



Back in May 2020, with the first wave of the pandemic in full swing and the UK in lockdown, Local Trust commissioned us to explore how the effects of COVID might play out in the longer term. Almost two years later, we take a look back at those predictions – both with the benefit of hindsight, and to see how they might help us on the road ahead.

# Introduction: The latest stage of globalisation's 'long crisis'

Our report from the beginning of the pandemic was based around <u>four scenarios</u>, each of which started from the idea that the world is in the <u>latest stage</u> of a **'long crisis' of globalisation** characterised by systemic risk, deep uncertainty, and a need to think much more strategically about resilience at all levels from local to global and take seriously the risk of failure.

We argued that this long crisis would be characterised by **four kinds of risk**: sudden shocks, longer-term stresses, deliberate disruption by others, and our own failures to build resilience.

Navigating the crises that these risks would be likely to produce, we argued, is akin to 'shooting the rapids'. In such conditions, it's the river, not us, that dictates the speed and direction; the boat can hit the rocks or capsize, with all of us tipped into the torrent; there's no possibility of a pause to rethink strategy or change direction.

Navigating rapids successfully depends on everyone **paddling together**. In social and political terms, what this requires is high-resilience systems involving foresight, collective action, and a fair distribution of risks. In low-resilience systems, by contrast, the future is heavily discounted, and risks fall on those least able to mitigate them.

COVID-19, we argued, is the **latest in a long series of 21st century shocks** with a high risk of systemic breakdown. However, it also brings the possibility of breakthroughs in which,



although the toll of the pandemic is still heavy, we pull together, and our capacity for collective action grows rather than degrades.

In 2020, we argued that this long crisis would be characterised by four kinds of risk: sudden shocks, longer-term stresses, deliberate disruption by others, and our own failures to build resilience.

Now, two years into a pandemic that continues to rage, it is useful to revisit these scenarios - both to gauge how well they anticipated reality, and to see whether they still offer a useful guide to the future.

## The three levels of the COVID crisis

Our original report argued that the COVID crisis would unfold at three discrete levels simultaneously, but also at different speeds. These were:

- An immediate public health crisis, which we estimated was likely to unfold over one to two years.
- A medium-term economic crisis, which could take five or more years to unfold.
- A long-term crisis of polarisation and insecurity, likely to unfold over a generation or longer.

We also argued that leaders and societies faced two core choices in how to respond to these three layers of insecurity.

First, between **collective action and polarisation** – that is, whether to respond as a divided 'us and them', or to come together as a unified 'larger us' (at every level, from local to global).

Second, whether to respond in ways that are **centralised** or **distributed**. In the rapids, does the captain steer the ship alone, or does she also empower and encourage everyone to row?

Using these two variables, we came up with four scenarios that explored whether societies fragment in the face of crisis or pull together in the common interest, and whether decisions are taken at the centre or power is shared more equally.

### The four scenarios

In each case, we explored the implications for **People**, **Place**, **Prosperity** and **Power** at local, national and international level.



Our first long crisis scenario, **Rise of the Oligarchs**, explored a future both **centralised and polarised**. It imagined a "dark phoenix" rising from the ashes of the pandemic, with "government of the few" at its heart: "inequitable, illiberal, corrupt, opaque – and ineffective". Enabled by a scared but apathetic populace, government allows risks to fall on those at the bottom of society, eschews international cooperation, and allows racism and xenophobia to flourish.

Our second long crisis scenario, **Big Mother** ("Government is *back*, and it's here to help!") also imagined a **centralised** future – but one that's **collective** rather than polarised. Politicians are expected to deliver an income, a vaccine, a future; in return, people accept being told what to do by the state. Innovation is low as other actors are pushed out. Expectations of the state constantly risk outstripping capacity; as a result, public anger surges when government gets it wrong.

Our fourth scenario, Winning Ugly, is the best-case outcome: collective, but also distributed.

Third, we imagined a **polarised and distributed** future, which we called **Fragile Resilient**. Chaotic, vulnerable, but also highly innovative, this is a scenario in which state capacity has simply been overwhelmed – by the pandemic, its financial impact, and wider system shocks to supply chains, financial markets, the climate and more. National politics becomes a fight for diminishing spoils, with rampant profiteering. Communities are left to fend for themselves, in the process magnifying vulnerabilities, but also stimulating an extraordinary wave of local creativity.

Finally, **Winning Ugly** is the best-case scenario: **collective but also distributed**. Winning Ugly imagines that we "shoot the rapids" successfully, but it's also far from glamorous ("no-one said it was going to be easy"). There's no obvious moment of triumph, just a grinding and seemingly endless set of skirmishes against the pandemic, driven by a "collective willingness to learn and adapt". In this future, we're brought together both by our ability to organise

and share knowledge, and by narratives that stress our interdependence and what we have in common.

So nearly two years on from the scenarios' publication, how have these long crisis scenarios stood up?

In the next section, we look at what's happened since our report was published in May 2020, before turning to what happens next, looking at the 'four Ps' – People, Place, Prosperity, and Power – that were at the heart of our four scenarios.

## What happened?

Looking across the three 'layers' of crisis posed by the pandemic, we think two headline take-aways stand out. First, we think this three-part categorisation is still a useful heuristic for looking at the impacts of COVID-19. Second, it's very clear how much still remains uncertain.

## The immediate health crisis

One thing we clearly got wrong was to hope that the first layer of insecurity - the immediate health crisis - might only last a year or two.

With the Omicron variant still raging in many parts of the world, and notwithstanding the lifting of restrictions in the UK in February 2022, we're still in the thick of a health emergency that could last far longer than a couple of years.

Through both enormous losses and extraordinary breakthroughs, the health crisis over the last two years has seen plenty of Winning Ugly.

Back in May 2020, there had already been 300,000 deaths from COVID-19 worldwide. Now, almost half a billion people have been <u>infected</u>, and over six million people have <u>died</u>. Both figures are almost certainly conservative: by November 2021, *The Economist's* <u>best estimate</u> was 19.2 million deaths.

But there have also been extraordinary breakthroughs. In May 2020 we knew next to nothing about how to prevent transmission or treat COVID-19 and its complications. Within months, rapid lateral flow tests were developed to quickly test populations at scale. By December, Pfizer had developed the first of multiple vaccines at <u>unprecedented speed</u>, with farreaching implications for the future of vaccine science. Nearly two thirds of the world's population has now <u>received at least one vaccine dose</u>.

At every stage, though, the pandemic has thrown up new challenges. From Alpha to Omicron, we're now midway through the fourth major variant. Just 12 per cent of Africans are fully vaccinated, and many countries' populations are weary of repeated lockdowns. In the UK, the NHS risks grinding to a halt as high numbers of its staff report sick, and routine operations are cancelled.

Winning Ugly's core assumption that there would be "no obvious sign the battle was won... no heroic moment of victory" looks right from where we are standing now.

The health crisis over the last two years has seen plenty of **Winning Ugly**. The scenario's core assumption that there would be "no obvious sign the battle was won... no heroic moment of victory" looks right from where we are standing now. The relentless and constantly morphing face of the pandemic has also forced an acceleration of trial, error and learning – as for instance in how public health messages initially focused on handwashing gave way to a focus on masks and distancing, and more recently to ventilation and airflow.

In the UK, while there have been failures of centralisation like <u>test and trace</u>, there have also been successes driven by more **distributed approaches**, like the <u>unprecedented</u> <u>collaboration</u> between local authorities and community groups, or of course the partnerships that underpinned rapid vaccine development and – crucially – rollout.

The UK has also seen **place-based inequality** as a major factor in determining vulnerability to COVID-19; people living in so-called 'left behind' neighbourhoods were <u>46 per cent more likely</u> to die from COVID-19 than those living in the rest of the country, according to a study undertaken for the <u>All-Party Parliamentary Group (APPG)</u> for 'left behind' neighbourhoods.

Over the last few years, certain governments have shown us what a collaborative and empowering state might look like.

More broadly, **healthcare** has been reshaped in far-reaching ways. In the UK and other countries, <u>primary healthcare</u> has moved online, in ways that offer lasting efficiencies: half of all GP consultations were taken by phone or online in May 2020, compared to just 15 per cent in December 2019.

There have also been uneven glimpses of what a **collaborative and empowering state** might look like, including from leaders like Nicola Sturgeon in Scotland, Angela Merkel in Germany and Jacinda Ardern in New Zealand where approaches to healthcare, vaccination and financial support led to lower infections, death rates and poverty.

But with health systems in even advanced economies stretched to (and sometimes beyond) breaking point, the health crisis has also sailed perilously close to **Fragile Resilient** at points. Some countries – such as Brazil, the US, and Argentina – saw far higher <u>death</u> rates than others like Germany or Ireland, leading in some cases (like <u>Brazil</u>'s) to outright collapse of the public health system.

### The economic shock

The second layer of insecurity is the economic shock. Things could have been far worse on this front; indeed, had we known two years ago how many infections and deaths COVID-19 would cause, we almost certainly would have expected greater economic catastrophe.

The **initial shock** of COVID-19 and its attendant lockdowns was enormous: in the UK, GDP plunged by 10 per cent in 2020 – the biggest decline since the Great Frost of 1709. During the first weeks and months of 2020, **fears of an economic crash** abounded, and led to an extraordinary willingness to tear up rulebooks and reverse policy.

The extraordinary scale of state intervention around the world, even in right-of-centre administrations, has had plenty of resonance with our **Big Mother** scenario. A <u>wall of public spending</u> (involving \$9 trillion in quantitative easing) has provided fiscal safety nets, protected jobs, and funded mass vaccination campaigns.

In the UK, the government's furlough scheme supported nearly 12 million jobs at various times. While that number has fallen following the closure of the UK's furlough scheme in autumn 2021, VAT and business rate reliefs remain in place, and a new round of grants to hospitality and other affected businesses was announced in December 2021 as the Omicron variant hit.

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These massive **safety nets** have in many ways proved remarkably successful: the International Monetary Fund (IMF) estimates that the global recession could have been three times worse without these measures. (Equally, there have also been instances where governments have got it wrong – as for instance with the UK government's 'Eat Out to Help Out' scheme to support the hospitality sector, which may inadvertently have contributed to an increase in infections.

However, **restarting economies** has proved much more complicated than expected. The pandemic has disrupted international trade and supply chains in unexpected ways, such as the ongoing <u>shortage of computer chips</u>, or <u>congestion at US ports</u> – just two features of an unspooling web of vast complexity and dangerous fragility.

**Labour shortages**, meanwhile, are becoming an increasingly familiar hallmark of advanced economies. The UK, for instance, had nearly 1.3 million <u>vacancies</u> in the three months to February 2022, particularly in health and social care, hospitality, and retail.

The IMF estimates that the global recession could have been three times worse without the unprecedent levels of state intervention rolled out by some countries during the pandemic.

Both sets of trends have <u>contributed</u> to rising **inflation** in many countries. In the UK, consumer price inflation is now at its highest <u>since 2008</u>, and has merged with long-term wage stagnation to produce a new <u>cost of living crisis</u>.

There is also growing concern about **divergent recoveries** – both between and within countries. Globally, rich people across middle- and high-income countries have become <u>richer</u>; conversely, COVID-19 is already <u>accentuating</u> the concentration of poverty in African, middle income, and fragile or conflict affected countries. International cooperation is struggling, with marked <u>shortfalls</u> in vaccine doses promised to African nations by COVAX, a worldwide initiative for vaccination equality.

Within the UK, a <u>K-shaped recovery</u> (named to reflect the shape of a diagram representing economic recovery of different sectors) has seen the asset-rich and those able to work from home more insulated from the pandemic and more likely to have been able to save money. Conversely, low-wage (and particularly self-employed) workers in frontline service jobs were both more likely to get sick and <u>less likely</u> to have been able to weather the economic shock.

Perhaps above all, the global economy remains acutely vulnerable to the next shock – whatever it might be.

**Place-based inequality** has also <u>surged</u>, with those in the North of England, the Midlands and Wales markedly more likely than those in more affluent regions of the UK to have seen incomes fall since the pandemic began. There is also <u>evidence</u> that organisations in 'left behind' neighbourhoods received approximately half the number of COVID-specific grants

from charitable foundations since the start of the pandemic than those received by other equally deprived areas.

Perhaps above all, the global economy remains acutely vulnerable to the **next shock**. In advanced economies, the combined effect of the 2008 financial crisis and COVID-19 has sent public debt soaring to eyewatering levels, with 2020 seeing the <u>biggest annual surge</u> since the second world war. The IMF has <u>flagged</u> that this means that "policy choices have become more difficult, with limited room to manoeuvre".

## Polarisation and insecurity

The third, longer-term set of consequences relates to polarisation and insecurity. Here, it's still much too soon to say what the lasting legacy of COVID-19 will be – but already it is clear that a range of risks have proliferated or intensified.

Some things have gone well. A clear example of **Winning Ugly** was the surge of COVID mutual aid groups in the early stages of the pandemic, especially in the UK (although their long term future remains unclear). Publics have also broadly accepted the need for most of the measures taken by their governments to tackle the virus, with the UK public cooperating with startlingly restrictive requirements over a period of not just months but years.

**Public approval** of the government's handling of the pandemic remained relatively high for most of 2021 despite ongoing challenges across the healthcare system and economy, although by the time of writing it had declined to <u>32%</u>. The pandemic may have helped British people move beyond the divisions of Brexit, with health and the economy overtaking Brexit as prime concerns for British people since February 2020.

One clear example of Winning Ugly was the surge of mutual aid groups in the early stages of the pandemic – especially in the UK.

UK **media** has also proved sufficiently independent of government influence and diverse enough to provide a serious challenge to its handling of the pandemic and its consequences. Local community communication channels, often a target for misinformation about the pandemic and its spread ('just gargle with salt water to kill the virus!') have been targeted by <u>regulators</u> and <u>local authorities</u>.

Yet **destructive elements** have also emerged, both in the UK and internationally. Among the most prominent have been polarisation of public attitudes on COVID-19 (<u>above all in the US</u>, which has come to be seen as an <u>outlier</u> on polarisation), together with a strong sentiment of vaccine scepticism, with around a fifth of Russians and Americans and almost 10 per cent of Germans and Britons <u>declining – for a multitude of complex reasons – to be vaccinated</u> against COVID.

Globally, there has often been more than a hint of the **Rise of the Oligarchs** scenario. Populist leaders in countries such as the US, Brazil, India, Russia, Hungary and the Philippines may have struggled to contain the pandemic, but still benefited from the <u>polarising forces</u> and opportunities for patronage and <u>corruption</u> that it has unleashed.

Many governments have used the pandemic as opportunity and cover for increased **repression**, with <u>emergency legislation</u> around the world driving unprecedented levels of state intrusion into private freedom of movement and association. Fears for the future of democracy in the US are widespread, where it is now <u>plausible</u> that a violent seizure of power could take place after the 2024 election.

Alongside increased protest and demonstration generally over the last two years, the Black Lives Matter movement helped put systemic racism on the political agenda all over the world.

More broadly, there are worrying signs that the social contract is fraying. Against a backdrop of both lockdown frustration and the perceived failure of conventional politics, protests have become more common. 2020 saw an increase in demonstrations not just despite but partly because of the pandemic – a trend that may continue to develop as the political consequences of rising costs of living become clear. Meanwhile, the Black Lives Matter movement has helped put systemic racism on the political agenda all over the world, even as racist incidents have increased.

Lastly, **horizons have shrunk** as communities and countries look inwards. Many cities are no longer the hubs they once were; even London, for the first time in decades, <u>may have lost its allure</u>. Internationally, meanwhile, aid budgets have been slashed, <u>regional tensions</u> have increased, and internationalist efforts like the COVAX vaccine initiative remain <u>undersupported</u> – although the relative <u>successes</u> of the Glasgow climate summit (COP26) suggest that multilateral collective action can still work.

## What's next?

Two years after their publication, do our four long crisis scenarios offer a useful guide to the future? If so, what can they tell us about what the future may hold, and what are the key uncertainties and choices to be made?

## People

People have had to dig deep over the last two years. Many are now exhausted. Looking ahead, a key uncertainty is whether we build an approach with citizens at its heart, or instead slide into populism and division. Do we take the chance to build systems around people's needs in areas like health, education, and care? Or does popular anger undermine institutions that may take decades to build but can be destroyed in months?

There was a huge element of Winning Ugly in the initial flowering of community spirit and solidarity in the early stages of pandemic.

It's easy to forget, now that familiarity has dulled the shock, quite how extraordinary the pandemic's impact on everyday lives has been. Routine socialising has been periodically forbidden, in ways that nobody alive today has previously experienced. Children have missed months of school. Families have been kept apart. Sporting, cultural and social gatherings have been cancelled. It has been a strange and disconcerting period.

But many positive things have also happened, offering foundations on which to build in future. There was a huge element of **Winning Ugly** in the initial flowering of community spirit and solidarity in the early stages of pandemic; the "surge of volunteering and community activism" that the original scenario described was a key feature of the UK's successful rollout of the vaccine. A <u>Local Trust long read</u> published in December 2021 notes that "the number of people who believed that, as a society, we look after each other doubled between February and June 2020".

Will these positive local shifts endure? Some data suggests that an initial surge in volunteering in the UK gave way to <u>declines</u> as the pandemic ground on. While mutual aid groups flourished during the early months of the pandemic – albeit mostly in areas where strong community institutions <u>already existed</u> – anecdotal evidence suggests they may have waned more recently.

Both trends would be consistent with the **stages societies often go through following shocks or disasters**, when an initial honeymoon phase of community solidarity tends to give way to a long period of disillusionment, as fatigue, money and health worries crowd in and people start to realise how much will not go back to normal.

One key question for the future is how best to prepare for the moments of possibility brought by crises – and how to maximise their potential when they arrive.

While this eventually leads to a so-called **reconstruction phase**, this can take months or even years to materialise. A key question for the future is therefore how best to prepare for

such moments of possibility – and how to maximise their potential when they arrive. For instance, heavy-handed or centralised attempts to harness this generosity need to be careful: like "trying to catch a butterfly in a jam jar", efforts to formalise this network of local support can risk killing what makes it alive and beautiful.

Conversely, not all shifts have been positive. Our **Fragile Resilient** scenario imagined a future of "no consensus, polarised responses", and the last two years have certainly seen plenty of this – for instance, in how <u>conspiracy theories</u>, particularly those relating to vaccination, have flourished.

These trends certainly have the potential to worsen; in the UK, the news media has reported concerns among security services that anti-vax groups could even evolve towards <u>organised violence</u> in the style of US militias. There has also been a worrying <u>resurgence</u> of populism with far-right movements growing in the US and Europe.

Another question for the future may be whether state-led Big Mother responses can come at the cost of individual Fragile Resilience – with institutions making do at the expense of individuals' physical and mental health.

Lastly, there is a clear risk that **personal resilience** is eroding rather than being replenished. Morale is low across the frontline of the NHS, social care and schools; levels of burnout are unsustainably high; and with the Omicron variant now in full swing, there's no sign of respite. One question for the future may therefore be whether state-led **Big Mother** responses can come at the cost of individual **Fragile Resilience** – with institutions making do at the expense of individuals' physical and mental health.

#### Place

Will our sense of place grow or shrink in the future? Or could it even do both, with stronger social ties and more of a sense of place coupled with heightened awareness of and action on our wider interdependence?

As the pandemic has unfolded, our concept of 'us' has simultaneously expanded and contracted. On one hand, we have visibly all been in this together, given the global nature of the crisis. Our sense of distance has also changed, as so much of everyday life has moved online. But on the other hand, our horizons have also shrunk to focus on our family and our immediate neighbourhood – never more so than during repeated lockdowns.

As the pandemic has unfolded, our concept of 'us' has simultaneously expanded and contracted – we've been very much in this together, while also living more remotely than ever before.

Let's start with the good news: there's been plenty of **Winning Ugly** in evidence over the last two years. One example is in the shift to working from home, and the normalisation of virtual interaction. White-collar workplaces now appear <u>unlikely to return to the status quo ante</u>, with an estimated 20-25 per cent of the workforce in advanced economies able to work from home for some or all of the week post-pandemic.

This <u>fivefold increase</u> on pre-pandemic rates of home-working could, as we noted in the original scenarios, "prompt a large change in the geography of work, as individuals and companies shift out of large cities into suburbs and small cities", with potentially vital implications for climate and sustainability. Visionary local leaders, like the mayor of Paris, are already seizing the opportunity posed by pandemic responses to strengthen existing calls for a '15-minute city'.

But much else has been challenging, destabilising, or in many cases deeply painful. Two years into the pandemic, it's clear that people have had very different experiences, depending both on which countries they live in, and where they are within them. Place is where the upbeat headlines of **Big Mother** and **Winning Ugly** give way to a lot more **Fragile Resilient**.

As we've already seen, some places have been far more exposed to **COVID-19** than others, whether in terms of infections, hospitalisations, or deaths. The same is also true of the intensifying **climate impacts** seen over the last two years; mass <u>power outages</u> following storms across northern England and Scotland, the North American <u>heat dome</u>, <u>German</u> and <u>Chinese</u> floods, to name a few.

**Place** is the variable around which the upbeat headlines of Big Mother and Winning Ugly give way to more Fragile Resilient outcomes.

With vulnerabilities so unevenly distributed from one place to another, different communities also face very different challenges in building up their **resilience**, <u>as Local Trust has explored</u>. Of course, much depends on the quality of governance and the resources they have to draw on (explored in the next two sections).

But resilience will also depend on the sense of place felt by the people who live there, and hence the shared **narratives and rituals** tied into it. Many communities have found new ways to come together, as for instance with the waves of <u>public applause</u> for health workers or public remembrance of those who have died during the pandemic, like the national <u>COVID memorial wall</u> on the Albert Embankment in London.

## Prosperity

During a period of extraordinary upheaval, economies - and the policies that shape them - have seen unprecedented change and innovation. Looking to the future, much will depend on governments' appetite to keep or build on these changes, and in particular whether they're willing to seize the chance to make the economy more inclusive and fair.

One key uncertainty is what happens next in regards to state involvement in the economy. As we'll explore more fully in the next section, the extent of **Big Mother** over the last two years has raised citizen expectations of what governments can achieve sky high – whether by protecting jobs, providing safety nets, 'levelling up' across communities, or being willing to incur debt or print money to meet the costs of such approaches.

Less clear is whether governments have the appetite – or capacity – to maintain such a proactive economic stance. Some policymakers (like Boris Johnson in the UK) have been happy to reap the political dividends of state largesse. Others (like his finance minister Rishi Sunak) have expressed unease about the sustainability of current ratios of public debt to

GDP, now well over twice as high as before the financial crisis (85 per cent in the UK today compared to 41 per cent in 2007).

How this debate plays out will have far-reaching implications for **local government**. Funding was already tight going into the pandemic, with a 16 per cent reduction in <u>English authority spending power</u> over the period 2009-20. As the pandemic has unfolded, there has been substantial <u>variation between authorities</u> in terms of central compensation for the pandemic's financial fallout, leaving some unable to balance the books.

Looking to the future, much will depend on governments' appetite to keep or build on the changes brought on by the pandemic, and in particular whether they're willing to seize the chance to make the economy more inclusive and fair.

Another key uncertainty is the outlook on **supply chains**. The turbulence of the last two years has already <u>reshaped business practices around the world</u>, with increased levels of inventory on hand, diversification of suppliers, and regionalisation of supply chains. This might just mark the beginnings of a shift from 'just in time' to 'just in case', which could build resilience to future shocks – and potentially benefit local economies as 'reshoring' gathers pace, with shorter supply chains and more production closer to the site of consumption. Equally, though, inertia could win out, given the complexity and diversity of underlying contributory factors.

Similar points apply to other contexts like **labour markets**. Governments could conceivably find opportunities for a breakthrough amid chronic labour shortages in the UK by supporting a shift to higher-wage, higher-productivity labour markets. But the long-term intractability of the UK's stubbornly low productivity levels suggests that it may <u>not be quite so simple</u>. This leaves British workers still vulnerable to the current **cost of living** squeeze and rising **inequality**.

With questions over the viability and affordability of **Big Mother** strategies over the long term, then, a lot will depend on whether a **Winning Ugly** approach can break through in the economic context – or whether **Big Mother** instead gives way to more **Fragile Resilient** or **Rise of the Oligarchs** themes.

### Power

Will we move into genuine governance renewal that learns from the extraordinary innovation of the past two years and helps build resilience to future shocks and stresses? Or will pressure continue to build, eroding our capacity to act and setting in place the risk of a self-amplifying feedback loop in which crisis begets vulnerability to yet more crisis?

COVID-19 responses have revealed that seemingly immutable aspects of society, from homelessness to vaccine development timelines, are the consequences of deliberate choices.

In the UK, the **Big Mother** approach has markedly raised **public expectations of the state**. COVID-19 responses have revealed the extent to which seemingly immutable aspects of our

societies - from homelessness to vaccine development timelines - are actually consequences of deliberate choices.

This shift in public expectations could yet endure for the future; for instance, in reduced willingness to tolerate higher unemployment rates now that the public has seen what furlough schemes can deliver. The catch, though, is that our systems and institutions are in many cases not strong enough to carry on shouldering unlimited expectations, with the potential for a growing mismatch between what voters feel the state 'should' deliver, and what it realistically can, which could yet herald damaging consequences for public trust.

A Big Mother approach can also be **short-sighted**. In responding to the pandemic, the UK government has thrown vast amounts of money at today's problems, and sweated existing assets such as the NHS and our education system (where real expenditure is <u>down nearly 10 per cent</u> over a decade) without yet investing in deep renewal. This may well have been necessary, with few appealing choices available in those first fraught months of the pandemic. But the longer this approach holds, the more it risks **undermining future resilience**.

Another potential source of vulnerability for the future is growing **intergenerational inequity**. Young people have not only been asked to sacrifice freedom of movement, access to education and jobs to protect the older generation: they've also been told to <u>pay for it</u>. The failures of governments around the world either to provide a <u>new deal</u> for today's generation of young people that recognises their sacrifices, or to invest in <u>future</u> <u>generations</u>, is likely to come back to haunt them, and political pressure is already building in some countries – <u>including the UK</u>.

A key fault-line for the future is between the centralisation of Big Mother and Rise of the Oligarchs, and the more distributed approach taken deliberately in Winning Ugly and by default in Fragile Resilient.

COVID-19 has also <u>highlighted</u> tensions between different tiers of governments. At various points in the last two years, the Scottish and Welsh devolved administrations have taken markedly different approaches to managing the pandemic, giving their leaders more political prominence and driving significantly different results. (Scotland had a case rate <u>less than half</u> of England's at the peak of COVID-19's second wave in January 2021 – but then had a rate twice as high as England's nine months later in September 2021.)

Another key fault-line for the future is between the centralisation of Big Mother and Rise of the Oligarchs, and the more distributed approach taken deliberately in Winning Ugly, or by default in Fragile Resilient. The government's new <u>Levelling Up white paper</u> does appear to show signs of genuine desire to decentralise power and (in particular) trust communities. But it remains to be seen how this clear acknowledgement of the need to devolve power will play out against the historical and structural centralising tendencies of Whitehall.

## Conclusion

These scenarios are not just about COVID-19. They are more broadly a framework for understanding how we respond to *any* major systemic shock, in an era where they are likely to come thick and fast.

One thing that seems clear from this stock-take is that hopes of "emerging from COVID" any time soon are increasingly looking like a mirage. On the contrary, as this update has explored, COVID-19 is already interacting with other risks and change drivers – health, economic, social, political – in complex and unpredictable ways. Far from things getting 'back to normal', it seems increasingly clear that current levels of turbulence and uncertainty will remain for the foreseeable future.

In that sense, these scenarios are not just about COVID-19. They are more broadly a framework for understanding how we respond to *any* major systemic shock – in an era when such shocks and the underlying stresses that drive them will be coming at us thick and fast amid our 'long crisis'.

Given that the last two years may be more of a guide to the future than the period that preceded them, then, how have the four scenarios held up – above all at the local level?

We can help push the curve back towards Winning Ugly by both **trusting and empowering** communities, and maximising support for their ability to **learn** and share experience across places.

There have been tantalising glimpses of **Winning Ugly** – both in bottom-up, self-organised citizen responses to the pandemic, and in how some local authorities have empowered citizens to be part of the solution to the challenges confronting communities.

But there has also been a great deal of the **Big Mother** scenario on display – especially when central government in Whitehall has given in to the temptation (and often long-standing habit) of trying to run everything from the centre. To be sure, this approach has the potential to deliver real successes. But when it falls short, it can also highlight the risks that come with an all-or-nothing approach.

**Rise of the Oligarchs** has also certainly made appearances at points – for instance, in controversies over the awarding of public procurement contracts, or above all in arguments over whether politicians themselves following the lockdown rules that they had set for the rest of the country. But there have also been offsetting factors, including vigorous media debate and some political leaders willing to take strong stands on themes of integrity and standards in public life.

At worst, there is a real risk of the **Fragile Resilient** outcome taking hold in many local areas – particularly those that were already left behind before the pandemic. As we've seen, left behind neighbourhoods suffered disproportionately high death rates from COVID-19. They also received substantially less emergency funding per head than other deprived areas, and saw less of the fruits of mutual aid and other forms of voluntary action.

Back in 2020, as the pandemic first took hold, there was much talk – both in the UK and around the world – of the need to 'build back better' after the crisis. Two years on, it is both fascinating and alarming to see how much the phrase has lost its meaning or receded from view altogether.

For all that 'build back better' was a slogan, it also represented something important: a recognition of both the opportunity and the pressing need to redesign our systems in the face of mounting risks, rather than just hoping that things will somehow go 'back to normal'. Amid plenty of reasons for concern about the future, the waning of this urge to think creatively about the future is perhaps one of the most worrying trends of all.

While things may not be about to go back to normal any time soon, there's also a real prospect of shooting the rapids ahead successfully, and emerging stronger and more united – if we're willing to do the hard work that **Winning Ugly** entails.

How then can we shift the curve back towards Winning Ugly, and towards recognition of and action on the need to redesign our systems?

Partly we can achieve this by building up **narratives** that demonstrate the power of collective action at the grassroots – both celebrating successes, and shining a light on innovative models that work. Partly, through maximising **transparency** wherever possible, with a view to giving local communities the tools to make their own decisions and to hold policymakers to account, and through pushing to keep civic space open. And partly through **investment in community leadership** and linking community action to government at all levels, as well as to business and civil society networks.

But above all, we can achieve this through both **trusting and empowering** communities, and maximising support for their ability to **learn** and share experience across places.

COVID-19 has been a shock to the system for local communities everywhere, with the UK no exception. The toll of human suffering over the last two years has been immense, and especially so among deprived and 'left behind' communities.

But this has also been a time of huge innovation, of kindness and coming together, of resilience and hope. While things may not be about to go back to normal any time soon, there's also a real prospect of shooting the rapids ahead successfully, and ultimately emerging from the crisis stronger and more united – if we're willing to do the hard work that **Winning Ugly** entails.

Local Trust is a place-based funder supporting communities to transform and improve their lives and the places in which they live. We believe there is a need to put more power, resources and decision-making into the hands of communities.

We do this by trusting local people. Our aims are to demonstrate the value of long term, unconditional, resident-led funding, and to draw on the learning from our work delivering the Big Local programme to promote a wider transformation in the way policy makers, funders and others engage with communities and place.

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