



PERSPECTIVES

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Trying to Forecast Post-COVID Society

by Dr. Manfred Gerstenfeld

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EXECUTIVE SUMMARY: In times of major uncertainty it is important for the strategist to define key issues that could be relevant in shaping the future. By following their developments and gradually adding additional subjects, one can get a clearer picture of where society is headed. The longer the COVID-19 pandemic lasts, the more likely it is that there will be major areas in which the post-virus reality differs significantly from the pre-virus reality.

The longer the COVID-19 pandemic lasts, the more likely it is that the post-virus world will be significantly different from the pre-virus world. The shrinking of national economies was shockingly rapid, and the forecast of a V-type recovery—that is, that the re-expansion of those economies would be equally swift—has limitations.

The two legs of the V will not be identical. Some branches of the economy will take longer than others to recover. Some may shrink permanently, or may not recover at all. Post-COVID unemployment in many countries will be substantially higher than it was before its beginning, and it will not be evenly spread among business sectors. Some areas, particularly those that require much human contact, have been harder hit than others. That may mean relatively high unemployment in, for instance, travel-related professions as well as parts of the tourist industry. This will also affect suppliers of these sectors. Bill Gates recalled that during the Spanish flu, “In the blink of an eye, a health crisis became an economic crisis, a food crisis, a housing crisis, a political crisis. Everything collided with everything else.”

Nor will all age groups be hurt equally. People above age 50 who are let go by their employers will find it significantly harder than young people to get rehired in a market where there is a surplus of labor.

This does not mean, however, that the immediate future will be easy on the young. Young people entering the labor market with no professional experience are another group that may experience above-average difficulty in finding employment. During the pandemic, a great many traineeships in multiple countries were canceled. It is highly doubtful that traineeships will recover to pre-pandemic levels in the post-pandemic period. US data also indicate that more women than men have lost their positions.

Even before the outbreak of the pandemic, there were many forecasts that people with little education and few skills would find it increasingly difficult to find employment. That trend may well have been accelerated by the health crisis. Overall, greater unemployment will lead to a strengthening of the negotiating position of employers toward trade unions and the employed.

As far as the migrant issue is concerned, there may be two clashing types of pressures. One is that more people from low-income countries will try to reach Europe. The other is that the willingness of European countries to let them immigrate or provide them asylum—which was already declining—is likely to decrease further. Unskilled migrants are seen as competitors by many people in low-income professions.

There are other aspects as well. Expats have long considered Singapore an attractive place to work, but due to the pandemic-fueled recession, the Singapore authorities are now promoting the hiring of locals over foreigners.

Governments have had to make major decisions during the pandemic based on partial information. This has led in some instances to cases of poor judgment (differing from country to country), which has had the effect of further eroding government credibility.

Government interference cannot return rapidly to pre-virus levels. Authorities that have interfered in major ways in societal functioning will have to continue to intervene to steer the economy. The people conducting these interventions were not elected for that purpose. As financial resources are limited, ferocious battles will likely occur about their distribution. What is a necessity and what is not? Providing the unemployed with a minimum base of income is more important than financing culture, but how long can quality culture survive without subsidy?

All these can be termed first-stage issues, but they will have longer impacts on societies. An important question is for whom will the unemployed vote? Will extremism be strengthened on both the left and right? Inter-generational tensions are also likely to increase, and many unemployed youth will look for ways to exert more pressure on the authorities.

In pre-pandemic societies there was much promotion of the idea of the trickle-down effect: the concept that the wealthy would benefit first, and then increased wealth would slowly benefit the entire population. This may or may not happen in reality, but at least those on the lower rungs of society kept what they had. This is no longer the case. Some people are facing substantial economic loss.

There are also those who wonder whether the world will be a better place after the pandemic is over. Could it be that the world that emerges from the crisis will be more relaxed, peace-loving, and environmentally conscious? The answer is that as long as economies expand, tensions are partly suppressed. As countries struggle to get back to their former economic levels, tensions are likely to increase, not decrease.

It is utopian to think that once the pandemic is over, people will forget after a year or two what happened during the outbreak. On the contrary: the increasing unrest in countries during the pandemic may well be a starting point for more public disobedience on other issues.

Extremists continue to make somber forecasts. The Slovenian radical philosopher Slavoj Žižek considers the government measures taken during the COVID-19 outbreak a preliminary step to the reinvention of communism. He said that states intervened more actively by "arranging the production of urgent necessary things, like masks, test kits and respirators, by guaranteeing the minimum conditions for survival of all those who are not working and by ignoring market mechanisms in all of these." Žižek considers these to be communist measures, and thinks the ultimate choice will be between a new form of communism and barbarism.

There are environmental pressures, too, many of which will collide with economic priorities. How this conflict will develop can only be guessed at.

For a variety of reasons, a special area to look at is the universities. One of the reasons they have been able to increase their student numbers is that employers often want the people they hire to have at least one degree, while they are frequently less concerned about what that degree is in. It may also be that with so many young unemployed, some will go to university for lack of a better use of their time.

On the other hand, universities face a number of structural problems. Competition has risen over the last few years. There are many free courses, as well as courses that carry a fee from first-class universities, available on the internet. Studying online by taking such top-quality courses has one major drawback: there is no degree given, even if one can get certificates for having

taken the courses. Still, there are now better international sources of education easily available than those provided by universities that are not considered first-class.

The pandemic has created further incentives to develop new formulas. During the beginning of universities in the Middle Ages, curious students sought out the best teachers. Gates is of the opinion that: "For the curious learner, these are the best of times because your ability to constantly refresh your knowledge with either podcasts or lectures that are online is better than ever."

There is a further incentive for this. Due to the pandemic, many universities have moved their courses to online learning or Zoom. Why would one pay the same for online learning as for live attendance? This phenomenon will continue to increase in the coming weeks as the new academic year begins.

A not insignificant issue is indoctrination. While universities are supposedly places for increasing knowledge, that is not necessarily what happens in the humanities or social sciences in some academic institutions. Teaching positions are sometimes in the hands of people who promote knowledge mixed with ideology, usually left-wing.

Nor should the issue be ignored that there are some professions for which there is little demand or where university supply exceeds market demand. With the declined likelihood of hiring young people who are just out of university, this is an additional problem that should be mentioned. The reorganization of universities was long overdue. The pandemic may well have accelerated this trend.

In the long run, an additional huge problem has been created. Future generations will have to pay the debt that is now being created. That, however, is not an issue in the immediate future, as these generations do not yet vote in elections.

Dr. Manfred Gerstenfeld is a Senior Research Associate at the BESA Center, a former chairman of the Steering Committee of the Jerusalem Center for Public Affairs, and author of The War of a Million Cuts. Among the honors he has received was the 2019 International Lion of Judah Award of the Canadian Institute for Jewish Research paying tribute to him as the leading international authority on contemporary antisemitism.