



Spatial Foresight Brief 2020:14

**SCENARIO SNAPSHOTS OF A POST COVID-19 EU:
RECOVERY STRATEGIES SHAPING NEW NORMALS**

Kai Böhme & Maria Toptsidou



BRIEF



Spatial Foresight GmbH

7, rue de Luxembourg
L-7330 Heisdorf
Luxembourg

www.spatialforesight.eu



This document is licensed under Creative Commons as BY-NC-ND. It allows you to download the work and share it with others as long as you credit the authors. You may not change the content in any way or use it commercially.

Böhme, K., Toptsidou, M. (2020) *Scenario snapshots of a post COVID-19 EU: Recovery strategies shaping new normals*. Spatial Foresight Briefing 2020:14. Luxembourg.
www.spatialforesight.eu



Scenario snapshots of a post COVID-19 EU: Recovery strategies shaping new normals

This Spatial Foresight Brief explores three scenario snapshots which may serve as eye openers to imagining possibilities for the European Union (EU) post COVID-19. Governments across the world have already introduced policies to tackle impacts of the COVID-19 pandemic and the EU has started to implement an ambitious recovery plan. With lockdowns being reimposed, assumptions about a 'new normal' are back. The next step is to think and plan for the future. Financial support is seen as key to making the world go round again. Drawing on discussions about options for recovery strategies, this brief gives three scenario snapshots of what could shape post COVID-19 normals in the EU and which territories may be affected more, or less.

This brief has evolved from a range of projects and research Spatial Foresight is working on in relation to the post COVID-19 reality. These include a recent Spatial Foresight brief 'Understanding the territorial diverse implications of COVID-19 policy responses', reports for the European Parliament on 'Cohesion Policy measures in response to COVID-19' and the European Committee of the Regions on 'Potential impacts of COVID-19 on regions and cities, as well as the 'Territorial Impact Assessment: the state of the cities and regions in the COVID-19 crisis'.

The three scenario snapshots are a result of internal discussions within the Spatial Foresight team and stem from the team's foresight zeal. The short scenario snapshots do not force individual solutions and are not presented as the only options, nor do they show every possible outcome of each pathway. They look to initiate debate and provide food for thought about how recovery strategies could construct 'new normals'.

Scenario snapshots of a post COVID-19 EU: Recovery strategies shaping new normals

Three scenario snapshots exploring future COVID-19 recovery strategies. Discussions about economic recovery in the post COVID-19 world highlight that financial support is necessary across the EU. These scenario snapshots explore three recovery strategies: 'Gimme shelter', describes a future where all funding directly supports EU businesses to revive the economic fabric. 'You can't always get what you want' describes a future where all funding directly supports EU citizens in the form of a Universal Basic Income (UBI). 'Shine a light' describes a future where funding is no longer available, and citizens acknowledge the need for a new EU vision.

The world is constantly flowing. Numerous trends take place daily. The pandemic has accelerated some and EU citizens must confront them sooner or later.. Humans need to be more flexible and adjust to increasingly frequent changes. Following the flow will help people and governments be more prepared in future.

In need of place-based but people-centred policies. Despite the desires for more place-based approaches in policy design, territorial implications are often neglected. The future also calls for putting the needs of people at the forefront to reduce fragmentation, inequality and social disparities across Europe. Future policies should be place-based and people-centred to create a desirable future for all.

Territorial scenarios ignite imagination. Territorial scenarios are a useful tool to sketch different, plausible future pathways considering territorial implications. They are not about making choices. Instead they stimulate thinking and prompt people and policy makers to increase their social imagination. Regaining the power to imagine desirable futures and putting them into practice through the right policies is a first step to avoiding future dystopias.



Money may help the world go round again...

The dawn of the new decade came with an unprecedented event. A 'wild card' that few were expecting and nobody was prepared for: A pandemic. The coronavirus, or COVID-19, in just the first quarter of 2020 rapidly changed every aspect of people's lives. Governments across the world introduced policies to ensure public health (Böhme & Besana, 2020). Amid such exceptional times, it is vital to not only introduce policy responses to address the present situation, such exceptional times require exceptional commitment and planning. With lockdowns being gradually reintroduced around the world in response to a second wave of the pandemic and discussions about a 'new normal' recurring, it is time to seriously think about the future.

At the moment, nobody knows when the pandemic will end, with some arguing that a vaccine will bring salvation, while others propose that the virus may be permanent. Policy responses introduced at the beginning of the pandemic involved business lockdowns, furlough schemes, working from home and closing borders. All have heavily impacted economies and labour markets. One message has been clear: support for businesses and people is necessary. Although nobody yet knows the shape of the global economy in future, different recovery policies have been debated.

Discussions in Europe about tackling the economic consequences have ranged from supporting citizens directly including through a UBI, to Eurobonds, to a new European Union 2021-2027 recovery package. Meanwhile the United States approved a USD 2.3 trillion stimulus package that gives financial support to citizens. Finally, the EU decided on financial support for post COVID-19 recovery through the 'Next Generation EU' package and its Recovery and Resilience Facility. This will support businesses across the EU through grants and loans. All these discussions have one thing in common. They believe that money helps the world go round and hence financial support is key.

... or maybe not?

What could the EU look like if funding is dedicated to supporting businesses? Or what could happen if the same support was made available to citizens in the form of a UBI? Can we imagine what the EU would look like if there was no funding at all for businesses or citizens and it had to re-invent itself through a new vision? What developments could there be in all three cases and how would different places be affected? Territorial scenarios¹ can be a useful tool for exploring such pathways. This brief delves into three scenario snapshots, exploring how these very different recovery strategies would look and what implications they would have on EU territories. For this, three distinct, short, scenario snapshots, have been developed and their territorial implications outlined².

→ **Gimme shelter – From a geography of spending to a geography of impacts.** The first territorial scenario describes a future in which the EU has earmarked a substantial share of its budget to directly support EU businesses in an effort to revive the EU economic fabric. The scenario snapshot highlights the importance of business sectors and their resilience to such external shocks. The territorial implications indicate a geography of spending, i.e. where the funding is going. This geography of spending however, seems to polarise places benefitting from the support as opposed to places left behind, possibly increasing inequalities. This would lead to a geography of impacts.

¹ Scenarios are a plausible description of how the future might develop, based on coherent and internally consistent assumptions (scenario logic) about key relationships and driving forces (Zillmer et al., 2015).

² Some of the territories in the territorial implications sections are based on territorial stories (Böhme, Besana, Lüer, Holstein, Hans, Valenza, Caillaud, & Derszniak-Noirjean, 2020)



→ **You can't always get what you want – The diversity of spending.** The second scenario snapshot describes a future in which the EU has earmarked a substantial share of its budget to directly support EU citizens in the form of a UBI. This would be available to all EU citizens irrespective of age, employment status or financial situation. This scenario highlights the importance of people and diversity of spending, which has territorial implications. These vary widely, as socio-economic change depends on demographic characteristics, as well as people's preferences and ambitions.

→ **Shine a light – The need for vision.** The third scenario snapshot describes a future in which the EU has spent all its COVID-19 emergency measures funding to combat a second wave of the pandemic. With no recovery plan to support them, EU citizens are organised in local communities. Slowly becoming autarkic, tribalism emerges, where cooperation and extroversion are limited. The territorial implications show a very regional to local pattern, which eventually leads to more fragmentation. To change this, the power to imagine a new vision becomes a light in the dark. Academics, think tanks, youth movements and intelligentsia across Europe initiate social movements where citizens realise that they need to redesign EU priorities for a future where cooperation should be forefront.

These three territorial scenario snapshots do not force individual solutions, nor offer every possible outcome of each pathway. Instead, they give general ideas which offer food for thought about the future recovery. Their aim is to initiate debate and provide inspiration for how or who could shape our 'new normal'. Looking into different possibilities for future recovery strategies may stimulate better decisions today and balanced territories across Europe tomorrow.

To help imagine the implications, the three scenario snapshots look back from the future, as if the recovery strategies are being implemented. The grey boxes present the territorial implications of each.

Gimme shelter

From a geography of spending to a geography of impacts

The European Union made herculean efforts to revive the business fabric across Europe. Bringing businesses into the limelight for financial support was the key recovery strategy to avert a new economic crisis and to increase growth and prosperity in the EU.

What does Europe look like post COVID-19 with all the money supporting businesses?

Getting businesses back on their feet. For the COVID-19 recovery, a tailor-made stimulus package was designed to ease the pressure on businesses and help them recover. The European Union agreed to implement Next Generation EU and its Recovery and Resilience Facility which provides financial support in the form of grants and loans. The package directly supports EU businesses and thus keeps the economic wheel turning. There are measures to boost private investment and ailing companies, to strengthen the single market and to repair the crisis.

Responding to economic paralysis. It is true that our evermore interconnected world has made societies more open and economies richer. However, it has also made them more vulnerable to global crises. The COVID-19 pandemic brought irreversible economic consequences in 2020 to most businesses across the EU. GDP in the EU27 fell 11% in the first quarter of 2020 (based on Eurostat, 2020a) and action had to be taken to ensure the European way of life. Lockdowns at the beginning of the crisis brought unprecedented economic breakdown. A policy response was deemed necessary,



particularly for businesses most burdened by the economic effects. Negotiations and lengthy discussions resulted in actions to restart the engines of our economies, businesses, with the aim to increase GDP.

None of my business. Certainly, the COVID-19 pandemic lockdowns and restrictions were not disastrous for all businesses. Amid the crisis certain sectors thrived. In addition to producers of medical supplies, Personal Protective Equipment, the four Big Tech and other IT companies, as well as e-commerce retailers, video communications companies and media streaming service providers have provided meaningful alternatives to shops, offices and travel and even social life during the lockdowns. These sectors saw their profits boom, getting the most advantages from the outbreak. At the same time, new concepts such as social businesses, as well as businesses ameliorating the COVID-19 situation emerged, broadening the spectrum.

To whom it may concern. These, however, were bright exceptions. The influence of the pandemic on different businesses was irrespective of their size or type but was closely related to their sector. So businesses hit by closed borders, restricted supply chains and social distancing measures were among those hardest hit by the COVID-19 lockdowns. Some faced irreversible changes, others closed or lost substantial amounts. There were domino effects on other sectors, like manufacturing and agriculture, with no discrimination to the type of business. Micro, small and medium-sized enterprises and even larger corporations faced mind-boggling economic challenges and their future was uncertain.

Being static is not fantastic. Closed borders, increased border controls, as well as movement and travel restrictions influenced the mobility of people, especially changing the way that large scale transport operated. The aviation and rail industries were among the first hit by the lockdowns and saw their profits dropping heavily during 2020. Estimates for the aviation industry expected a loss of USD 84.3 billion in 2020 with revenues falling by 50% (based on IATA, 2020). And these were just the beginning, as new lockdowns and restrictions further increased insecurity and decreased mobility. There were equally bad estimates for the rail transport sector and these were not the only ones. With people restricted at home and the home office trend booming, people reconsidered their use of cars. Hence car companies, oil and energy as well as heavy industries of different kinds were also severely affected.

e-world vs. brick and mortar. Distancing measures have also brought changes in the ways people work, consume and socialise. With people staying at home, online services thrived. E-commerce and BOPIS (Buy Online, Pick-Up In Store) growth accelerated massively, especially at the beginning of the crisis (based on Koetsier, 2020). Also, online communication platforms helped participation in virtual meetings, more people worked from home, played e-sports and binge-watched movies and series. Smaller shops that used to cover these needs were at risk, on the verge of closure, often putting employees into furlough schemes. The changes in consumption patterns as people for example buy less clothes but more digital equipment meant many retail shops faced more challenges. Such developments also hit the HORECA, arts and entertainment sectors, which have to deal with both social distancing and changing social habits.

Tourism will never be the same again. No other sector faced such tremendous economic losses. The effects of this were at least two-fold. Not only were the big tour operators at stake, but especially local



economies and small businesses that depend on tourists. The OECD estimated a 60% decline in international tourism for 2020 (based on OECD, 2020). Other trends would definitely play out, with a rise in domestic tourism, for instance, offering some compensation. At the same time, niche tourism directed at the 'rich and famous' increased, while most people could not enjoy holidays. As a ray of sunlight, smaller tourism businesses have emerged, building on concepts of sustainability and sharing.

Big or small, the same. The global character of the pandemic and its economic consequences did not discriminate between small businesses or large corporations. Certainly there were and still are losses to differing extents. Big corporations representing classical production in the EU were a first example. Their business concepts were profitable before the pandemic but have been impacted by its consequences. They were not the only ones though. SMEs have been the backbone of the economy in many regions across the EU. These offer different services and production that may have been profitable before the pandemic, but were mostly negatively affected by the various measures. Reconsidering and adapting their business concept was and remains essential.

Big eats small? The type and size of business did not matter when it comes to the economic consequences. All were affected to some extent. But as affected as they have been, they could also influence things to different extents. Bigger companies appeared more resilient in standing up straight again. In addition to existing financial assets and guarantees, their lobbying and influence allowed them to put a finger in the money pie and receive larger amounts and better lending conditions. On the contrary, smaller, local businesses may not have had enough collateral to be granted a loan, nor an innovation profile that could trigger business angels to support them with equity funds. Also, social businesses, which contribute most to vulnerable social groups in times of crisis, faced liquidity problems. The local business fabric of the EU was at stake.

How about other developments? Developments and policies such as the Green Deal and the Just Transition Plan played a key role and affected the way business operates. At the same time, people became more environmentally conscious, changing the way they travel, consume and choose companies to buy their goods from, based on their environmental footprint.

And how about the other sectors? Economic support was targeted to businesses hardest hit by the COVID-19 pandemic, irrespective of sector. Nevertheless, it seems that a few sectors had less support. Agriculture is one example, receiving very limited funding compared to the others while also hit by the domino effect of COVID-19. Similarly, the arts and recreation sectors were not among the primary targets of the financial package, nor were academia and research.

Where in Europe do we see this?

The question remains whether we can identify any territorial patterns where the effects are more visible. Following the ideas of the scenario snapshot above it seems that the territorial implications are not defined based on GDP or competitive advantages, but depend on the sectors and even business ideas, particularly for services and whether they were, are and will be able to adjust to the consequences of the COVID-19 crisis. The following will show a few territorial patterns that may emerge.



Innovation areas able to adapt. Not all companies have struggled economically due to the pandemic. Depending on their business profile, some thrived and additional financial support only boosted their profits. Places that are home to companies which could adjust to the new circumstances or develop ideas that support the 'new normal' are among these. Further examples are places that are innovation leaders, which managed to adjust and turn innovation to their advantage.

Places with businesses that are not fit for purpose. There have also been businesses whose profile was not fit for purpose. Their focus was outdated or could not adjust to the new facts. As a result they were not profitable and – due to state support – went into a limbo where they go neither to liquidation nor takeover. Places with many of these types of businesses find it harder to revive or sustain themselves.

Entrepreneurial areas may have the time of their lives. Businesses that have adjusted to the crisis and put new ideas into practice, i.e. have invested in innovative concepts and new ideas, may have better prospects in the future. This is because they did not depend on existing, pre-COVID-19 concepts, but rather saw opportunities when others saw threats. Innovation hubs, for instance, could be attraction poles for business angel funding or additional guarantees.

What about places with no companies? Not all places in the EU are home to companies, big corporations or SMEs. There are areas that are underpopulated, even shrinking or abandoned. The financial support for businesses does not reflect places with very limited economic activity. This may increase challenges and fragmentation across Europe, as places already in decline may see themselves in further decline.

Tourism hubs with a question mark. Holiday destinations, depending mainly on tourism for economic growth and development face shocks and are affected by the COVID-19 crisis. The extent of the effects vary across territories and will also depend on how tourism is shaped in the future.

You can't always get what you want

The diversity of spending

To recover from the COVID-19 pandemic, the European Union put the most ambitious idea into practice. All funding support was made available to citizens directly in the form of UBI, giving a new take on 'Europe close to citizens'.

What does Europe look like post COVID-19 if all the money supports people?

Support the people. To recover from the pandemic, the European Union designed and initiated an ambitious plan. It agreed to revamp the idea of Next Generation EU and its Recovery and Resilience Facility and provide financial support in the form of an unconditional UBI. This is a flat monthly income, adjusted by GDP/country and available to EU citizens of all ages, whether they work or not.

Europe closer to its citizens. If there's one thing that COVID-19 has had the greatest impact on, it is people's lives. Every aspect of our life has dramatically and irreversibly changed with financial instability



and employment insecurity haunting people's daily thoughts. The European Union worked hard to come closer to its citizens through more cohesion, active subsidiarity, multi-level governance and continuous dialogue to build the future of the EU together with its people. The idea of UBI offers unconditional financial support for all citizens.

Unemployment on the rise. Unemployment has been a key consequence of the COVID-19 pandemic. Unemployment in EU27 increased by about 1% between February and August 2020 (based on Eurostat, 2020b) and youth unemployment about 2.6% and continues to increase today. The pandemic and its lockdowns came along with furlough schemes, enforced holidays and job losses. With the EU trying to recover from an economic crisis, the labour market needed a quick and smooth recovery.

UBI support differs between people. The effects of UBI on people differs. For those who continued working during and after the pandemic and lockdowns, either from home or returning to their posts, UBI is an additional income, an extra allowance that can trigger entrepreneurship or spark new beginnings and other plans. On the contrary, for people who lost their jobs and / or were unemployed for a long time, UBI is their main income to make ends meet. Such social differences may increase fragmentation among people and places across the EU.

UBI opened windows of opportunities. The UBI has laid the ground for revolutionising the concept of work in the EU. UBI has given the incentive to many unemployed people to start their own businesses. Not only them, but also people who went into furlough schemes, finding themselves doing meaningless jobs, or even continuing to work have got the chance to try something new. UBI boosts people's self-esteem and ensures dignity, making people feel useful in society. Hence the approach appears to help people gradually recover from financial instability and became more confident in pursuing new careers, coping with their current ones, or even investing time in voluntary activities.

Supporting all ages, all economic backgrounds. The introduction of UBI did not target specific population groups. Instead it was available to the whole population irrespective of their economic background or age. Although it did not mean a lot for richer people in the EU, or serve as the only income source for the poorest, it was the middle class that played and may play a particular role in the way it could be used. The needs of different age groups shape economic activities, as mainly younger people, unlike older generations, experiment with new business concepts.

Youth bringing the wind of change. Young people are drivers of change, using UBI to continue their education or implement business ideas they would otherwise be hesitant to, due to the economic risk. The older population instead spends UBI mainly on health care or short-term delights, instead of longer term investments.

Less migration and brain drain. The opportunities that come with UBI decrease migration within the EU. With more local employment opportunities less people migrate. Hence the brain drain from East to West Europe and from rural to urban areas slowly reduces, as people and especially the young move less for jobs or education. Exceptions exist, however. Moving for family reasons or for personal development continues, to though a lesser extent. In addition, people also tend to migrate to places with a lower cost of living, leaving large urban areas when housing prices rise. Some people move to rural areas in their countries, or even to other EU Member States where they can enjoy a higher quality of life.



Technology on people's side. Technological developments continue to play an important role in diminishing distance and allowing more flexibility and freedom. Taking advantage of technology people set up online stores, websites to promote their work and even build networks, as well as investing in home offices. In addition, e-learning opportunities are available to everyone on the internet. At the same time, UBI allows people to invest more in themselves through lifelong education, or by developing new business ideas, based for example on sustainable solutions, the circular economy and changing jobs.

Ageing can be an enemy. Given that UBI is so closely related to people, the way it is used also depends on their preferences and especially their ideas. With the EU facing an ageing tsunami, older ideas may prevail in some cases. The needs of older people change and they may not be using broadband or high IT-quality services because they don't need to. This may influence the provision of such services and instead focus on more relevant ones, including health.

A little less fragmentation, a little more integration. UBI has contributed to increasing integration in the EU. Given that it is largely human oriented, the allocation of UBI to people at risk of poverty or living in regions that had been left behind across Europe, has opened the opportunity to start anew and balance economic deficiencies.

Inertial mass. Of course no one can securely say at the moment if UBI will eventually result in inertia, reducing incentives for people to get a job. The risk is always there and the chances too. UBI should not be seen as a 'silver bullet' but rather as an opportunity and incentive for new beginnings. Thus its final outcomes would largely depend on people and their ability to handle it.

Where in Europe do we see this happen?

The question remains whether we can identify any territorial patterns where such effects are more visible. Following the scenario snapshot above it seems that people are inextricably connected to their locations and the territorial implications will not be defined based on income. Rather the implications will depend on how people spend their income, where they are located and will differ case by case as socio-economic change is hard to monitor. The following offers some territorial patterns that may emerge.

Places as drivers or impediments to change. As mentioned above, young people can make places drivers of change. With the financial support of UBI, young people can change their professional route, risk more and eventually regions may become more change-oriented. Such places could have an advantage, also bringing European industrialisation back to life. These changes will be concentrated in places with a large population of young people.

Entrepreneurial spirits. The idea of UBI may be the starting point for a new boom in ideas and a revival of entrepreneurial spirit. Hence, places that are driven by entrepreneurship, where businesses tend to survive longer, may be among the 'territorial winners'. Areas with many small businesses and high shares of self-employment belong to this category, depending of course on the sectors.

Integration and poor people. People living at risk of poverty across EU regions may be among the first who see the benefits of UBI, as it will allow them to make new starts. Areas lagging behind with limited economic prospects, as well as areas at risk of depopulation could revive and become more integrated.



Places with high job losses due to COVID-19 vs. places with employment continuity. UBI will have a different effect on places where people continued working from home, or could return to their posts after the crisis. For them, UBI would be an extra allowance which could be an incentive for business ideas or other plans. In places with deep economic downturn, where unemployment grew substantially due to the pandemic, UBI is the main income for people to keep going until the economic situation improves.

Shrinking and ageing places. Shrinking and ageing regions face particular challenges however some, with the support of UBI, have turned things to their advantage. By promoting low living expenses and a high quality of life, some places on the verge of shrinking can revive and become appealing. This can attract younger people who benefit from low housing prices, bringing such areas back to life.

Rural areas make-over, urban areas looking over. To start with, UBI may benefit people living in rural areas. At a general EU level, regions with low GDP may benefit more from a UBI than regions with high GDP, which may just survive. Given that in most member states living expenses in rural areas are lower than in larger urban agglomerations, rural people could cover their survival needs and may invest any excess in starting a new business.

Slow living places. Isolated places, i.e. with lower COVID-19 impact, may be key destinations for migration, especially tourist or rural areas. Urban areas still have high housing prices and costs of living, especially capital regions and metropolitan areas, without offering many social or cultural activities anymore. So people may move to places with a more affordable cost of living.

Shine a light

In need of a vision

The European Union could not financially support businesses or citizens in its territories enough to recover from the COVID-19 pandemic. Funding was spent on emergency measures tackling the second wave of the pandemic. Finding a new European way of life was essential for citizens to move on.

What does Europe look like post COVID-19 if there is no money left?

Living with an empty wallet. The economic consequences of the second wave of the pandemic were severe. The expenses for tackling the immediate health consequences left little room for discussing recovery strategies. EU Member States had to spend all funding from the Next Generation EU and national funding was heavily reduced. The limited financial capacity and public debts of many countries have resulted in no EU support for recovery strategies.

Businesses and people need to go their own way. Against this background, people and businesses across the EU started designing recovery plans alone. No more rescue support for businesses was expected. Similarly, people running businesses, unemployed or working in any sector faced tremendous life-changing challenges. International sales started to drop, leading to financial deadlock. At the same time, given the bad economic situation, people also changed their consumption patterns. They started to consume less, more consciously.



Getting organised locally. All these developments led to big social movements and reactions where people demanded to take the situation in their hands. Losing their trust in national governments and rendering the EU unable to handle social crises, people in different regions started to form smaller, local communities, in which they tried to reorganise their lives through a sharing economy model. Following multiple solidarity approaches at the beginning of the pandemic, people tried to rebuild the world they lived in through more social, cooperative and collaborative economic approaches. They learned how to live in a sharing economy and work for the greatest societal common good. This concerned sharing goods, products and tools, apartments, offices and also services. People started using time banks where hours are used as currency to exchange services and skills. Technology was a major supporter of this process. Collaborative platforms help to organise activities creating an open market for temporarily using goods and services often provided by individuals (based on European Commission, 2017). Nevertheless, strong local social ties are necessary to keep the sharing economy running.

Institutions in the face of direct democracy. This regional and local self-organisation has led to reduced power for national governments. A more regionalised political scene has gradually emerged, where regions and even local authorities have the power to decide on matters such as the management of common goods and assets. In addition, new forms of government have emerged, with direct democracy, more engaged citizenship and activism, as well as more open and innovative government.

Manufacturing in EU revived. Given the local character of the new social structure, the circular and sharing economies have made leaps. This transition has supported reindustrialisation in the EU, but also revived the manufacturing sector as many goods are produced at small scale by local communities. At the same time repairing products is necessary for economic sustainability so artisan know-how is needed and old professions brought back to life. To say the least, such a 'sharing is caring' society needs high digital accessibility, so online platforms can organise the activities. Hence, regions with high digital accessibility would be a step ahead. This is particularly to be seen in urban areas and capital cities.

From local farm to local fork. As global trade slowly abates, local production of food has become a priority for communities. The farm to fork strategy is now even more local (based on European Commission, n.d.). In addition, the trend for locally produced, bio and organic food has found great supporters in these times and there are more sustainable and less intensive agricultural practices. Nevertheless, this approach often ends in a lack of products as resources cannot cover all needs, so some places are doing better than others.

My region, my tribe. Over time, local societies and communities have become even more polarised. EU citizens feel attached and loyal to their social groups or their own 'tribes', with a higher sense of belonging (based on Packer, 2018). This has increased tribalism across the EU, resulting in Hobbesian states with little empathy and joint actions. These new 'local tribes' rarely cooperate with others, as survival of the fittest imposes discipline and devotion on such local communities. Closing borders has been thus unavoidable. Further to this, blaming previous open societies for the spread of the virus, people started supporting closed borders and small resilient societies more. People have reduced travel to a minimum, with transport slowly becoming a secondary sector. The extent that different territories are influenced depends on their capacity to adjust to this development. At the same time, rural, smaller communities benefit from physical proximity and organise themselves in different ways, building on existing social ties and strong bonds.



Hitting rock bottom? The inability of the EU and Member States to financially support the business and human capital of the Union along with the tribalism that emerged have led to an even stronger economic downturn in the EU. Businesses could not survive, while unemployment skyrocketed. The result was increased poverty resulting in fragmentation across the EU, accelerating territorial and social inequalities. Already by 2027, the EU was not only on the verge of a new economic crisis, but also of an existential crisis where it had to reconsider its position, role and future and make a restart.

Did we get it all wrong? Academics, think tanks, youth movements and intelligentsia across the EU initiated social movements to redesign EU priorities and focus. Financial support was secondary, the EU had to regain the ability to dream a future it desired, bringing all Member States and regions together. For this, a new vision for Europe was deemed necessary, as a budget without a vision risks increasing inequalities (based on Böhme & Lüer, 2020a). A joint, people-centred vision of all Member States, learning from the lessons of the pandemic and turning them into opportunities. For this, cooperation should be a must and not a luxury (based on Lüer & Böhme, 2020a) to bring people, institutions and ambitions into a new European dream.

If you want to go far, go together. Eventually, cooperation has been key in re-designing the EU. Cooperating on health issues was a starting point, as taming the pandemic was not an easy task for individual communities. To ease pressure on the health sector, hospitals and health personnel, local communities started sharing their services. Delivering cross-border services through existing infrastructure, or even creating new infrastructure to address specific cross-border links, slowly generated benefits for the general public and increased inclusion (based on ESPON, 2019b).

Shine a light. Following all these efforts, European Union citizens realised that they could do a lot together. It was the time to shine brightly and set the milestones and foundations to create an overarching way of European life, a common culture and identity, stemming bottom-up from EU citizens and continuously evolving. A common culture for all places and people in Europe in balance with economic growth and environmental sustainability.

Where in Europe do we see this?

The question remains whether we can identify territorial patterns where those effects are more visible. Following the scenario snapshot above it seems that the territorial implications will not be defined based on economic profiles or purchasing power, but more on the formations and locations of local tribes, resulting in a very regionalised and isolated picture. The following will show a few territorial patterns that may emerge.

Extreme regionalisation and small towns in focus. Particular social organisation as well as the sharing and circular economies have brought a fundamental shift from big urban centres to smaller towns and local areas with a critical mass to adjust and realise this model. Regional and local centres with many manufacturing and artisan jobs are important in shaping the territorial profile of the EU.

Places in or out of global value chains. Interconnected industrial areas where firms depend on international value chains either by importing or exporting goods may gradually start reviving by



connecting to other places in the world. Places where firms are based on national demand may face more difficulties in getting back on track. Small business areas would face particular challenges, depending on the sectors.

Rural areas become focal points. Given the rise of local agricultural production, rural areas thrive with many people moving to rural parts all over the EU. Although people still in urban areas can have gardens, it is the rural regions that contribute to almost all food production.

Transport no transport. The importance of global air and rail hubs or big logistic centres has been reduced to a large extent as people tend to produce and consume locally, exports and imports have largely been suspended and travel reduced. Places that were transport hubs lose importance. So, a less well-connected EU core may be expected with big hubs gradually losing ground, blunting the core-periphery divide of accessibility.

Capitals lose importance and global international character. Urban areas, the places where ‘things used to happen’, are now secondary. As global trade and global economic relations receded and societies became more close, big capital cities, large metropolitan and urban areas all over the EU have lost their global and international character and networks.

The past is prologue

Finding the right pathway for the post COVID-19 world seems like a ticking bomb. The time needed for recovery time, but also the time needed for complete reconstruction with minimal consequences. Short-term solutions can bring a quick boost to the economy and employment at the expense of polarised integration. Long-term approaches might not bear economic fruits soon but may eventually lead to more cohesion in Europe. The scenario snapshots have very briefly presented potential impacts of three different recovery strategies to the COVID-19 crisis. Through this glimpse of the future, the following reflections can be made:

The world is constantly flowing. Today’s interconnected world is anything but static. Even without the COVID-19 pandemic, life-changing trends and developments are inevitable and appear anyway. These range from technological developments and innovations that could dramatically change our everyday lives to environmental shocks that may have irreversible consequences on our health and well-being, to social challenges, democratic threats, injustices and broad economic inequalities. Things change anyway. The pandemic has accelerated several of these developments and tested human reactions to more sudden turnarounds. Humans need to be more flexible and adjust to changes as these happen faster today. Following the flow of the world will help people and governments be more prepared in future.

Policies need to be place-based and people-centred. The design of adequate policies is very important for the development of territories and the well-being of citizens. Despite urges for more place-based approaches in policy design, the territorial implications are often neglected, instead of being strengthened. At the same time, putting the needs of citizens foremost would reduce fragmentation, inequality and social disparities across Europe. Future policies should be place-based and people-centred to create a desirable future for all places.

Territorial scenarios are not about choices but about the ability to imagine. Territorial scenarios can be a useful tool to design different future pathways based on current and future trends and



developments, taking into account desired policies. Even if very different, extreme but plausible pathways are developed. Scenarios are not about making choices over the best pathway (ESPON, 2019a). Territorial scenarios stimulate thinking, prompting people and policy makers to increase their social imagination (Mulgan, 2020). Regaining the power to imagine desirable futures and putting them into practice through the right policies is the first step to averting future dystopias.

No matter what future path is eventually followed, one is certain. The policies and measures we introduce today will shape the world in years to come, even when the current situation is long in the past. Although the “past is prologue”, to quote Shakespeare, the future is yet to be written taking the lessons from today into account. At a time when humanity can make choices for a more just, sustainable and ethical world, it is in the hands of policy makers to design desirable futures and recovery strategies that can best address the challenges. We need to have a common understanding of what world we want to live in, what values we put forward and what we understand about cohesion and solidarity. This clear vision for the future of Europe should be shared and sparked by bottom-up visions to reflect the diversity of all places in the EU (Böhme & Lüer, 2020b). Long-term solutions may be a challenge and a weakness in current democracies, unable to tackle longstanding challenges, including climate change (Randers, 2012). This may be the case with the consequences of corona, but our future calls for action. And the earlier we plan for this, the better.

References

- Böhme, K. & Besana, F. (2020). *Understanding the territorially diverse implications of COVID-19 policy responses* (Spatial Foresight Brief No. 2020:13). Luxembourg: Spatial Foresight.
- Böhme, K., Besana, F., Lüer, C., Holstein, F., Hans, S., Valenza, A., Caillaud, B. & Derszniak-Noirjean, M. (2020). *Potential impacts of COVID-19 on regions and cities of the EU*. Brussels: European Committee of the Regions - ECON Commission.
<https://cor.europa.eu/en/engage/studies/Documents/IMPACTS-COVID-19.pdf> (accessed on: 13 October 2020).
- Böhme, K. & Lüer, C. (2020a, July). The EU Recovery Plan. A budget without a vision risks to increase inequalities. <https://territorialthinkers.eu/2020-07-kremer.html> (accessed on: 12 October 2020).
- Böhme, K. & Lüer, C. (2020b). *Research for REGI Committee - Cohesion Policy Measures in Response to the COVID-19 Pandemic- European Parliament, Policy Department for structural and Cohesion Policies*. Brussels.
- ESPON. (2019a). *BT2050 - Territorial Scenarios for the Baltic Sea Region 2050. Final Report*.
- ESPON. (2019b). *Cross-border Public Services (CPS) (Final Report)*. Luxembourg: ESPON.
<https://www.espon.eu/CPS> (accessed on: 19 January 2019).
- European Commission. (2017). *Environmental potential of the collaborative economy*.
- European Commission. (n.d.). Farm to Fork Strategy. https://ec.europa.eu/food/farm2fork_en (accessed on: 12 October 2020).
- Eurostat. (2020a). COVID-19 / GDP quarterly growth. <https://ec.europa.eu/eurostat/web/covid-19/economy> (accessed on: 12 October 2020).
- Eurostat. (2020b). COVID-19 / Monthly unemployment rate. <https://ec.europa.eu/eurostat/web/covid-19/society-work> (accessed on: 12 October 2020).
- IATA. (2020, June 9). Industry losses to top \$84 billion in 2020. <https://www.iata.org/en/pressroom/pr/2020-06-09-01/> (accessed on: 12 October 2020).
- Koetsier, J. (2020, June 12). COVID-19 Accelerated E-commerce Growth '4 to 6 years'.
<https://www.forbes.com/sites/johnkoetsier/2020/06/12/covid-19-accelerated-e-commerce-growth-4-to-6-years/#58daef5d600f> (accessed on: 12 October 2020).
- Lüer, C. & Böhme, K. (2020). Europas Aufgabe in der Coronakrise: Teamwork statt Abschottung. *Handelsblatt*. Düsseldorf. <https://www.handelsblatt.com/meinung/gastbeitraege/gastbeitrag-europas->



- aufgabe-in-der-coronakrise-teamwork-statt-abschottung/25673304.html?ticket=ST-636191-rSPHW17LdJACaYVz2Pai-ap4 (accessed on: 19 November 2020).
- Mulgan, G. (2020). *The imaginary crisis (and how we might quicken social and public imagination)*. Helsinki: UCL, Demos Helsinki & Untitled.
- OECD. (2020). *OECD Policy Responses to Coronavirus (COVID-19). Tourism Policy Responses to the coronavirus (COVID-19)*.
- Packer, G. (2018, October 13). A new report offers insights into tribalism in the age of Trump. *The New Yorker*. <https://www.newyorker.com/news/daily-comment/a-new-report-offers-insights-into-tribalism-in-the-age-of-trump> (accessed on: 12 October 2020).
- Randers, J. (2012). *2052 : a global forecast for the next forty years*. White River Junction, Vt.: Chelsea Green Pub.