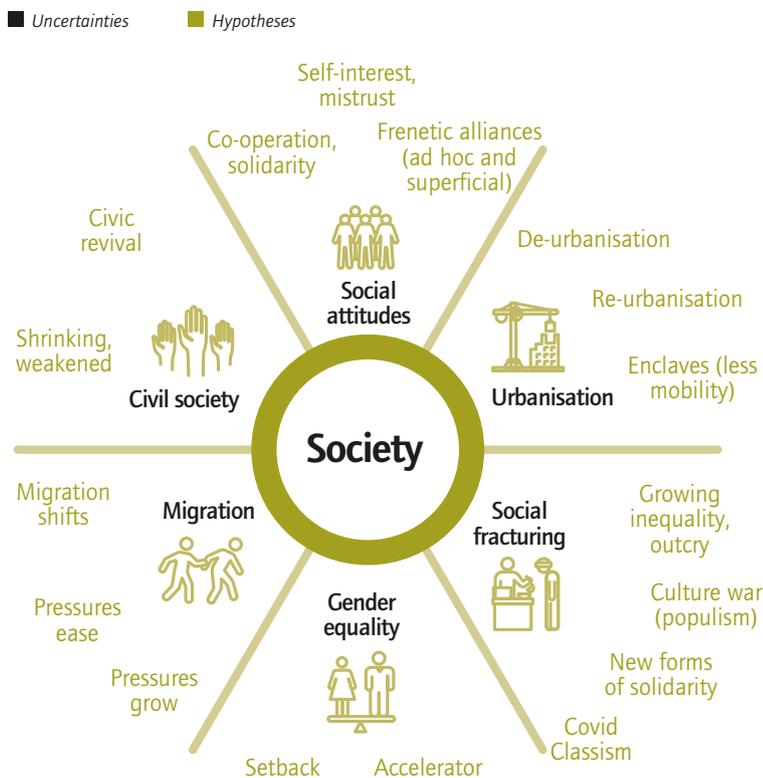
No one is well prepared for what they do not anticipate

All things considered, it is fair to say that the Covid-19 pandemic should not be understood as a 'black swan'. The term black swan was coined by Taleb in 2007 and refers to a totally unpredictable, rare event with an immense impact. The pandemic, on the contrary, was a totally predictable event which many governments chose not to arm themselves against, often due to budgetary restrictions or, some may argue, even negligence. As lucidly underlined by the European Commission in its first Foresight Report, published in September 2020, 'Health systems in several Member States, as well as the pharmaceutical industry, were not fully prepared, experiencing problems including shortages of personal protective equipment and chemicals required for the production of pharmaceuticals. Notably, Europe struggled to prepare and coordinate when the first warnings began to emerge from China.' (European Commission 2020d; see also ETUI and ETUC 2019: 33). In 2015, in its contribution to the policy debate on the capacities of healthcare systems in Europe following the 2007 crisis, the ETUI pointed out that 'the current emphasis on long-term economic sustainability risks depriving European health systems of what they need to do: to provide citizens with effective and timely access to high quality medical services' (Stamati and Baeten 2015: 183). And as early as 2014, Stamati and Baeten were criticising the fact that while the EU's post-2007 crisis 'fiscal consolidation policies focus on stronger public controls, the EU internal market rules have a creeping deregulatory effect on health systems' (see also chapters 2 and 5 in this volume).

It is beyond the scope of this chapter to examine why 'pre-Covid' foresight studies do not appear to have resulted in improved pandemic preparedness. But the lesson of foresight here is that any society, government or organisation is ill prepared for events that it does not anticipate.

What are the possible transformations?

Figure 7.2 Covid-19: Principal uncertainties, according to the OECD



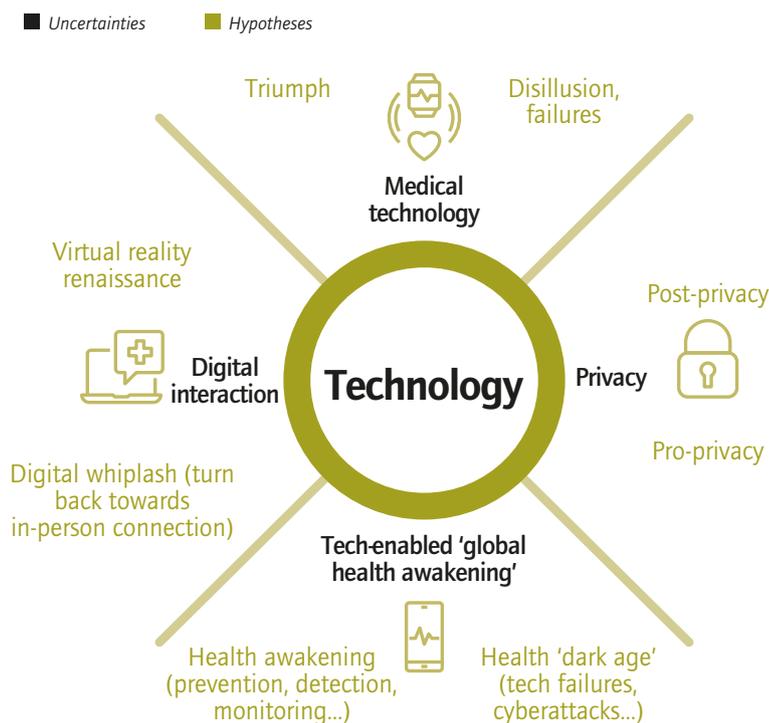
Source : OECD (2020) Strategic foresight for the Covid-19 crisis and beyond: Using futures thinking to design better public policies. Summary table by C. Degryse (ETUI).

Uncertainties and vulnerabilities

In its Foresight Report, cited above, the Commission (2020d) points in particular to the vulnerabilities that have emerged amongst the population during the Covid-19 crisis: feelings of isolation due to the containment measures, increased mental health problems, aggravation of social and gender inequalities, financial insecurity, job losses and economic vulnerability. The 'polycrisis' provoked by the pandemic in Europe and in the world has brought us into a period of uncertainties and transformations in almost all areas of economic, social and cultural life. An OECD foresight study published in June 2020 suggests a classification of likely transformations into five broad categories: societal, technological, economic, environmental and governance (OECD 2020). As a starting point for this chapter's reflections, this OECD study is summarised in the following five figures; in each one, the first column lists the main 'uncertainties' (U1, U2, etc.). The boxes in the row for each 'uncertainty' suggest different development 'hypotheses' (H1, H2, etc.). The following paragraphs draw on these categories to discuss possible changes and transformations in our societies in the medium to long term.

The societal challenges of Covid-19

Figure 7.3 Covid-19: Principal uncertainties, according to the OECD



Source : OECD (2020) Strategic foresight for the Covid-19 crisis and beyond: Using futures thinking to design better public policies. Summary table by C. Degryse (ETUI).

The new uncertainties affecting society as a result of the pandemic mainly concern social issues (changes in social attitudes, sociability, social fragmentation, gender equality, etc.), territorial and regional issues and migration (new balances between urban and rural areas but also new gaps between regions and inequalities between countries), and finally citizenship (the role of civil society organisations and associations). It is an undisputable fact that the pandemic has abruptly changed our social habits: the way we move, work, collaborate and enjoy ourselves. Social and professional relations were stopped during the period of lockdown and only resumed on a reduced basis afterwards. Teleworking has become generalised for all professions in which it is practicable. These upheavals have revealed social and territorial inequalities (in terms of infrastructures, telecom networks and access to internet), as shown in some countries during strict lockdown periods by the exodus from metropolitan areas of those who could afford it (second homes, families, friends, etc.). These new ways of living, working and interacting can contribute either to greater solidarity (such as spontaneous actions of neighbourhood help), cooperation and new forms of social relations based on trust or, on the contrary, to a withdrawal into oneself, increased mistrust towards others, the growth of conspiracy theories

and populism, and a widening of the generational divide or even straightforward ageism.

Technology as the liberator of humanity?

The role of technology was strongly emphasised during the first months of the pandemic, as astutely summarised in the title of a report by the Ada Lovelace Institute: 'Exit through the AppStore' (Ada Lovelace Institute 2020). Technology was often presented as, at the very least, part of the response to the health crisis, thanks to the 'potential development and implementation of technical solutions to support symptom tracking, contact tracing and immunity certification' (Ada Lovelace Institute 2020). Researchers joined forces with telecom operators to highlight the potential of smartphones, which almost everyone now owns (Oliver et al. 2020). In addition to managing the pandemic, communication technologies have also made it easier for many to adapt to new professional constraints (teleworking, virtual meetings, webinars, etc.). However, neither the future role nor the adoption of these technologies is a certainty. Various factors could slow down or even frustrate certain promises, in particular regarding respect for privacy and data security (cyberattacks), but also in some cases lead to an attitude of resistance towards, or outright rejection of, technological solutions (for example, confidentiality theories linking the pandemic with the development of 5G communication networks) which, while not a majoritarian view, is undoubtedly present in the public debate (as can be seen in the refusal of tracing applications, refusal of future vaccines, and refusal to wear masks).

Economic crisis or paradigm change?

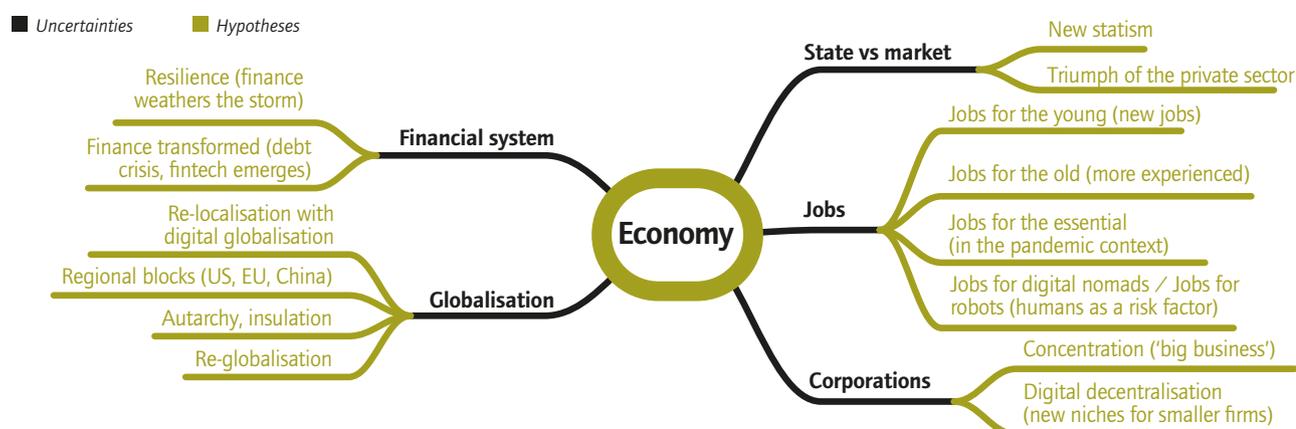
The very brutal global crisis caused by the pandemic has no equivalent in recent history. At the EU level, many exceptional measures have been taken to avoid a complete collapse of the economy: the authorisation of state aid (European Commission 2020b), a recovery plan (European Commission 2020a), non-conventional measures by the European

Central Bank (such as the Pandemic Emergency Purchase Programme), and the suspension of the Stability and Growth Pact (European Commission 2020c). At a national level, many employment aid measures have been adopted and implemented in an attempt to limit the impact of the crisis on unemployment (Müller 2020; see also Chapters 1, 2 and 4 in this volume). Some critical sectors have been saved by governments, such as the aeronautics industry, airlines, tourism, automotive, culture, hotels and restaurants. Furthermore, the role of the state in supporting economic activity and employment has been considerably strengthened, putting the dogmas of neoliberalism, unlimited economic growth and even the market economy on hold. However, economic uncertainties (and inequalities) are likely to persist, as noted in the IMF's latest World Economic Outlook report: 'The outlook remains highly uncertain as the risks of new waves of contagion, capital flow reversals, and a further decline in global trade still loom large on the horizon.' (IMF 2020, see also Kaufman and Leigh 2020).

Environmental challenges: greening the transition or saving old industries?

There was much talk in the early months of the pandemic of a chance or necessity for fundamental reorientation towards a greener economy (IEA 2020; see also 'EU Green Recovery to restart Europe', COGEN Europe, and the letter by 17 European climate and environment ministers: 'European Green Deal must be central to a resilient recovery after Covid-19'). Many actors from civil society and political parties presented the crisis as the result of the uncontrollable nature of globalisation and economic growth, of excessive mobility and an unsustainable economy, as well as of the abuse of natural resources that this activity favoured. However, European governments have urgently come to the rescue of industries, including CO₂-intensive industries such as air transport (see the 'Airline Bailout Tracker' set up by environmental NGOs, which estimates the rescue plans for European airlines at more than EUR 25 billion), the automobile industry, and agro-industry. Such contingency plans create additional uncertainty about the political will to accelerate the climate

Figure 7.4 Covid-19: Principal uncertainties, according to the OECD



Source: OECD (2020) Strategic foresight for the Covid-19 crisis and beyond: Using futures thinking to design better public policies. Summary table by C. Degryse (ETUI).

Figure 7.5 Covid-19: Principal uncertainties, according to the OECD



Source : OECD (2020) *Strategic foresight for the Covid-19 crisis and beyond: Using futures thinking to design better public policies*. Summary table by C. Degryse (ETUI).

European governments urgently came to the rescue of industries, including CO₂-intensive industries, with estimated rescue plans for European airlines at more than €25 billion

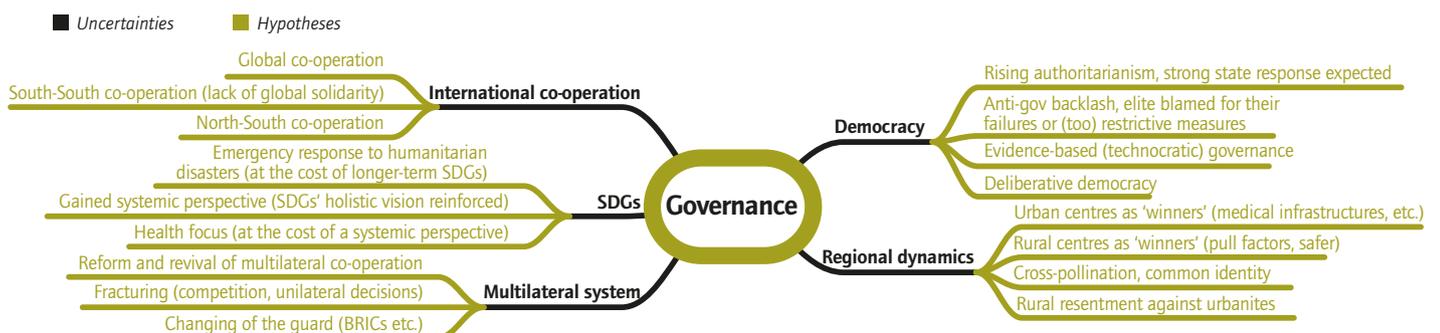
transition. One of the impacts of the health crisis could be a shift in the order of priorities, as the short-term health of the world's population may today be considered more important than the longer-term sustainability of the economy. Such possible shifts in priorities, together with changes in consumer, business and market behaviour, constitute the main factors of uncertainty concerning the environment.

Competitive or cooperative governance?

The first phase of the Covid-19 crisis was not characterised by increased international cooperation and collaboration. In Europe, the pandemic seemed at first to send national interests into panicked overdrive, as governments tried to get their hands on as much as possible of a resource that had suddenly become scarce, without taking into account the situation of

neighbouring countries or the EU as a whole (border crossings were closed without consultation, and governments were arranging purchases of medical equipment individually). Governments went so far as to confiscate stocks of masks, medical equipment and medications transiting through their airports or produced and stored by companies operating on their territories. However, this phase of competition did not last long, and the need for cooperation gradually became apparent among EU countries: for instance, medical staff were deployed from countries with less severe situations to Italy and Spain. At the global level, diplomatic and commercial tensions have been rife in 2020 between the US, China, Europe and Russia. In this context, it is difficult to predict the future of the multilateral system and institutions (the WTO, the WHO, etc.), international cooperation on sustainable development objectives and the protection of the environment, North-South relations, and even democracy and the rule of law.

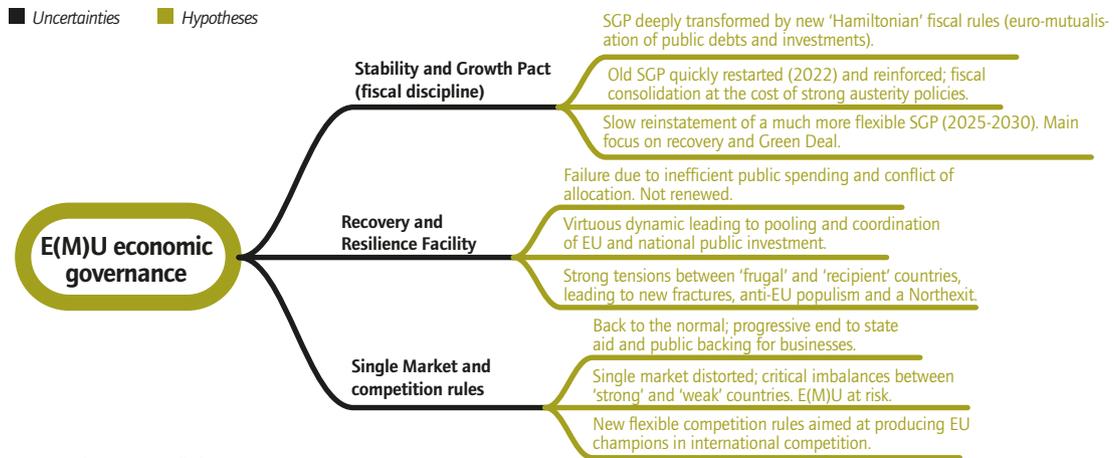
Figure 7.6 Covid-19: Principal uncertainties, according to the OECD



Source : OECD (2020) *Strategic foresight for the Covid-19 crisis and beyond: Using futures thinking to design better public policies*. Summary table by C. Degryse (ETUI).

European public policies: what will change?

Figure 7.7 Possible transformations in the EU



Source: Authors' own compilation.

This chapter will now proceed to examine these broad categories in more detail with regard to elements specific to the European domain. The following paragraphs will focus on three of them: European economic governance; free movement and the single market; and the social situation and, in particular, the labour market, with a special focus on digitalisation. These themes have been chosen because they represent several of the EU's foundational pillars – economic governance, free movement, the single market, and social convergence – and it is these foundations that have been the most impacted by the crisis, when we consider the suspension of the budgetary rules of the Stability and Growth Pact, the suspension of a central aspect of competition policy with the prohibition of state aid, the restriction of free movement, internal and external border closures, and, not least, the unprecedented economic and social shock. The way in which the EU and the Member States deal with these blows that strike at the very heart of the European project will largely determine what tomorrow's Europe will look like.

E(M)U economic governance

The Stability and Growth Pact: back on track or change of course?

The economic outlook remains uncertain (IMF 2020), but economists do share one certainty: that tomorrow's Europe – and world, for that matter – will be much more indebted (see Chapter 1 in this volume for more on the subject). Within the European Union, it is unclear how the EU and its Member States will deal with this situation, as seemed to be confirmed in the first discussions on this subject in the Eurogroup (the informal body that brings together the ministers of the euro area Member States) in September 2020. Three hypotheses seem plausible:

- 'a progressive leap': the abandonment of the current Stability and Growth Pact rules in favour of new so-called 'Hamiltonian' rules. This hypothesis is based on the fact that at the July 2020 European Council the EU agreed, for the first time, to issue common debt (European Council 2020). If this initiative were to be extended in the medium and long term, new rules should be established for the governance of the public finances of the Member States and of the EU. Such a new stage of European integration would require a change in the paradigm of this governance (embodied in such programmes and treaties as the Six-Pack, the Two-Pack, the Euro+ Pact, and the Treaty on Stability, Coordination and Governance) in order to move from 27 national budgetary and financial responsibilities to a shared discipline at the European level. Of course, such a scenario requires several conditions to be met: that the implementation of a genuine European fiscal policy be successful; that the new policy instrument implemented be made permanent; and that the Member States agree on such a change in the fiscal rules.
- 'an austerity comeback': an alternative, more conservative development would see the EU quickly get back in line with the current rules of the Stability and Growth Pact (suspended in 2020), as it did during the previous major crisis in 2008. Within just over two years (by 2011), a framework had been put in place to structurally strengthen budgetary discipline (Degrype 2012) and the EU had embarked on a coordinated austerity policy that plunged Europe into a second recession. This year, there have been many political statements calling for the same mistake not to be made a second time (Eurogroup 2020). The easing of fiscal discipline could last for some years, but 'weak signals' (a foresight term for indicators of potential future change) point to the need for this temporary relaxation to give way, in due

course, to a rebalancing of public finances. The question will be how to define this 'due course'; the Eurogroup began to address this issue as early as September 2020.

- 'green goals first': the third scenario is one in which a reformed Stability and Growth Pact would be gradually put back in place, allowing significant room for manoeuvre. The reform of this Pact would aim to make it more adaptable to crisis situations and also to make it a tool for promoting the European Green Deal (European Commission 2019). In this scenario, the priority of the Pact would no longer be the threshold figures of 3% public deficit and 60% public debt, but the climate objectives of the Green Deal (carbon neutrality by 2050), the investments necessary for the climate transition, and the sustainability of the economic recovery.

Recovery: avoiding an asymmetric exit from the crisis

As far as recovery initiatives are concerned, European and national plans have multiplied throughout 2020. The European Commission's Next Generation initiative (European Commission 2020a) provides for EUR 750 billion in recovery funds, the German recovery plan foresees EUR 130 billion (Bundesfinanzministerium 2020), the French government has announced a EUR 100 billion plan (Ministère de l'Économie, des Finances et de la relance 2020), and at the time of writing other governments were preparing their own plans. Beyond the figures, however, uncertainties remain with regard to many issues: the coordination of these different plans within a framework of coherent strategic objectives; the efficiency of the planned investments; and, notably, the risk of an asymmetric exit from the crisis leading to possible conflicts in resource allocation – a scenario in which some countries would return fairly quickly to robust economic growth while others would continue to suffer the effects of a prolonged economic and social crisis.

The importance of European economic coordination and the choice of investment projects appears to be fundamental in this respect: 'how to spend it' will remain a central question in the coming months (see Creel et al. 2020), particularly with regard to the issue of conditionality, as has already been discussed in the EU Council and the European Parliament (regarding rule of law, see Council of the European Union 2020, and regarding the green transition, see European Commission 2020e). It is true that the scale of the resources mobilised is likely to generate a virtuous economic cycle, leading to a vigorous, possibly green (or at least greener) recovery. However, the European level can also become the site of tensions and conflicts between (groups of) countries, as shown by the polemics between so-called 'frugal' countries and Mediterranean countries in the summer of 2020. For example, the possibly unsatisfactory results of the recovery initiatives could lead to a delegitimisation of the recovery plan (Wolff 2020), or even a rise in anti-European populism in countries that were not initially in favour of this method of financing, or that, as a consequence of the conditionality applied to

EU funding, have seen their EU subsidies and grants cut, increasing the risk of an asymmetric exit and the development of structural inequalities between regions and countries.

Beyond these political risks, we should not lose sight of the fact that national and European recovery plans are, in theory, supposed to contribute to the climate transition. During the previous crisis of 2008-2009, certain public support measures for industries were taken, such as the 'scrappage premium' for the replacement of old cars. To our knowledge, the impact of these measures on CO₂ emissions has never been assessed at European level. Admittedly, in the German recovery plan announced in June 2020, the new version of the scrappage premium will only apply to the purchase of electric vehicles. But this was not the case in other countries, for example in France, where the bonus (a very costly one for public finances, incidentally) has essentially been used to clear out car dealership stock that accumulated during the lockdown (Seux 2020); although it must be acknowledged that the recovery plan adopted by the French government later in September 2020 did finally focus on 'green' vehicles. In any case, this example shows that there is a fine line between the objectives of economic recovery and those of climate transition (see Chapter 3 in this volume); this is why the scenario (outlined above) of a reform of the Stability and Growth Pact to make it a tool to serve the objective of climate neutrality proclaimed by the European Green Deal would be an intelligent way of not 'wasting this crisis', in the words of Winston Churchill.

A distorted single market?

Finally, the third uncertainty regarding EU economic governance concerns the future of competition policy, especially state aid rules. As early as March 2020, the European Commission announced the suspension of the ban on such state aid, in order to allow Member States to support companies in certain sectors and promote economic activity (European Commission 2020b). Airline companies in most EU countries, for example, have benefited greatly from such aid, without which it is likely that many of them would have been forced to declare bankruptcy or substantially restructure. Yet while the temporary suspension of the ban has helped to save companies that were particularly vulnerable to the Covid-19 crisis, it soon became clear that such a measure could ultimately pose a risk to the cohesion of the internal market. In an interview with the *Süddeutsche Zeitung* (18 May 2020), Margrethe Vestager, Executive Vice-President of the European Commission in charge of Competition Policy, highlighted the growing discrepancies between Member States regarding state aid. Of the almost EUR 1.95 trillion in state aid granted between March and May 2020, 51% was given by Germany, 17% by France, 15.5% by Italy and only 2.5% by Poland (Agence Europe 2020). This may contribute to the reinforcement of unequal conditions of competition between national enterprises and between countries. Could it lead to an asymmetric exit from the crisis, or even a dislocation of the single market? Will it imply an in-depth review of competition rules

within the single market? These are just some of the uncertainties regarding the future of the European single market project, with further challenges possibly emerging as a consequence of Brexit.

Borders

Schengen: the hard work of rebuilding confidence

On 11 March 2020, the Austrian government inaugurated one of the most emblematic measures of the Covid-19 crisis in the European Union by unilaterally closing its border with Italy, whose northern regions were then heavily affected by the pandemic. This led to an extremely rapid spread of identical measures, first in Hungary, then the Czech Republic, then Switzerland, Denmark, Poland, and so on. The re-establishment of controls at the internal and then external borders of the European Union, while allowed by the TFEU in justified cases, has a symbolic significance in that it affects one of the pillars of European integration: freedom of movement (Pochet 2020). The recovery is thus taking place at the level of Member State governments in a completely disorderly way, despite the Commission's call for coordinated and proportionate measures (European Commission 2020f). During August and September 2020, when the virus appeared to be beginning to spread once again, EU countries again adopted a series of unilateral measures that created traffic-light systems of 'zones', defined according to national criteria that were not coordinated at a European level.

At the beginning of September, the Commission and the EU Council Presidency stressed the need to put an end to these unilateral decisions and to instead, in line with suggestions contained in a proposal by the German Council Presidency, contribute to (and then use) a shared Europe-wide mapping study based on quantitative and qualitative data. Such coordination would have the merit of giving greater clarity to the measures taken and harmonising the criteria on which these decisions are based. However, it would require Member States to agree to an extension of the EU's competence in the sensitive area of national border management. This is where future uncertainties lie, as governments have shown throughout the crisis that they consider their borders to be the ultimate bulwark against the resurgence of the pandemic, at least until vaccines become available.

In this scenario, we could see either the outright closure of land and air borders, as the Hungarian government did on 31 August 2020, or a shifting development of closures and openings, depending on the circulation of the virus, which would lead to a significant disruption of mobility within Europe, in addition to increased tension and mistrust between Member States. Needless to say, in the long run, this would undermine one of the foundational pillars of the European project, as a return to free movement within the single market would never be fully guaranteed since it is always easier to close borders than to reopen them. In such a scenario, it would take a lot of work to rebuild confidence and rethink the rules of free movement in the light of increasingly plausible serious health threats.

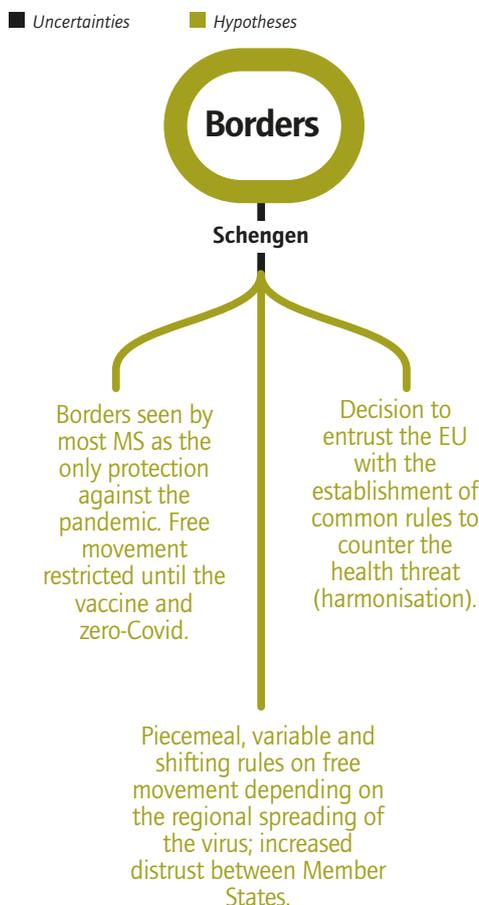
Labour market

Between 'key workers' and the unemployed

Although it is difficult to quantify it, it is undoubtedly true that one of the most visible social transformations in these times of pandemic has been what could be called a reversal of the 'hierarchy of trades'. In the spring of 2020, the populations of many European cities made a habit of going out on their balconies to applaud health workers: nurses, doctors, care assistants, and hospital, nursing home and social service workers. And during the lockdown period, it also became clear that without workers in the transport, logistics and retail sectors, people would not have been able to access the basic necessities. The importance of trades often considered inferior was suddenly brought to light. As Ian Gough writes, 'the coronavirus has shown us who the key workers are'. According to him, the hegemony of the neo-classical theory of value, according to which price determines value, has shown its irrelevance, and we therefore need a new theory of value if we are to build a sustainable and resilient economy (Gough 2020). Assuming a rebound in the economy, a scenario in which these trades achieve greater recognition and better conditions is thus also plausible.

However, at the time of writing, the threats to employment that seem to be the most pressing actually concern other categories of workers with low or medium qualifications. According to a

Figure 7.8 Possible transformations in the EU



Source: Authors' own compilation.

Figure 7.9 Possible transformations in the EU



Source : Authors' own compilation.

study by Spatial Foresight (Böhme and Besana 2020) which aggregates data from Eurostat and the ILO, the highest risks to employment are in manufacturing, tourism (hotels and restaurants), real estate, and culture (arts, entertainment, recreation), as well as retail trade (see Chapter 2 in this volume). In addition to the risk of massive and long-term unemployment caused by a potentially lengthy crisis and uncertainties about the recovery (IMF 2020), another risk is that the impact on labour markets will be highly differentiated at the sectoral level. While some sectors are thriving and hiring in the context of the pandemic, others appear to be on the verge of collapse, putting very large numbers of workers out of work, and possibly permanently.

Telework does not work for everyone

One of the other most visible changes in the labour market has undoubtedly been the extremely rapid proliferation of telework (Figure 7.10) and the rather radical change in the attitude of some employers (although sometimes forced into acceptance by national law) and many employees towards telework. Some technological companies, as well as more traditional industries, have announced that Covid-19 accelerated the development of teleworking by at least 10 years and that it will be the 'new normal' from now on, with no expected return to the old office-based work paradigm. This new form of work is presented (but also often perceived) as an opportunity to free oneself from constraints such as daily commuting, time lost in traffic jams or even supervision by the employer, and to regain to some extent a true 'work-life balance'. The benefits – although certainly not considered as such by certain workers in low-skill trades servicing the white-collar middle classes that used to occupy offices but no longer do: cleaners, caterers, carers, etc. – may go beyond the individual worker, as telework can help to relieve congestion in cities and reduce CO₂ emissions (on the impact of Covid-19 on CO₂ emissions, see Chapter 3 in this volume). Such a massive switch to telework could, in the long term, also have an impact on the role and the function of offices (which would become mere meeting centres for when employees need to hold a meeting with the team or a client), on

the value of office real estate markets, on how daily work is performed and working time is monitored, on the role of technological companies in providing contactless solutions, and on the transformation of cities.

However, as they become established over time, new teleworking practices may also reveal signs of a deeper social impact, including those related to wellbeing at work. A survey carried out in the UK (Bevan et al. 2020) reveals a significant increase in musculoskeletal complaints, reduced physical activity, long and irregular working hours and sleep loss. Other signs typically associated with this new, emerging type of hazard are lack of social interaction, work-life imbalance, and a feeling of isolation as well as increased stress levels, working longer hours (without extra pay) to secure employment, and anxiety caused by activity-monitoring and reporting required by employers. In addition, there is the fear of the rise of 'surveillance capitalism' (Zuboff 2019) with the possible, and in some cases already burgeoning, development of total digital surveillance by employers (involving undetectable monitoring of keyboard activity, application use, screenshots, webcam activation, data mining for facial recognition, etc.) (Degryse 2020). Finally, if the pandemic has had the effect of revealing social inequalities, and even accentuating them, telework has been one of its key indicators. In July 2020, an IMF working paper made this clear in its title alone: 'Teleworking is not working for the poor, the young and the women' (Brussevich et al. 2020b). The paper's authors state: 'We estimate that over 97.3 million workers, equivalent to about 15 percent of the workforce, are at high risk of layoffs and furlough across the 35 advanced and emerging countries in our sample. Workers least likely to work remotely tend to be young, without a college education, working for non-standard contracts, employed in smaller firms, and those at the bottom of the earnings distribution, suggesting that the pandemic could exacerbate inequality.' (Brussevich et al. 2020a; see also Chapter 2 in this volume). The uncertainties concerning the development of telework are therefore numerous: new social cleavages and accentuated inequalities, but also musculoskeletal disorders and psychosocial risks, could slow down the teleworking trend, or even

stop it in favour of a return to the office (which, in turn, could lead to direct or indirect discriminatory practices).

Platform economy: from the Booking.com scenario to the Amazon.com scenario

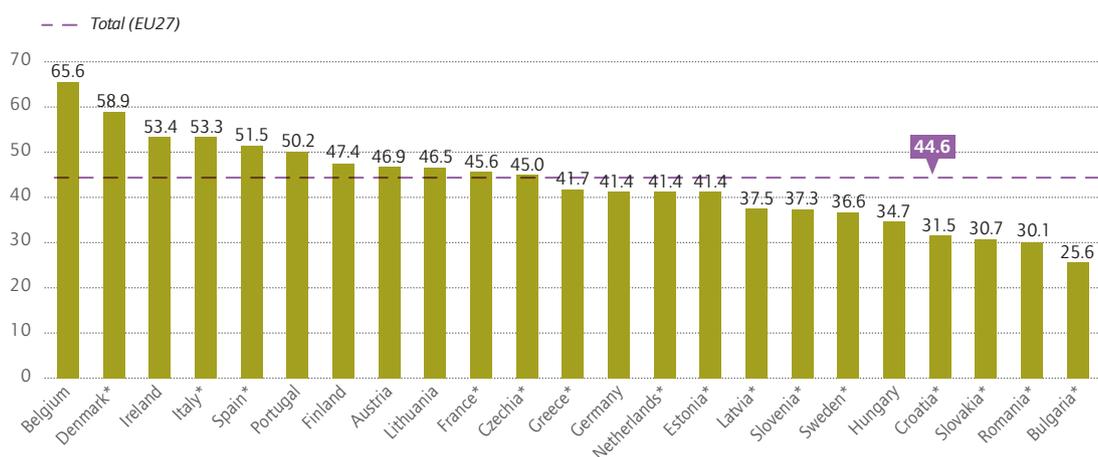
The idea has occasionally been put forward that the pandemic has accelerated the digitalisation of the economy and, in particular, the platform economy. Trade in 'contactless' goods and services will have benefited greatly from containment and health measures. In addition, many digital tools were used to maintain professional relations and to organise meetings and online conferences, leading to a rapid rise of hitherto small companies (Zoom being an obvious example, a company that struggled to match the sudden demand and needed to expand their server capacity almost overnight). Indeed, some technology companies not only resisted the negative economic impacts of the pandemic but actually benefited from it. Amazon has announced the hiring of tens of thousands of workers (taking their workforce number to 875,000 employees) and continues to hire. Apple, whose market capitalisation exceeded USD 2 trillion at the end of August 2020, announced that it is one of the largest job creators, responsible for 2 million jobs in the United States, including 80,000 employees in the US and 137,000 worldwide. Microsoft has not stopped hiring during the crisis (163 000 employees), while Netflix (8,600 employees) also benefited from the lockdown measures.

Upon further analysis, however, it appears that the effect of the pandemic on digitalisation has not been as uniformly positive for all sectors, including in the platform economy. According to the Layoffs.

fyi Tracker project, launched when the pandemic was declared (11 March) and collecting all layoff announcements made by technology companies since then, the biggest layoff plans were those of Booking.com (25% of staff or 4,375 people as of 15 September 2020), immediately followed by two redundancy plans at Uber (a total of 6,700 people or 27% of staff), and then by Groupon (2,800 redundancies), Airbnb (1,900 redundancies), Yelp, Lyft, LinkedIn, Tripadvisor, etc. According to Layoffs, the five most affected technology sectors were transportation, travel, finance, trade and food. Current problems in the platform economy (see also Chapter 5 in this volume) could clearly have future ramifications for the sector.

One scenario could be that the pandemic will eventually wipe out a certain type of platform active in the most affected sectors. This is what we call the 'Booking.com scenario', with massive reductions of staff and workers, in which the very heart of the business (hotels, restaurants and tourism) is extremely vulnerable to the crisis and would probably not be able to withstand it if it were to continue. Conversely, another scenario is that of Amazon.com, where the hybrid nature of the business (as both an online sales platform and a storage and logistics company) and the business sector itself prove to be perfectly adapted to a pandemic context of containment and restriction of individual mobility. We could imagine a spread of such platforms in all contactless activities (commerce, e-entertainment, delivery, consumption). Finally, a third scenario could be that of Uber.com, a previously growing company whose activities have been severely reduced due to the crisis, but which, through diversification (Uber Eats, Uber Freight, etc.), manages to survive at the price of restructuring and workforce reduction, or even with a deeply transformed business model.

Figure 7.10 During the Covid-19 pandemic, where did you work? - At home



Note: Excluded due to insufficient data: Cyprus, Luxembourg, Malta, Poland. Low reliability (*): Bulgaria, Croatia, Czechia, Denmark, Estonia, France, Greece, Italy, Latvia, Netherlands, Romania, Slovakia, Slovenia, Spain and Sweden.

Source: Eurofound (2020), Living, working and Covid-19 dataset, Dublin, <http://eurofound.link/covid19data>

Conclusion



We do not have to be passive onlookers: by outlining and considering the various possible scenarios we can exert (some) control over our future."

The Covid-19 pandemic and the 'polycrisis' it has provoked in Europe and the world are leading us into a period of uncertainty and transformation in almost all areas of economic, social and cultural life. New ways of living and working may contribute to more cooperation and solidarity or, on the contrary, to attitudes of mistrust and conflict. New ways of consuming and moving may lead to more sustainable development or, on the contrary, to more waste and pollution. Technologies may provide us with solutions in the management of the pandemic and in the way we experience it or, on the contrary, fail in their promises and create a dystopian future of control and surveillance. Stimulus packages could accelerate the climate transition or, on the contrary, slow it down by unconditionally rescuing whole swathes of some of the most polluting industries. In this plethora of ambivalent scenarios, foresight methodology offers tools that can inform political decision- and policymaking to help it regain some control over our collective future.

In particular, the impact of this crisis on the foundations of the European Union is likely to be profound. Some of the pillars of the European project have already been deeply affected: economic governance (as regards the Stability and Growth Pact, competition rules within the single market, and the EU budget), borders (Schengen and free movement), and of course the European economy, which is at the heart of the turmoil, when we take into consideration the already historic recession of 2020, rising unemployment, the transformation of labour markets and the insecurity of many workers. In the face of so much uncertainty, the role of political, economic and social actors will be decisive in the coming years. In many areas, there will be choices to be made between a Europe that fragments or strengthens, a Europe guided by fear or daring, a Europe of mutualisation and solidarity or a Europe of every man for himself. What will Europe be like in 2040? Is it going to be divided into North and South, East and West, frugal and lax, dogmatic and pragmatic, ambitious and sceptical – or will it have managed to use the crisis to revisit its *raison d'être* in the light of its shared destiny?

It appears that the pandemic has further revealed pre-existing social inequalities, but in the world of work in a very paradoxical way. On the one hand, it has made it possible to see, in the words of Gough, who are the 'key workers' of the economy and, more broadly, of our society: workers who are often at the bottom of the wage scale, disregarded and even looked down on. In the spring of 2020, a kind of popular and spontaneous consensus of support formed around these workers out of a sense of gratitude to them. One of the social challenges for the future will be to see how this informal consensus can be transformed into a structural programme for revaluing 'human' professions whose value has been underestimated for too long. In several European capitals, demands have been made for not only wage increases but also significant improvements in working conditions and greater social recognition. The future role of social and trade union organisations is to ensure that these demands are not abandoned and, in particular, to take them forward and negotiate them in tripartite and bipartite social dialogue bodies.

On the other hand, it must be noted that the new forms of work that have emerged from the crisis have created new vulnerabilities and divisions which will have to be addressed. Telework is the most evident example, revealing cleavages between those who have a (spacious) home office, state-of-the-art computer equipment with access to fast communication networks, or even a terrace and garden, and those forced to telework in uncomfortable conditions, sitting in the dining room with an obsolete computer while taking care of kids, or needing to share the computer due to distant education requirements. But there is also a divide between those whose profession allows these new forms of work, and those for whom teleworking is not practicable, including the 'human' professions listed above. These are also often 'the poor, the young and the women', as pointed out by the IMF. In the face of these new rifts, here too collective actors and organisations will have a central role to play in creating new alliances and dynamics to avoid the deepening of inequalities and the risk of social polarisation. As this foresight analysis shows, we do not have to be passive onlookers: by outlining and considering the various possible scenarios we can exert (some) control over our future.

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