



# Corona pandemic

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**DR. MARÉN SCHORCH**

Sociologist and head of the BMBF Junior Research Group KONTIKAT at the University of Siegen



**FABIENNE SEIFERT**

Research assistant in the BMBF Junior Research Group KONTIKAT at the University of Siegen



**AMANDA LANGER**

Research assistant in the BMBF Junior Research Group KONTIKAT at the University of Siegen



**MARGARITA GRINKO**

Research assistant in the BMBF Junior Research Group KONTIKAT at the University of Siegen



**THEA RIEBE**

Research assistant in the BMBF Junior Research Group KONTIKAT at the University of Siegen



**SASCHA SKUDELNY**

Member of the BMBF Junior Research Group KONTIKAT at the University of Siegen



**HUSSAIN A. SYED**

Research assistant in the BMBF Junior Research Group KONTIKAT at the University of Siegen



**DR. SOHAIB S. HASSAN**

Member of the BMBF Junior Research Group KONTIKAT at the University of Siegen

## EDITORIAL

by MARÉN SCHORCH

Pandemics and other calamities like extreme weather events or wars have been part of human history as much as “normality” or what we understand and like as the continuity of our everyday life – we just have the tendency to neglect, block out or forget about such extraordinary events and disruptions of life (see Egner, Schorch & Voss 2015; Walter 2010<sup>1</sup>). And if major disasters strike, we usually observe them from a distance, the safe position of our home in Germany, as news communicated by the diverse (social) media, as Susan Sontag described in her essays “Regarding the pain of the others” in 2003. Since March 2020, this situation has changed radically as the corona pandemic has

become a global disaster, with the potential of turning into a catastrophe: Worldwide, there are 188 countries of the 195 countries affected, with over 25 Mio. people diagnosed with SARS-CoV-2, 846.000 deaths by August 2020, with the number still rising (John Hopkins University – Coronavirus Resource Center 2020<sup>2</sup>).

Although the numbers in Germany are rather low so far, most areas of our everyday life and our fields of research have been affected by the pandemic and its implications: In Germany, nearly all public and workplaces, organizations, companies, and educational institutions had to close between March and June 2020; just “system-relevant” places (food supply, medical care, etc.) had to carry on. Although there was no real lockdown in Germany like in other European countries (e.g. Spain or Italy<sup>3</sup>), everyday life changed for the majority

of people and people had to adapt accordingly. Based on the novelty of the disease and the lack of clear scripts on how to manage it (on a personal, but also organizational and societal level), especially the first weeks were characterized by high insecurity.

Along with the first information about the “new disease” in March 2020, our research on (business) continuity, vulnerability, resilience, and emergency preparedness shifted its focus. As an interdisciplinary and international young researchers’ group, we cover a large scope of perspectives and topics on crisis research that we adapted to the ongoing corona-pandemic ever since. Based on our general approach, we focus on processes of societal and economic change – and what role technology and digitalization play for resilience, crisis preparedness, and maintaining continuity. Most of our research is strongly connected to our local area and its stakeholders (e.g. local authorities and small and medium enterprises), but our research also considers the global interdependencies of the collaborative and cooperative practices that we describe in our work. And in contrast to the observation of disasters abroad or the past academic analysis of former and future extreme events, we are now part of it. In the following, members of our research group present reflections on the ongoing corona-pandemic and its implications for our research from multiple disciplinary perspectives: sociology, economics, information science, and media studies.

## Reflections on the civil society

by MARÉN SCHORCH

The frequent encounters with the omnipresent terminologies “social distancing” and “lockdown” in the communication about the corona pandemic have been among the rather annoying ones. From a sociological and crisis research point of view, both are simply inaccurate. In Germany, the federal, state, and local governments issued rules for contact restrictions in March 2020<sup>4</sup> that resulted in closing down of places of gatherings (schools, kindergarten, universities, nursing homes, shops,

cinemas, bars/restaurants/cafés, churches/mosques, fitness clubs, etc.) for some weeks. Initially, such rules were valid until the Easter time (middle of April 2020<sup>5</sup>); subsequently, they were prolonged until the end of June 2020. The essence of these rules has been keeping a distance of a minimum of 1,5m from other persons (except for members of one’s household). This is a physical distancing rule that was very soon instrumentalized by critics and corona pandemic deniers as being a rule for social distancing, isolation, etc. As important as keeping a distance from crowds of people is during a pandemic, I state that differentiation in terminology and thus action is key. Although many people, especially elderly living alone or in care homes, would underline the feeling of being socially isolated, the majority of people in Germany were able to maintain social relations and contacts – with adjustments for communication media and forms of contact. We are never “unsocial” as long as we are not living in real isolation apart from any human settling and contact. Our identity permanently constitutes itself by the dynamic interaction and interplay between the self and our social groups, communities, the society (as much classic sociological works underline, see e.g. Weber 1921, Schütz 1974, Berger & Luckmann 1969<sup>6</sup>). And besides those maybe abstract sociological considerations, people were free in their movements, allowed to go outside at every time of the day for going to work (for those in system relevant jobs), do sports, take walks, or do their grocery shopping. The modalities of our social contacts with friends, colleagues, our sports club, or the like were restricted for some time – but many people shifted their communication to digital media, met with fewer people, but met friends and family outside or adapted otherwise. We had no real “lockdown” like in other countries such as Spain or France – and we should count ourselves lucky for it instead of constantly complaining about those months.

Apart from that, it was rather interesting that labels like “catastrophe” or “disaster” – that normally and frequently occur in the context of such an extreme event – were not dominant in the media coverage about corona. Instead,

“pandemic” or “coronavirus/pandemic” were used, which might be interpreted as a result of the omnipresence of experts from the field of virology right from the beginning (at least here in Germany). Their media presence in newly created podcasts and frequent statements became an important guideline – not just for stakeholders in the political arena, but also for many members of the civil society. Especially during the first weeks of the pandemic, reliable data about the new virus were rare but urgently needed to “manage the unexpected” (Weick & Sutcliffe 2007<sup>7</sup>). So, virologists and other scientists tried to make sense of it by comparing it to similar pandemics in the past such as SARS-CoV1 (2002/2003) or also the “Spanish Flu” (1918-1920). Ever since, researchers worldwide are working on the creation of a valid database for this new virus SARS-CoV-2 and finding a vaccine and proper treatment for Covid-19. For this, the scientific community also adapted partly and changed some of its publishing routines (pre-publication in Online Journals), created collaborative spaces such as the “Frontier coronavirus knowledge hub”<sup>8</sup> or provides open access to research papers.<sup>9</sup> Meanwhile, the experts now have to deal with new data and insights daily. Medical professionals now have a much better understanding of the treatment, but for people who become infected, the progression of the disease can still become very serious and there is also no vaccine yet.

The corona pandemic has implications on our routines, lives, and societies worldwide and is therefore not just an object for natural scientists, but of course also for sociologists. The omnipresent call for a return to our former “normal” everyday life is still unanswered. With good reasons. We are confronted with a new, ongoing pandemic with a scope that none of us has experienced before. Most of the people have adapted their routines during the past six months according. But the last months also worked as a burning glass for many social problems and crises, as Voss & Ludwig stated in a radio interview in July 2020 (DeutschlandfunkKultur 05.07.2020<sup>10</sup>): e.g. pre-pandemic insecurities regarding the care and health care system, economic systems stability, climate

change, the crisis of democracy, right-wing extremism, etc. Taking a step back and observing, describing such societal challenges, and considering the importance of a historical perspective is a chance to reactivate societal memory/archives, to learn and not just to adapt to the recent situation, but also to build up more resilience in society and economies in the long run (see Egner, Schorch & Voss, 2015). Transformation has always been part of society and economy, as a sociological classic, Max Weber already underlined (1920; tragically, he was one of the millions of deaths of the so-called “Spanish flu” in June 1920).

One of the many lessons that can be learned from past extreme events is related to subsistence and crisis preparedness: As data from our two quantitative surveys (one pre-corona 2019 and one conducted during April-May 2020) documents, the majority of people does rely on the 24/7 availability of goods and services, except people in rural areas. When the first restrictions in Germany came into place, panic buying of food and hygiene products had been the result, as seen in March and April 2020. A long-term change in our awareness of daily needs, the supply chains of the related goods, awareness for sustainability, a respective basic preparedness for at least a couple of days, and the aid for people who need support would make a huge difference in “managing the unexpected” (Weick & Sutcliffe, 2007). But looking back at the last couple of weeks and months, “preparedness” obviously embraces more than just that: job security and income, emotional and psychological resources to cope with the stress that goes along with the fundamental changes in our everyday life, routines, and practices.

## Field notes from a care home

by FABIENNE SEIFERT

Corona pandemic has a major impact on our everyday life. Especially in spring 2020, when many shops were closed to stem the spread of the virus. From a sociological perspective, it is particularly interesting to ask how different social groups are dealing with the restrictions.

More generally, the handling of crisis events by civil society is a current research interest for civil security research to be aware of and prepared for future developments and crisis events. The first empirical studies are currently being conducted to explore, for example, the willingness to wear cloth face masks in shops or public transport (Bundeszentrale für gesundheitliche Aufklärung 30.07.2020<sup>11</sup>/ Universität Erfurt 19.08.2020<sup>12</sup>/ DAZ.online 24.07.2020<sup>13</sup>).

As researchers in our civil security research project, we deal on the one hand with the coronavirus and its effects on the everyday life of the population on a scientific level. On the other hand, we are also personally affected by the effects of the coronavirus and have to deal with the effects of the pandemic in a private context. From these two partially counteracting perspectives, this contribution is developed, which combines a scientific with a personal view and reflects current events. A positioning concerning the concept of “social distancing” is made based on the effects of the pandemic on a vulnerable group of the civil society: people in old age who are accommodated in care homes. This contribution focuses on a personal experience that might sound very familiar to relatives of elderly people living in care institutions. For them, it is still a balancing act between the fear of infecting a loved relative and the need for contact. It is about people who are living in care homes due to their declining health condition and need for 24/7 care and cut off from the outside world, following the regulations based on the German infection protection law (Bundesministerium der Justiz und für Verbraucherschutz<sup>14</sup>).

In spring 2020 the respective care home in a northern state of Germany was closed to the public and that is why I couldn't pay my grandfather the usual weekly visits. He is 91 years old and lives in a care home since September 2018. Phone calls were difficult due to his limited sense of hearing and health condition, so I started writing letters to share my experiences with him. At that time, no one could know how many weeks would pass before we could see each other again and that these weeks would be a crucial time - understanding the need to

protect this particularly vulnerable group, the need to keep the virus out of the nursing home, and the desire to visit close relatives.

When I was on my way and wanted to drop the letter in the letterbox of the care home, I saw my grandfather's room-mate sitting in a wheelchair behind the large, glass front door. He did not recognize me; however, he has a visibly poor sight. And it was hardly possible to talk through the door. So, I stood on one side and he sat on the other side. I waved, yelled a few kind words, and was glad to see him. Through the thick glass front door, I saw a desperate expression on his face, sadness in his eyes, and finally resignation because he did not recognize me. After some minutes he left in his wheelchair. I stood in front of the door and I realized for the first time that the term „social distancing“ is misleading. We live distanced, not socially, but physically, which in this example is symbolized by the entrance door. We are social beings and express this in diverse actions and gestures in our everyday life. At the moment not through hugs and close get-togethers. We are considerate, we are in solidarity, we offer others our help. We communicate at a distance - by telephone, via social media, or the garden fence. These are all interactions that underline the social and lead the term „social distancing“ ad absurdum.

In a digitalized everyday life, the use of social media and telecommunication technologies is part of it. They help us to maintain contact with relatives, friends, and acquaintances during contact restrictions. But what about people in old age who are not familiar with social media, or who suffer from the loss of the hearing that makes it difficult to use a telephone? How do the residents perceive the isolation? What are the health consequences of these missing health visits?

If it is assumed that the social networks of the residents consist mainly of close relatives and acquaintances, such as former colleagues, neighbors, or members of sports clubs, and that the other residents of the care home have little relevance in the social networks, the precarious situation of the elderly during the corona pandemic becomes clear. The lack of contact

with important reference persons can lead to subjectively felt social isolation, i.e. the lack of exchange with significantly important reference persons and feelings of loneliness. The advice, consolation, and empathy of the significant others cannot be replaced by the nursing staff or other residents. Emotional care is therefore jeopardized. From this point of view, the corona pandemic can be described as an increase of an already critical situation (nursing crisis, limited social contact in care homes) for people in care institutions, which, in the worst case, harms the health of the residents due to the lack of visits from close relatives and acquaintances, when subjectively loneliness and isolation is felt.

This subjectively felt loneliness and isolation is reflected in the separation of the care homes. To stem the coronavirus and protect the particularly vulnerable group, the care homes are sealed off and the residents are socially excluded and cut off from the outside world. The nursing staff is sometimes the only contacts who are physically close to the residents. But as already mentioned, a lack of time and nursing staff are key points in nursing services as a result of the nursing crisis. Conversation, exchange, and emotional relationships have no room in quick processing of tasks, such as feeding and cleaning. This article aims to show the impact of the corona pandemic on a social group in civil society. The pandemic is still too new to present in-depth scientific evaluations of the situation in care homes, but it can be pointed out. The questions listed below can serve as inspiration for further scientific work on this topic: Does the safety of the residents stand above their freedom concerning for to maintaining physical contact? Does the idea of protection justify the isolation of this vulnerable social group? The habits, everyday life, and continuity in residents' practices are replaced by restrictions and isolation. It remains to observe the effects of the corona pandemic in the long run. What are the consequences of isolation and separation? How do feelings of loneliness and separation influence the various aspects of residents' health? Is there a dwindling spiral in which isolation leads to a decrease in health and loneliness and

these aspects reinforce each other, or are individual coping strategies developed to make it easier to deal with the isolation?

## Information policy

by AMANDA LANGER, MARGARITA GRINKO & THEA RIEBE

The current pandemic in the European context has had little confirmed facts and general knowledge about the spreading of the virus, especially at the beginning of the awareness phase<sup>15</sup>. Increasingly comparable or at least similar clinical pictures and courses of disease and the intensified research into the cause have constantly been enriching this state of not-knowing, or very little knowledge, with new findings such as possible characteristics and clinical pictures, and possibilities for spreading and preventing infection to this day. In the course of observation and reporting over time, this can lead to supposedly contradictory statements and indications (such as, for example, the recommended wearing of a cloth face mask with contradicting statements on its effectivity). The need for information and the demand for information from the population is growing rapidly, while the lack thereof creates uncertainty. A dynamic knowledge generation process is a regular phenomenon in an open-ended research project. Conflicts only arise at the point in time when this dynamic research process receives enormous public attention.

A podcast by the German TV and radio broadcaster NDR, featuring virologist Prof. Dr. Christian Drosten as an interview partner among others, has been established to make complex COVID-19 research insights transparent and break them down into approachable information to the public, reaching millions of listeners<sup>16</sup>. With the pandemic, we can see that science communication has gained increasing importance. However, the publicly presented facts are snapshots, the current state of ongoing research, and the transmission of findings according to current information leads to incomprehension and uncertainty if it does not meet the expectations of final scientific findings and truths. The usual process of peer-reviewing of a publication can be misunderstood as a failure and presented as such in popular media<sup>17</sup>. At

the same time, scientists often represent different stances or communicate information in different ways, up to the point where it becomes unclear for the consumer whom to believe and how to interpret their data. Prof. Dr. Drossten has been opposed and criticized by other public figures like physician and politician Dr. Wolfgang Wodarg<sup>18</sup> or cardiologist Dr. Karl-Heinz Kuck<sup>19</sup>. Research findings serve as a basis for consultation for the political decision making of appropriate measures, while the roles of the researcher and the decision-maker appear blurred. When regulations are not clearly communicated and sufficiently reasoned, they may seem ill-considered and the government itself poorly prepared and confused.

The resulting far-reaching measures, such as contact restrictions or school closures, have restricted large parts of public life. In Germany, there are relatively few fatalities for the number of infections detected in an international comparison, and the danger posed by the virus is perceived to be weaker than initial suspicions. The measures taken have slowed down the rate of infection, but instead of grasping the correlation between the positive results and compliance to the measures, some people are under the impression that the situation has already been overcome before the measures were even in place. As the duration of the measures and additional restrictions continues, the willingness to accept them decreases, leading to impatience and a loss of caution in dealing with safety measures without an understanding that the numbers would rise again if the measures were relaxed and caution maintained. The displeasure expresses itself in refusals to implement the measures or public demonstrations against these same measures like the protests in Berlin on August 1st and August 29th, 2020<sup>20,21</sup>. In addition to this, the underlying facts themselves are questioned. The dynamic factual situation does not yet provide complete facts, so gaps may cause fragments of knowledge to be interpreted differently and present an alternative truth. Furthermore, readers and viewers are more likely to consume information that is quickly and easily accessible, mostly brought to them by filter algorithms that already exist

in social media, and that corresponds to their emotional state. Examples are the conspiracy theories around Bill Gates (the pandemic is only a pretext to implant chips for permanent surveillance of the world population through mass vaccination)<sup>22</sup> or the different interpretation of Trump's case numbers (one cannot take the death figures concerning the infection figures, but has to relate them to the number of inhabitants)<sup>23</sup> to play down the spread of the pandemic within one's state and defend one's point of view.

The impression is growing that the number of cases in Germany is too low to ensure that the population takes the potential dangers of infection seriously. How many fatalities are necessary for people to adhere to the measures in the long term so that their own needs are met and the community can overcome the situation as well and as quickly as possible? Instead of getting upset about the existing measures that people should wear a mask when shopping and keep the necessary distance where possible, couldn't we instead use our mental capacity to consider how as many people as possible survive this virus unharmed? Not only in terms of health but also financially and existentially – for example, for the public arts and culture sector which is still massively restricted by the lack of presence? A complete „back to the previous normality“ will be difficult to achieve under the current conditions. The effort must therefore be to see the current situation as an opportunity to develop new approaches and solutions and to jointly shape various socially relevant areas such as the world of work, where companies increasingly see the advantages of home office solutions and would like to continue to implement them, the cultural landscape, or even personal interaction.

Initial approaches to this can be found, for example, in hackathons, where over 20,000 participants were seeking solutions for neighborhood assistance during the pandemic.<sup>24</sup> Many citizens are organizing themselves both in the analog and digital realms to support and help each other in the crisis – via material or financial supply, emotional support, or facilitating processes of daily life, showing respon-

sibility and empathy. Especially social media channels, such as local Telegram groups, have helped to organize the supplies and groceries for vulnerable people which were afraid or unable to leave their homes.<sup>25</sup> The physical distancing also led to social isolation, which then was partly overcome with video chats and messaging with relatives and friends.<sup>26</sup> Beside local groups, and families using social media to connect, the German government used social media channels, like Instagram to explain the necessary hygiene measures to the population.<sup>27</sup> All three examples show the increasing importance of the digital infrastructure and social media in particular for a public health crisis and crisis communication to inform, educate, and engage in self-help communities.

Another chance is also science getting a wider perception and recognition in the society. Researchers learn how to present and communicate their findings understandably and transparently without losing the focus on their actual work. The questions remain how governments and media can react to this and future crises and regain public trust with proper crisis communication as well as address people's concerns more adequately, without discrediting those who do not agree with their opinions and decisions. Political decisions should have a solid basis that is transparently revealed and be logically comprehensible, following a constant line while being sensitive to new data and informed by previous experiences.

There is also a visible need for increased citizens' digital consumption skills. Instead of believing sensational headlines and click-bait videos that speak to the own emotional state, media consumers should be taught and encouraged to develop a responsible approach to information, to look deeper into the underlying research, and interpret it in an objective and careful way. The existing tendency to critically question content is a good prerequisite for this. Digital literacy and media competence should be nourished as early as possible, starting with schools.

## Resilience, Crisis & Corona

by SASCHA SKUDELNY

Since the end of March 2020, almost all countries worldwide have been directly affected by the COVID-19 pandemic. The particular significance of the novel virus arises less from the morbidity, mortality, or lethality of the respiratory disease that it triggers, but rather from its very high rate of transmission, and the uncertainties and risks associated with its intractable spread. It is widely believed that it might result in a complete overload of the health systems and a similar number of fatalities as the Spanish flu 100 years ago. It is estimated that this would result in 20 to 40 million human lives and also far-reaching economic, social, political, and psychological consequences. So, what distinguishes societal and economic ability to handle crises confidently, emerge from them stronger and which risks beyond the pandemic, but possibly also opportunities, are indicated for the future and continuity of our societal and economic system.

Up until a few years ago, and especially in the context of the financial crisis in 2008, the topic of „resilience“ determined the scientific discourse. It was crucial to find out why certain countries and regions coped better with the economic crisis than others and to analyze how vulnerability to crises can be reduced as much as possible in the future. Although scientists pursue very different approaches to resilience, the concept behind it essentially unites three central aspects: 1) **Short-term adaptability** to crises and disasters, or rapid restoration of economic and social systems, 2) **Crisis resistance or resilience**, or to what extent existing structures can bounce off the effect, and 3) **System capability to learn and reconstitute itself** (cf. Hahne 2013).

The corona crisis teaches us that both our living environment and our economic system appear to be limited and, in many ways, unprepared for crises and appear responsive: a few weeks are enough to plunge an already unstable economy into existential crises. Our system turns out to be fragile, violable, vulnerable to crises, often not adaptable in the short term, and therefore not resilient enough. COVID-19

as a metaphor for an agonizing, outdated, and less resilient system in times of the Anthropocene, in which we are the cause, but at the same time we seem to lack effective answers to many future challenges: environmental climate change, international migration flows, social inequality or more biodiversity loss.

In economic terms, the pandemic asks us whether our economic system should not have been overhauled long ago by much more resilient and sustainable systems and by “humbler” structures, such as that of a post-growth society that, among other things, focuses on adequate, local/regional cycles, agroecology that sets social innovations. Countless promising approaches have been developed and successfully implemented worldwide. In terms of resilience, it is now also about our ability to learn. The corona crisis teaches us that both our living environment and our economic system appear to be limited, and in many ways unprepared for crises and appear responsive. A few weeks are enough to plunge an already unstable economy into existential crises. Our system turns out to be fragile, violable, vulnerable to crises, often not adaptable in the short term, and therefore not resilient enough. Thus, researchers, strategists, entrepreneurs, and policymakers go hand in hand in devising solutions to the global problems for a better future. The current crisis could be seen as an opportunity to gain experience to prepare for future, far more dangerous scenarios. Global forms of cooperation could be expanded, existing pandemic plans and crisis communication strategies could be systematically improved with a view to best practices.

## **The chamber of commerce and industry & Corona**

by HUSSAIN A. SYED

The havoc unleashed by the ongoing corona pandemic on businesses around the world is dreadful. In terms of their economic impact, with no end in sight to the pandemic or the constraints and challenges it poses, the economic indicators predict the beginning of an Economic Crisis. The economic shock of the pandemic is as unprecedented as its social and

communal effects, especially the government-induced regulating measures and border restrictions that have impending impacts on the business ecosystems. The Chamber of Commerce and Industry (IHK) in the region of Siegen-Wittgenstein and Olpe (Germany) continues supporting the local industry in the region through the crisis by pragmatic endeavors like workshops, building a support system for the industry, doing surveys to get first-hand information about the situation in the companies and above all by providing a voice to the local economy at national podiums. The position of the local economy and the industry linked with it is assessed through several press releases from IHK. According to the stats gathered from IHK’s press releases, social media, and survey reports, certain trends and topics can be analyzed to evaluate the pre- and the ongoing crisis.

Almost 180,000 people are employed in Siegen-Wittgenstein and Olpe and are subject to the social security dynamics in the economy.<sup>28</sup> Nine out of ten companies felt the effect of the corona pandemic with reduced sales, loss of exports due to cross-border restrictions, cut in working hours, and some cases shutting down business or parts of the business for a while.<sup>29</sup> Just after the first month of economic lockdown in March, the domestic sales of the region fell by 18% and the foreign business collapsed down to 61% with a loss of 39% in business.<sup>30</sup> The IHK economic climate index<sup>31</sup> (Business climate index) which is an assessment of the situation and expectations in business indicated a fall of 41 points to a historical low of 65 points within the three months of business restrictions. Only 17% of companies reported good business while 48% of companies reported a bad business situation and with pessimistic expectations as 54% of the companies surveyed expect worse business in the coming months (604 companies participated in this survey). With the ease in business restrictions in June, the economic climate index rose by 11 points to a value of 76 points but remains 29 points behind the long-term average of the last 20 years. According to the economic experts at IHK it is assumed that it could take up to two



years before the production level from before the Corona crisis could be reached again.

Some of the recent statistics<sup>32</sup> gathered from the press releases, social media and survey reports of IHK show that around 25% of the businesses expect sales to decline between 10 and 25% and almost a third expect a decline between 25 and 50%. Further, around 19% of the companies expect up to a 50% reduction in their sales. An industrial breakdown of the IHK statistics reveals that the businesses in the leisure industry (travel and hospitality) are the most affected ones, as up to 75% of businesses expect to lose 50% of their sales. The mechanical engineering companies in the export business lost more than 50% of sales during cross border restrictions. The manufacturing sector (metal products) illustrated that the foreign sales plummeted 41% and domestic sales 29% in the initial months of the pandemic as compared to March. The automotive industry showed similar trends in both domestic and international sales by 26% and 25% respectively. The construction business has the exception of getting the least negative impact from pandemic but in our opinion, if the 'new normal' with regards to physical distance becomes the prevailing normal than it can change the construction business in the future. Less physical space will be needed and replaced by more online space and a sphere. The education, travel, and hospitality industry can also suffer further in the future from the 'new normal' in online teaching, conferences, events, and meetings.

There is also a substantial demand decline as 67% of the companies exhibit less demand for products and services, 44% want to cut back their investments because of the ongoing pandemic, while 42% of the companies have to deal with the cancellation of orders. Due to a decrease in sales and demand decline, over a third (41%) of the companies are forced to cut staff while only around 6% are considering an increase in staff. On the other hand, the apprenticeship application rate is also falling by a rate of 6.7%. Cutting staff and not training new and skilled persons due to reduced apprentice applications can have immense repercussions: Those who do not train today will lack the skil-

led workers tomorrow. Corona pandemic has also identified the vulnerabilities in the classical process of finding a suitable successor for a management position in the business. Due to all the prevailing effects of the pandemic, governmental support is of immense importance as 65% of the companies feel that immediate aid in the form of grants is an important lifeline for companies. 59% of the companies vouch in the favor of tax deferrals and the reduction of advance payments.

The ongoing pandemic highlighted many hotspots and potential liabilities for business organizations. The short-time work solution and cutting work hours in times of pandemic to establish business continuity is a viable alternative to stay afloat but companies require more information on short-time work benefits and unbureaucratic support from the authorities and more action from politicians. This demands a change in societal, organizational, and governmental outlook towards crisis and crisis management. There is a need for improvement in the design, structure, and laws of emergency aid not just in the form of financial grants but also in the form of societal, technical, and organizational infrastructures. Reduced work time can bridge short-term bottlenecks, but in the long term, this apparatus does not solve the production disbalance already being created during the pandemic. The forced spatial distance can serve as an opportunity for retail sectors because and can also lead to promoting the use of digital technologies in everyday business. Development of new and agile sales channels is needed including online shops and other online marketplaces like "eBay". A comprehensive and progressive digital strategy is vital in the age of digitalization at governmental, societal, and business organizational levels for promoting literacy in digital technologies and IT adoption. Social media literacy is also needed in businesses to improve and assure direct reach to customers and improvements in social media analysis techniques to assess the customer climate and demands. It is also important that the entrepreneurs are picked up where they are standing in digitalization with an approach that when it comes to continuing business digi-

tally it makes sense to offer the service digitally.

Long term solutions are needed to build organizational resilience in the industry as it instills abilities in business organizations on how to maintain operations through periods of disruption and crisis. Infrastructure and supply chain resilience are essential to cushioning the effects of external denominators of business. Continuous identification and monitoring of internal and external data sources with risk indicators of business are needed to achieve business continuity. Measures like regular business impact analysis and risk assessment can lead to early identification of areas for improvement. To continue business in the most unexpected scenarios like the corona crisis business continuity strategy must be created and revisited with utmost priority. Intellectual and technological business continuity solutions must be initiated by the business for the business. BMBF funded project Kontikat is creating lightweight socio-technical solutions for continuous internal and external data monitoring, business impact analysis, identification of potential risks, and infusion of key performance indicators in various data sources for identification of event triggers and alarm situations. One of the under-development solutions is the collaborative business continuity dashboard solution which provides an inlet to various data sources in the form of data widgets, a business continuity planner for sharing and dissemination of continuity plans, and a decision support system with alarm and triggers over different business operations.

## **Small and Medium Enterprises (SMEs) and Coronavirus Crisis**

by SOHAIB S. HASSAN

The global impact of COVID19 has been unparalleled thus far. SMEs, in particular, have had to face somewhat unusual challenges. Some of the recent surveys in Germany have shown that SMEs have suffered significantly at the hands of the pandemic. For instance, around 61% of all SMEs have reported up to a 46% loss in their turnovers as recently as in May (Schwartz & Gerstenberger, 2020).<sup>33</sup> Keeping in view the current crisis, we at the BMBF-KontiKat pro-

ject have been deliberating to understand the different aspects of the pandemic, especially regarding its implications for SMEs. Some of our observations are rooted in a sort of common knowledge. For instance, we have observed that the effects of the pandemic on SMEs are indeed twofold: Short-term and long-term. The short-term effects include, but are not limited to, a crunch in the industrial production, acute supply chain disruption, and reduction in customer demand across industrial sectors. The long-run effects are, to a certain extent, direct consequences of sustained short-term economic shocks. Economists interestingly, and rightly so, identify it as some sort of economic hangover of the pandemic, where unforeseen industrial, fiscal, and workforce reconfigurations lead to a lingering economic recovery over a longer period.

Further, in our research group, we have contemplated and recognized that the short-term effects and responses of the pandemic are ostensibly uniform across the world, and to a considerable degree equally applicable to SMEs. One of the peculiar features of the pandemic is the scale with which it had taken the societies and economies by surprise. In the case of SMEs, for instance, their short-term responses could not adequately entail the leverages which are traditionally associated with SMEs. This, in turn, not only considerably reduced the pace with which SMEs adapted to the emerging dynamics of the pandemic but also diminished the effectiveness of their organizational capabilities in mitigating the crisis. Consequently, governments had to play a major role by proposing and implementing diverse stimulus packages to counter the immediate effects of the pandemic on the economy, especially in the most affected sectors.

In the long run, however, we underscore that the prevailing economic and social heterogeneities across the world would impede a collective response to the pandemic. Since, the country-specific and industry-specific idiosyncrasies come to play a major role over a larger period, the long-term policy and organizational planning might not be as uniform as in the case of short-term response. As a matter of fact,

due to the rather novel nature of the pandemic and its fairly unperceived consequences, both experts and the policymakers are unable to accurately predict the impact of the pandemic, and this further intensifies the prevalent uncertainties among the SMEs. In our opinion, the long-term impacts of the pandemic are very much contingent upon the potential vaccine of the virus and could potentially lead to two different, yet interlinked paths. On one hand, if a vaccine is not developed and implemented within the next couple of years, we might see ourselves following the historical path of the Great Depression or the Spanish flu. In the case of the successful development of the vaccine, on the other hand, we might see a relatively faster recovery from this economic shock. Despite positive recovery, the SMEs would still have to deal with the emerging “new normal” in the markets.

We would also like to underscore that not everything is bleak amidst the pandemic. Both the short-term and long-term effects have indeed demonstrated some interesting features amongst the SMEs. Evidentially, SMEs in different countries performed differently in a similar crisis. SMEs in some sectors, for example, were able to adapt rather rapidly to the sophisticated usage of digital technologies. Some SMEs were able to successfully alter their business model to accommodate the opportunities arising from the pandemic. Some recent evidence has also shown that SMEs might exhibit their resilience in the long run. One example of such positive development can be seen among the German SMEs: The ‘Mittelstand’, especially about their resilience. Some of the recent surveys indicate that up to 80% of German SMEs are optimistic about their future in the pandemic-ridden economy (McKinsey, 2020).<sup>34</sup> Another positive aspect is that the ensuing slowdown of the economy has enabled SMEs to remodel their business strategies and envisage impending future economic outlook. This is perhaps because of such developments that there exists a strong desire among German SMEs for an accelerated digital transformation. This has become especially visible after the SMEs have witnessed the importance and success of digital technologies

in tackling and mitigating the pandemic. Furthermore, German policymakers have shown considerable interest in the rapid recoveries of regional economies. In terms of our analytical understanding and the ongoing contemporary debate, we have concluded that the ongoing pandemic has rekindled the debate about the topics of resilience and business continuity, and more recently, digitalization, in the context of SMEs. Along these lines, in KontiKat, we are actively pursuing and examining the phenomena of resilience, continuity, and digitalization in SMEs through our diverse quantitative and qualitative projects.

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### About KontiKat:

**Project title:** Zivilgesellschaftliche und betriebliche Kontinuität durch sozio-technische Vernetzung in Katastrophenlagen (KontiKat)

**Keywords:** resilience, continuity, social networks, social media, disaster, business continuity planning, self-organization, terrorism, fake news, crisis communication

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[www.kontikat.de/en](http://www.kontikat.de/en)