



HCSS Global Trends

## Divided We Stand? Towards Post-Corona Leadership.

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## I Introduction

The Covid-19 virus presents the world with a global challenge – i.e. a challenge that can only be tackled by the combined effort of nations worldwide – that is much tangible and more acute than other global challenges, such as climate change or nuclear counter-proliferation. Multilateral cooperation is required to best deal with the Corona crisis and its aftermath, encompassing public health governance as well as economic and human development issues in general, both in the immediate and longer-term sense. This is especially pertinent as experts warn pandemics are here to stay.<sup>1</sup> Covid-19 may turn into a seasonal disease, and the next virus outbreak in the SARS-Swine Flu-MERS-Ebola-Bird Flu-Covid-19 sequence might be just around the corner. Structural, world-wide collaborative measures are needed to better monitor, prevent, counter and/or mitigate potential future outbreaks.

The Corona crisis unfolds against the backdrop of a world that is characterized by great power competition.<sup>2</sup> International relations are increasingly approached as a zero-sum game in which one's gain is the other's loss. The result is a world in which multilateral cooperation is increasingly difficult to achieve. The use of national power in such a world is more geared toward the ability to disrupt, block, disable, veto, and destroy than it is about the ability to construct, enable, repair, and build.

In short, in the face of the current pandemic and its aftermath, a tension between the need for international cooperation and the deteriorating conditions for doing so is evident.<sup>3</sup> How will this tension play out during the next global crisis? In this article, we address this question by looking at what the *cultural differences between nations* and the *different leadership styles* from the current world leaders may imply for the *need to collaborate* to manage global crises. We will discuss some *scenarios that may arise in the aftermath of the Corona crisis* – based on the national interaction between culture and specific leadership styles.

This short essay is structured as follows:

1. Theoretical background: leadership in a cultural framework. We first explain our approach and the models used, which combine individual leadership styles and the cultural context in which the leaders operate.
2. Post-Corona scenarios. In four different scenarios we outline the possible directions the world order may take in the post-Corona era and combine them with the expected behaviour of world leaders in these scenarios.

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<sup>1</sup> Bowman, Amanda: “New Epidemic Model Indicates COVID-19 Here to Stay, Likely to Cause 235,000 U.S. Deaths by October”, MedicalPress, (24 June, 2020): <https://medicalxpress.com/news/2020-06-epidemic-covid-deaths-october.html>

<sup>2</sup> Sweijs, Tim; Pronk, Danny, “Between Order and Chaos? - The Writing on the Wall – Strategic Monitor 2019-2020”, The Hague Centre for Strategic Studies, January 2020, <https://hcss.nl/sites/default/files/files/reports/the-writing-on-the-wall.pdf>

<sup>3</sup> Narlikar, Amrita: “Why Multilateralism is in Such a Mess and How We Can Fix It”, World Economic Forum, (25 January, 2020): <https://www.weforum.org/agenda/2020/01/why-multilateralism-is-in-such-a-mess-and-how-we-can-fix-it/>

3. How world leaders 'score' for collective leadership. In this chapter, we describe the importance of a collaborative leadership style for dealing with global challenges. What are the main characteristics of this collaborative style and what can be said about 'national' cultures and world leaders in this respect?
4. Observations. Some final observations to wrap things up.

## 2 Theoretical background: leadership profiles in a cultural framework

The starting point of our analysis rests on two observations. The first is that the world order that regulates international relations is largely the result of the interaction between major states with a predominantly liberal culture on one side, and major states with a more government-controlled culture on the other.<sup>4</sup> The second observation is that in times of existential crisis, nations tend to rally behind their leaders.<sup>5</sup> During a crisis, more so than under normal circumstances, individual leaders may decide the course of an entire nation. The combination of differences in cultural contexts and in leadership styles emerged visibly in the speed, decisiveness and acceptance of the measures that were put into effect to deal with the Covid-19 crisis by different nations across the world.

In understanding the shape and size of the world in the aftermath of the current Covid-19 pandemic, a combined review of the cultural differences and what drives and motivates world leaders is therefore relevant. How does leaders' behaviour in the current Covid-19 crisis inform us on how international relations will develop once the 'new normal' sets in?

Our approach here is to explain and, up to a point, predict world leaders' behaviour by combining two models.<sup>6</sup> The first and leading model is about individual leadership styles. These are expressed using the DISC model of William Moulton Marston, which describes the preferred behavioural and communication style of an individual.<sup>7</sup> The second model is the Culture's Consequences model of Geert Hofstede, which describes the differences in cultural context in which the leaders operate.<sup>8</sup> Both models are used throughout the world. This last model is fed with data from the World Values Survey, as explained in the next Section.<sup>9</sup>

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<sup>4</sup> Giamondi, Mark: *"Ethics, Liberalism and Realism in International Relations"*, Routledge (London), (17 September, 2007) pp. 288

<sup>5</sup> Murray, Shoon, *"The 'Rally-'Round-the-Flag' Phenomenon and the Diversionary Use of Force"*, Oxford Research Encyclopedia of Politics, Ac.10.1093/acrefore/9780190228637.013.518., 2017

<sup>6</sup> The merger of the World Value Survey, the DISC model and the Cultural Consequences' has been done by DISCvision.

<sup>7</sup> Marston, The Emotions of normal people, Taylor & Francis, 1928.

<sup>8</sup> Hofstede, Culture's Consequences: Comparing Values, Behaviors, Institutions and Organisations across Nations, ThoUand Oaks, Sage Publications, 2001.

<sup>9</sup> World Values Survey, 2020, <http://www.worldvaluessurvey.org/wvs.jsp>

## 2.1 World Value Survey

The Inglehart–Welzel cultural map, based upon the World Value Survey (WVS), depicts closely linked cultural values between societies.<sup>10</sup> Two dimensions are used to map the differences between values. Traditional versus secular-rational values on the vertical Y-axis and survival versus self-expression values on the horizontal X-axis. Moving upward on this map reflects the shift from traditional values to secular-rational ones and moving rightward reflects the shift from survival values to self-expression values.

A factor analysis based on questionnaires with large numbers of respondents, and updated every 5 years since 1981 (the next update will be in 2021), determined these two ‘key cultural dimensions’. Areas covered are ecology, economy, education, emotion, family, gender, sexuality, government, politics, health, happiness, leisure, friends, morality, religion, society, nation, and work.

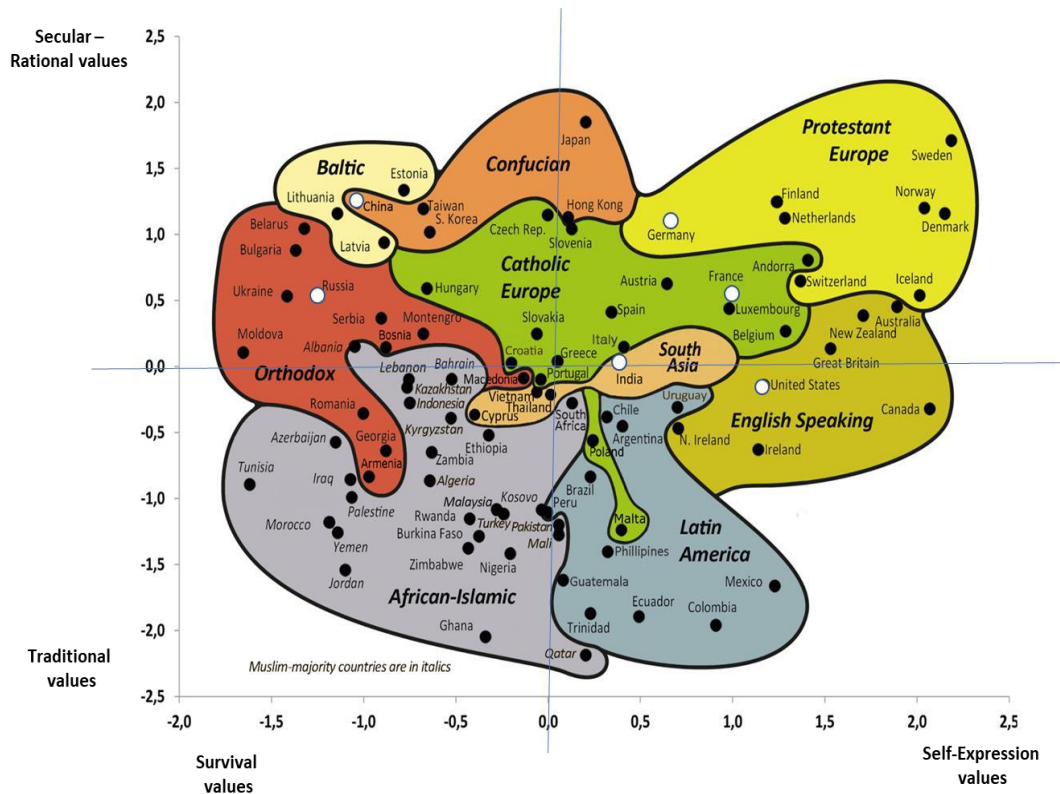


Figure 1. World Value Survey Map 2010/2014 Inglehart & Welzel

The WVS describes the changes in cultural values up to the present and can be visualized in 5-year time laps. In order to explore the future behaviour of leaders within the cultural context they operate in, we will use the 2010-2014 clustering of countries. These nine clusters are: the English-speaking, Latin America, Catholic Europe,

<sup>10</sup> *Ibid.*

Protestant Europe, African-Islamic, Baltic, South Asian, Orthodox and the Confucian cluster.

## 2.2 Hofstede's cultural consequences model

Geert Hofstede, working closely together with the World Value Survey organisation, established a major research tradition in cross-cultural psychology from 1970 onwards. His theory has been widely used in several fields as a paradigm for research, particularly in cross-cultural psychology, international management, and cross-cultural communication. Cultures, especially national cultures, are extremely stable over time.<sup>11</sup> Hofstede shows the effects of a society's culture upon the values of its members, and how these values relate to behaviour, using a structure derived from factor analysis. Insights in the cross-cultural communication delivers additional insights, to the World Value Survey, in the behaviour of people and their leaders.

Hofstede defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from others”.<sup>12</sup> He examines culture from a value-based perspective.<sup>13</sup> These cultural values do not describe the cultural values of an individual but the culture of a society or a country. Hofstede's cultural dimensions reflect cultural values of a group of individuals that share the same national culture. Hofstede's observation that “culture is to a collective what personality is to an individual”<sup>14</sup> bridges the gap between a national culture and a person's psychological profile, which can be described by distinct models. With this in mind, the nine WVS country clusters will be used within the Hofstede dimensions.

Nowadays, Hofstede's notion of culture is expressed in six dimensions. For this essay we will use five of the six dimensions. These dimensions are valued with the following Indexes:

- Power Distance (PDI): the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally.
- Uncertainty Avoidance (UAI): the extent to which the members of a culture feel threatened by ambiguous or unknown situations.
- Individualism (IDV) vs Collectivism: Individualism pertains to societies in which the ties between individuals are loose. Everyone is expected to look after himself or herself and his or her immediate family. Collectivism, its opposite,

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<sup>11</sup> Hofstede, Culture's Consequences: Comparing Values, Behaviors, Institutions and Organisations across Nations, ThoUSnd Oaks, Sage Publications, 2001. P. 34

<sup>12</sup> *Ibid.* p. 9

<sup>13</sup> *Ibid.* p. 5

<sup>14</sup> *Ibid* p.10



pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups which exist throughout their lifetime.

- Long-Term Orientation (LTO) vs Short-Term Orientation: Long-Term Orientation stands for the fostering of virtues oriented toward future rewards, and in particular of persistence and thoughtful (re)use of resources. Its opposite pole, Short-Term Orientation, stands for fostering of virtues related to the past and present, like respect for tradition, preservation of “face”, and fulfilment of social obligations.
- Indulgence Versus Restraint (IVR): Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.
- Masculine Versus Feminine (MAS): A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough and focussed on material success, whereas women are supposed to be more modest, tender and concerned with quality of life. A society is called feminine when emotional gender roles overlap: both men and women can be modest, tender and concerned with quality of life. This dimension is of a different order and is not used in this paper.

In our analysis we combine Inglehart’s and Welzel’s use of the WVS data with Hofstede’s cultural dimensions model as they have previously shown to be strongly correlated.. ‘Well-being versus Survival’ correlates strongly with the ‘Individualism index’ (IDV) and the ‘Secular-rational versus Traditional Authority’ correlates negatively with ‘Power distance index (PDI).<sup>15</sup> Clustering Hofstede’s findings by using the WVS factor clustering gives us extra insight into the cultural correlations between countries. This combination also allows the use of the WVS actualization in 5 year intervals.

Based upon the correlation findings, we can combine dimensions. Let us take the ‘individualism versus collectivism’ dimension as the X dimension and the ‘Power Distance Index’ as the first Y dimension to be set. The position of the other dimensions of Hofstede, UAI, LTO, IVR, will be explained after we have introduced the DISC-model of personality types in the next Section.

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<sup>15</sup> *Ibid.* P. 33

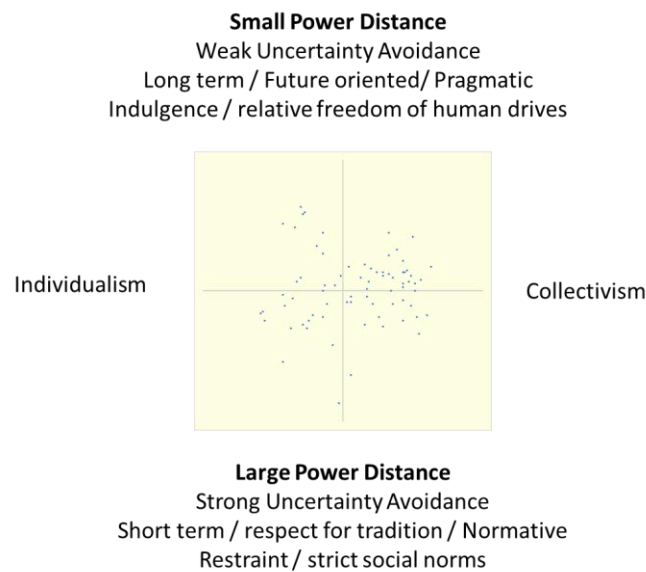


Figure 2. Culture's Consequences Dimensions Hofstede

### 2.3 The DISC-model of personality types

DISCvision proved that the DISC-model, determining the preferred behavioural and communication patterns of individuals, also provides insights in the personal behavioural economics on other topics of interest. Topics that are related to preferences people do have in their daily life. Consequently, we combine the WVS clustering and Hofstede dimensions with the DISCvision behavioural economics model.

DISC identifies predictable traits and behaviours of people in different (cultural) environments. DISC styles are a combination of four behavioural personality types.<sup>16</sup> These composite styles are known as personality style blends, each with their own characteristics, preferences, fears, strengths and limitations. These four dimensions are: Dominance (D), Influence (I), Steadiness (S) and Compliance (C).

- **Dominance:** People with a strong D personality style like to be in the position of authority or just do things on their own terms. These people tend to be risk-takers, extremely goal-oriented and competitive. The D-style has high ego strength, which could be perceived positively as confidence or negatively as pride. Others may see them as arrogant, stubborn, tactless, pushy and ruthless. These characteristics express themselves more evidently if the D-person is found to have ignored risks and appears to have overlooked important problems.
- **Influence:** People with strong I-personality style are talkative, enthusiastic, and optimistic. They tend to be both trusting and optimistic. The I-style is known

<sup>16</sup> DISCvision is cooperating with DISC Factor BV Benelux.



to be both persuasive and influential. I-persons tend to be somewhat emotional and spontaneous or impulsive at times. The I-person has a positive attitude and is more focused on the future. The biggest fear of the I-person is rejection by others. The I-person can seem uncritical, unrealistic, exaggerated, impulsive and not focused. I's tend to make agreements that they cannot keep or change their minds about.

- **Steadiness:** People with strong S-personality styles are more predictable and prefer safety. They are peacemakers, good listeners and loyal friends. The S-person finds the loss of certainties the greatest fear. The present is the most important time frame. S's are focused on long-term relationships. The communication about decisions that the S-person is confronted with are often non-verbal and typically expressed by delaying the implementation of decisions. To others the S-person can seem insensitive, carefree, indecisive, dependent, slow and hesitant.
- **Compliance:** People with strong C personality styles are described as perfectionists. The C-person tends to think in a logical, analytical and systematic way. C's are careful and the familiar rituals of the past will not be replaced quickly by new ideas. The biggest fear, which can lead to blocking action, is being criticized. The C-person prefers to act independently without interference from others and to be in control of circumstances. C's do thorough research and are not usually influenced by trends. They take low risks and do not go along with speculation. The C-person can come across others as picky, curious, antisocial, distrustful, fixated, inflexible, theoretical and evasive. The pursuit of low risks and the asking of many questions lead to suspicion of one's real motives.

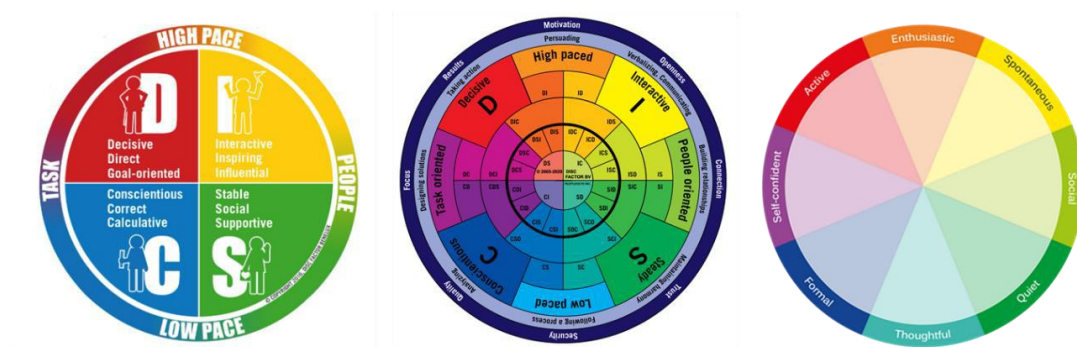


Figure 3. The Behavioural Personality Types and the eight DISCvision Behavioural Economics profiles

All countries within the Hofstede measurements have data on most of the six dimensions. The Individualism versus Collectivism dimension (IDV) is used within both the DISC-model and the Hofstede Model. As previously stated, this IDV dimension has a strong correlation with the WVS findings. These correlations reoccur

in/for the DISC model between the Task/Individualistic versus People/Collectivistic dimensions. The Power Distance Index (PDI) has also been tested. The High Pace/Extrovert in the DISC model is corresponding with a low power distance. On the opposite side, low pace/introvert corresponds with a high power distance. This gives a firm insight in the 'do' and 'do not' considerations of cultures.

All other dimensions of Hofstede are also strongly connected to the Y-dimensions. Weak Uncertainty Avoidance, Future Oriented and Indulgence are connected to risk taking, fast, outspoken, extrovert and explorative behaviour of individuals (D and I from the DISC-model). On the other side of these dimensions, Restraint, Tradition, Uncertainty and Avoidance are connected with thoughtful, introvert, risk avoiding and following behaviour by individuals (S and C from the DISC-model). These insights provide more depth to the 'do' and 'do not's' previously observed (Figure 2).

### 3 Relating the models

DISCvision behavioural economics deliver insights in the why, how, what and when questions. The DISCvision behavioural economics frame combines personal leadership profiles with the country profiles, stipulated on whether the Hofstede country findings can fit into the DISC frame. According to Hofstede, this is possible; to re-iterate: "Culture is to a collective what personality is to an individual". If Hofstede's findings can be fitted to the DISCvision behavioural economics frame, the same will apply to the WVS.

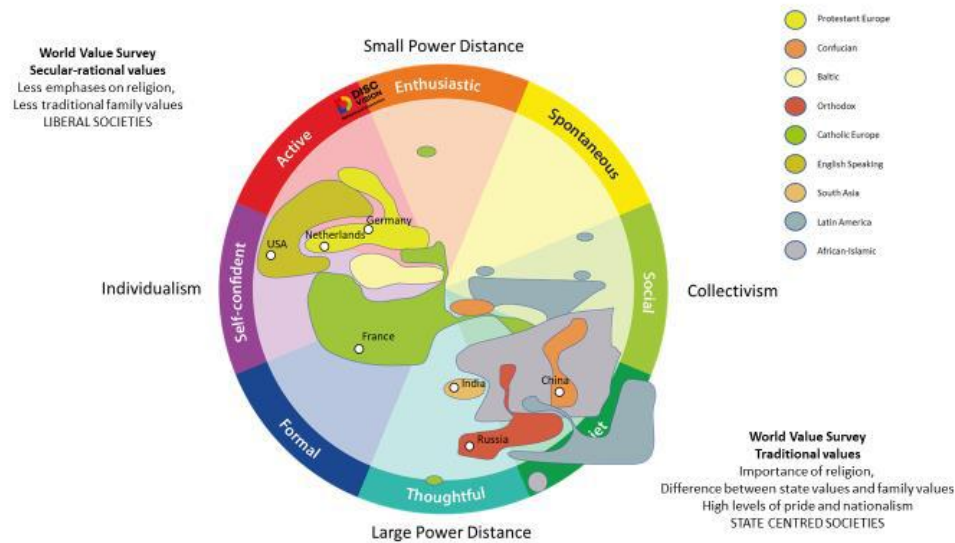
Following this, the next step is to relate the models into a single workable framework without compromising their findings. All countries can be placed within the DISC behavioral economics frame alongside the X and Y dimensions outlined above. As such, none of the original three models - WVS, Hofstede and DISC - or research findings have been changed; the data is simply collated within one model.

#### 3.1 Power Distance inside and between cultures

The power of leaders is strongly connected with the perceived power distance of citizens towards their leaders and the government. In this essay we therefore examine Hofstede's Power Index of (PDI). Our analysis will focus more closely on the US, China, Russia, India and the European countries France, Germany and The Netherlands. France representing Catholic Europe and Germany representing Protestant Europe (WVS). In Figure 4 we combine the WVS culture valuations<sup>17</sup> with the Hofstede data and show the outcome inside the DISC model.

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<sup>17</sup> World Values Survey, 2020, <http://www.worldvaluessurvey.org/WVSContents.jsp>



**Figure 4. The PDI positioning of countries and WVS clustering within the DISC behavioural economics frame**

The cultures of China and Russia are positioned within the collective category. India is approximately at an interim position. The other cultures tend to be more individualistic. The Power Distance is large in Russia, China and India. Within the European national cultures, only the French experience a relatively large power distance. In general, however, EU member states' citizens experience a relatively small gap between politicians and their own position in society.. In general, Leaders in EU member states often face stronger opposition to their decisions and need to explain their actions to the population in more depth. Politicians in northern Europe do not hesitate to voice their opinions on proposed solutions or decisions already taken. Proposing solutions in itself is already quite different from conveying the chosen solutions made by the leaders of more state centred societies.

If we look to this division, liberal societies will easily be seen by the inhabitants of state-centred societies as being authoritarian, competitive, arrogant, tactless and ruthless. We have to consider the fact that they see themselves, in the DISC language, to be less secure and more fearful of uncertainties. They desire, of course, to be treated as equals despite their recognition of their own higher degree of dependency and hesitancy. The trend emerges that the stronger Liberal societies exert themselves, the stronger State Centred societies will reunite and present a united front, out of a desire to maintain their pride and self-respect. The combination of strong and powerful behaviour embodied by Liberal Societies, and the relative 'lagging behind' of State Centred Societies, are the ideal circumstances for a strong leader. In essence, the only delivery required of a strong leader is the restoration of the self-respect. The self-confident behaviour of Liberal Societies does have one significant risk, in that they tend to

overlook important problems. Consequently, a strong leader of a State Centred Society only has to prove the failure of their opponent (Liberal Societies), and thus shift focus away from their own defects – a relativist display of deflective performance.

A large PDI makes strong governmental measures more feasible, e.g. total lockdown measures are considered to be a fact of life during the Covid-19 pandemic (e.g. Russia). Hence, in states with a small PDI the tendency is to lean more on societal resilience and responsibility (e.g. The Netherlands). A strong top-down (e.g. hierarchical) leadership style is incomparable with a collaborative societal culture. During a global crisis we expect a temporary increase in PDI. Controlling mass-psychology and setting out a strategy in a short period of time, requires a more top-down directive approach. This approach is further accepted in countries with a small PDI, stipulated on whether the government can lean upon political credits.

We assess that leaning towards collectivism (e.g. China), the society is expected to behave in a collaborative mindset if ordered to do so by the authorities. Stronger individualism (e.g. US) lead to behaviour where individuals tend to position and guard their own interests. During a crisis we expect collective operating states to be faster to coordinate and reach out to others than states that reflect a more individualistic culture. The latter will have to invest more time and resources in aligning its own population compared to its collectivist neighbour. Subsequently, the process of reaching out to other states will take more time. Besides the timeframe, the decision to reach out in collectivistic societies is typically taken only by the leader; comparatively, a similar effort in a liberal society it will likely require a time consuming internal discussion.

### **3.2 Uncertainty differences inside and between cultures**

The Covid-19 pandemic is synonymous with uncertainty. In dealing with the economic aftermath of the Covid-19 pandemic, more insight is required into the manner societies cope with uncertainty regarding the future. To get an impression of the extent to which members of a culture feel threatened by ambiguous or unknown situations, we examine specific countries through the lens of the Uncertainty Avoidance (UAI) framework, provided by Hofstede. If we compare the previous power difference graph with the ability to deal with uncertainties, important differences become apparent. China and India are responding spontaneously in an ad hoc fashion, and accept a less certain environment as a result. By contrast, liberal European societies are moving towards a position of reducing risks and uncertainties. Consequently, the European countries may become less flexible.

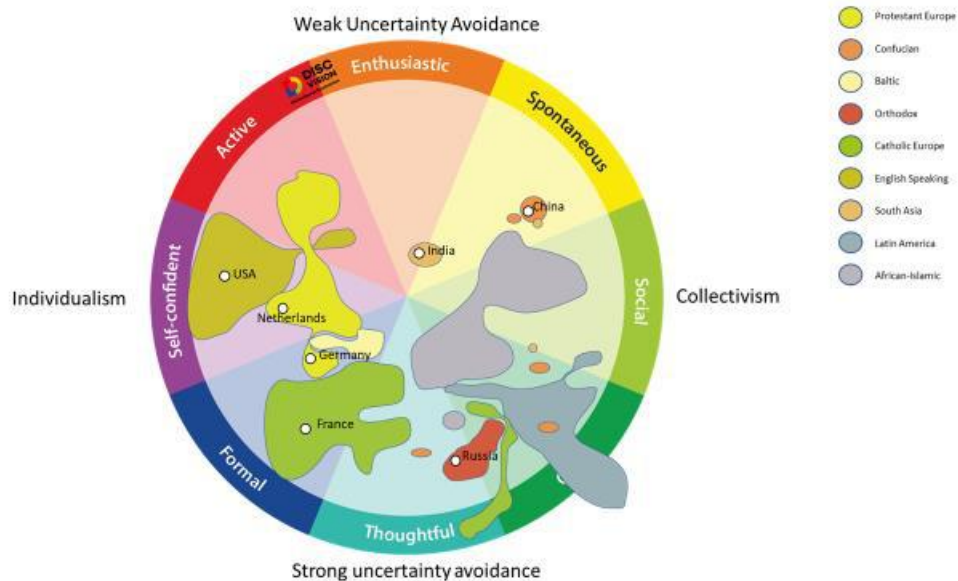


Figure 5. The UAI positioning of countries and the WVS clustering within the DISC behavioral economics frame

Having a large UAI results in less tendency toward rapid collaboration with foreign or unknown countries, or to work in adherence to long-term strategies (e.g. Russia). This aspect is exacerbated in cases of an absence of shared values with these countries. Collaboration may be possible only after a multitude of assurances are aggregately linked to topics to which the uncertainty is connected. Low UAI leads to an openness to explore easy methods to establish trust-based collaboration. During the first stages of a global crisis, the position of cultures/countries will increase in the direction of avoiding uncertainties; the countries that normally are used to a weak uncertainty avoidance will be, temporarily, more cautious than they usually are.

### 3.3 Pragmatism and Indulgence differences between cultures

Our observation is that countries with a large long term orientation (LTO; e.g. China) are better positioned to collaborate with other countries towards achieving future goals. Low LTO countries (e.g. US) can cooperate with well-known countries based upon shared traditions and beliefs. During the first stages of a crisis we expect a decrease in LTO in order to minimize the negative and direct consequences of a crisis, and to maintain trust in the social contract between the leaders and their constituents. Being confronted with an (international) crisis, the high PDI-index of a collectivistic culture overrules the normally large LTO position of the countries involved. The PDI-index is more important in times of crisis than the LTO-index is.



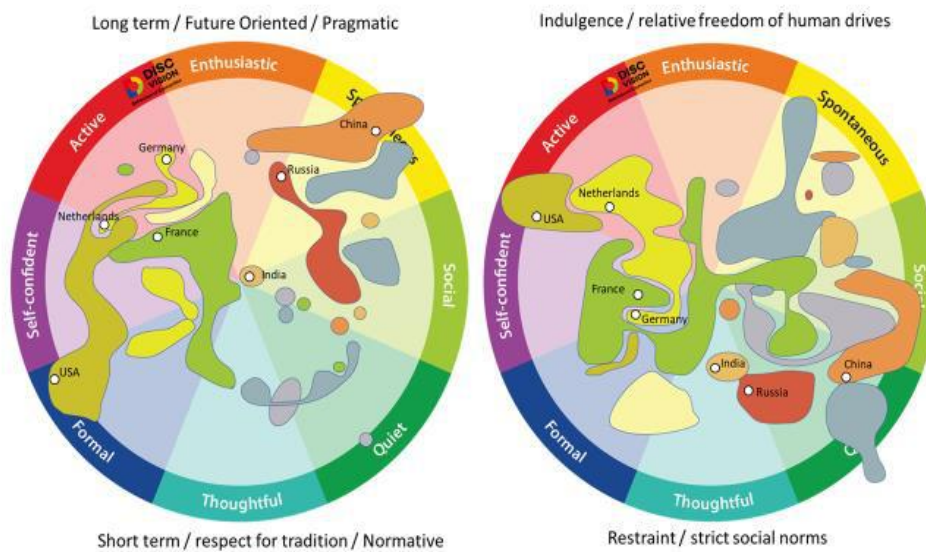


Figure 6. The LTO (left) and IVR (right) positioning of countries and the WVS clustering within the DISC behavioral economics frame

We assess that a low Indulgence vs Restraint (IVR e.g. Russia, India and China) leads to a prevalence to cooperate with likeminded countries based upon collectivism and social norms (trust). Interstate or global cooperation is therefore difficult or restricted. A decrease of IVR is expected during a crisis; a sea change focus towards survival-over-happiness takes hold. For example, Hong Kong finds itself increasingly coerced into integrating with China, and has a very high IVR. Inhabitants generally have extensive freedom of rights and very low restraints. Hong Kong is also more short term oriented, whilst China is focussed on long term planning. The high PDI is more or less the same, and reflects the daily situation we see on the ground. The polar opposite in terms of IVR, both having a large PDI, has produced the culture clashes we may witness on TV.

We have made the following observations.<sup>18</sup> These five indexes deliver some insight into the cultural profile of countries that are best positioned to lead global collaborations. The personal capacities of a leader are temporarily put aside. It is clear that the leading cultures should be considered as economically and politically powerful nations. A country that has a more central position in its PDI, and a moderate position regarding individualism and collectivism, seems to be most suited for taking on a leadership role. This profile seems to be most suitable in bridging the gap between cultural differences. If the culture and the nation is additionally experienced in active international trading history, this translates to an ability in dealing with influences abroad and is thus an

<sup>18</sup> We combined our own (HCSS) assessment and crisis management experience with the observations and indexes from Hofstede; Hofstede, G. (2011) Dimensionalizing Cultures: The Hofstede Model in Context, Online readings in Psychology and Culture.



essential asset to consider. Germany and India are culturally, on the balance of all Hofstede-indexes, well positioned to establish and maintain strong political and economic relationship abroad.

The position the United States, being on the more extreme liberal side of the IDV-spectrum, as the primary global leader has been significantly damaged by Donald Trump's unilateral style of leadership. However, the leadership position of the United States is defined by more than simply the character of the US President. A change in leadership could help restore some of its prestige and regain the trust of its European allies. In contrast to China, economic cooperation with the US private sector is different from political cooperation. The American political and cultural values are strongly individualistic, which places them at odds with many collectivist inclined societies. However, the American business culture tends to be more formal, reserved and traditional. Its strong economic potential and political versatility contribute to the United States being well suited to maintaining a strong position as a global leader, depending on its chosen course of action. Due to the deterioration in traditional ties to global organisations, notably the World Health Organisation, it could take a long time to rebuild confidence in the future.

China, on the more extreme state-centric side of the IDV-spectrum, will continue attempting to strengthen its position as a global economic and political leader. Mistakes likely made in the early days of its Covid-19 response will lead to a review of the actions taken by the government, but will certainly not lead to systemic change. On the contrary, actions that were later taken appeared logical and accepted in the Chinese and similar state centred systems. Within the Chinese system, these missteps will certainly not trigger a setback in the course and speed of its economic development. It is well positioned to maintain strong political and economic relationships with similarly collectivist and traditionalist countries. As a state-centred economic powerhouse, China will be able to portray itself as a global leader in many international economic and cultural projects. Nevertheless, the strong influence of the Chinese state in all its economic projects will arouse reciprocal suspicion amongst China's trading partners. Economic cooperation with China comes with potential consequences for the political sovereignty of the smaller trading partner. The global economic slow-down outside of China (or the US or EU for that matter) will naturally have corresponding effects within China. This will, in turn, affect the stability of the global system. Here resides the principle clue outlining a joint pathway towards the future; the stronger the moral and guild issues are put on the table, the faster that gap will widen. As it pursues political status to match its economic clout, China's cultural and political profile presents both advantages and limitations to its capacity to act as a global leader.

As a political entity that represents a wide array of countries and cultures, the European Union also has a lot of potential to assume the role of global leadership. The European Union will need to maintain its integrity as deglobalisation and political populism increasingly hinder political cooperation within and between its member states. The

power of Europe is, with Brexit and compounding internal financial difficulties, also under severe pressure. If Germany is willing to assume more responsibility, together with likeminded countries, the ability for the EU to play a credible and important role is likely to become a reality. The necessary tipping point of the European Union towards this end could hinge upon the current leadership of Germany under Angela Merkel.

## 4 Scenarios for the world post-Corona

In this section, we outline four scenarios for the world after the current Corona crisis. These are merely speculations on possible directions the world order may take. They are not intended to be predictive, but rather plausible potentials. Neither are they intended to cover the full breadth of possible developments; instead, they illustrate some key variables and their respective uncertainties. Their sole purpose here is to provide alternative futures to illustrate and gauge the possible behaviour of world leaders.

### 4.1 Scenario A: West to East Power Shift Accelerated.

In the first scenario, COVID-19 will accelerate a shift in power and influence from West to East. As a general observation, Asian countries have responded most effectively to the crisis, including China which effectively confined the pandemic after initial mistakes. The response in Europe and America has been slow and haphazard by comparison, further tarnishing the Western 'brand'. China's propaganda campaign in the wake of the Corona crisis has been successful and has given the Belt and Road Initiative new impetus, with an increasing number of eastern and southern European countries falling for its enticements. This reinforces a change that had already begun a decade earlier: a move away from US-centric globalization toward a China-centric form of globalization. Whereas the Chinese have experienced an explosion of cultural confidence and believe they can compete anywhere, the American population has lost faith in globalization and international trade. If the US' primary goal is to maintain global primacy, this development forces it to engage in a zero-sum geopolitical contest - politically and economically - with China. Alternatively, the improvement of the American living standard facilitated by this link should encourage cooperation with China. Europe may play a pivotal role in the direction the US takes in this respect.

China will be presented as a serious adversary to the United States by the present government. A downturn in economic development could reunite America's domestic populace to set aside their internal differences if they believe the US is under 'attack'. The cultural position of the US within the LTO-index is on the normative side, which implies a very strong wish to be in control and to reduce every possible risk to the United States of America. Incidents of banning the use of US technology in China and

simultaneous blocking of Chinese businesses in the US is only going to accelerate escalation on both sides even more. China will react to compensate the potential negative effects to European companies, which will only inflame the situation. The Europeans, with a low power index, will most likely not accept bullying by either side in the balance.

#### **4.2 Scenario B: The End of Globalization as We Know it.**

In the second scenario, the idea of mutually beneficial globalization which defined the early 21st century is abandoned. Conversely, globalization is reversed. In such a scenario, citizens will look to national governments to protect them, as states and firms seek to reduce future vulnerabilities and interdependencies. China's growing economic and military power has already provoked the United States to decouple China from American-sourced high technology and intellectual property. The EU is similarly following suit. The Transatlantic Partnership thus may be revitalized in a shared mission to decouple from Chinese technology and production chains. Without the imperative to protect shared gains from economic integration, the architecture of global economic governance established in the 20th century will quickly atrophy. With economic interdependencies between power blocs rapidly decreasing, it will take enormous self-discipline for political leaders not to retreat into overt geopolitical competition and sustain international cooperation on dossiers like climate change, pandemics and managing the consequences of 21st century technologies such as AI and biotechnology.

These geopolitical divisions will grow along the lines of the liberal oriented countries and state centred countries in the DISC model. However, there will be some state oriented societies that would prefer to align themselves with the liberal coalition over a Chinese led coalition of state centred societies. For many Middle Eastern, African and Latin American countries the historic and economic ties with the West would override the differences in cultural attitudes. Many countries in East Asia will have a stronger cultural affinity with China than with the West, but would prefer to cooperate with the US out of fear of Chinese regional dominance.

Within the EU, this scenario will, most likely, lead to a bolstering of internal stability. Although this ostensibly appears unlikely at the current moment, it is the most likely outcome in this scenario. However, this outcome does not stipulate all present member countries will remain within the EU. At the same time, it is most unlikely that Turkey, being a state-centred culture, will join the EU. The EU pact is predicated on German and French leadership and France will, not explicitly, accept a frontrunning position of Germany in this process. A centrist German chancellor with a broad profile like Angela Merkel would be indispensable if the EU wants to strengthen its ability to assert itself on the global stage.

#### 4.3 Scenario C: Fragmentation and Failed States.

The Corona crisis has strengthened the state and reinforced nationalism. Governments of all types have adopted emergency measures to manage the crisis, and many have retained these new powers despite alleviation of the crisis. The states that have survived the crisis, bruised but intact, claim success over those who experience a more devastating or prolonged outcome. To some, the outcome of the crisis spells a great triumph for democracy, to others of decisive, authoritarian rule. Most governments appear to have turned inwards, focusing on domestic issues rather than on what is occurring beyond their borders. This trend points toward growing selective self-sufficiency to reduce supply chain vulnerabilities; to greater opposition to large-scale immigration; and to less commitment in tackling regional and global problems. These problems (including climate change), are dismissed under the perceived imperative to dedicate resources toward rebuilding at home. This exacerbates the consequences of the significantly reduced productive capacity of the global economy. Within these shared global challenges, developing nations and others with a large share of economically vulnerable workers have suffered particularly from the recent instability. Many of those will have difficulties in recovering, with the number of weakened and failed states likely to rise in prevalence. The international system will, in turn, come under great pressure, resulting in greater instability and widespread conflict within and across countries. A global East-West divide may also contribute to the ongoing deterioration of Sino-American relations and the weakening of European integration.

From the DISC behavioural point of view, the cultures of the US, Russia, China and India are all very sensitive to fear - fear of not being in control and/or fear of dependency on others. A decreased acceptance of interdependencies will undoubtedly accelerate the internal safety systems of all global powers. There is also no doubt that this process has already started. The gearing will depend upon future developments, but the direction is not likely to be reversed. The fears of interdependency can be shown to be realistic in our current Covid-19 timeframe. A fundamental psychological barrier of thrust and stability has been damaged severely by the ongoing trade war as well as the pandemic. When looking at the European Union from a DISC behavioural perspective, it is immediately apparent that there are vast differences between the cultural attitudes of its members. Economic uncertainty and political unrest could hamstring cooperation within the European Union. Political cooperation will increasingly shift away from EU institutions towards regional coalitions with a stronger cultural affinity, such as the Visegrád Group.

#### 4.4 Scenario D: A More Stable and Cooperating World.

The initial crisis reaction towards nationalism, great-power rivalry, strategic decoupling and associated issues has given way to a slower-evolving reciprocal

countermovement. The relative success of governments in overcoming the pandemic and its economic effects has diminished security issues and polarization within societies. In the West, centrist governments are back because authoritarian or populist leadership has been no better, and frequently worse, at handling the pandemic. Furthermore, the Corona crisis once again highlighted the interconnectivity of modern societies, that nations cannot hide within their borders, and that the global infrastructure of multilateral cooperation requires renewed support, albeit with new forms of protection and capacities to manage interdependence. COVID-19 undermined the basic tenets of global manufacturing. On the other side of the pandemic, companies and governments alike have embarked on rethinking supply chains. The multistep, multi-country nature of these chains is reduced, building upon technological advances in robotics, the IoT and 3D printing, thereby answering political pressures to counter hyper-globalisation that has led to real and perceived job losses, especially in mature economies. Companies demand to know more about where their supplies come from and are more likely to trade off efficiency for redundancy and sustainability. Governments in Europe and in the US stimulate this process, incentivizing or even forcing strategic industries to maintaining domestic footprints and/or backup plans and reserves. This cuts into companies' near-term profits but renders the entire system more resilient. All these developments underpin a more relaxed geopolitical arena.

This scenario would require different countries to acknowledge the fundamental cultural differences that exist between and within societies. This is not a *"The End of History and the Last Man"* scenario as depicted by Francis Fukuyama in 1992.<sup>19</sup> The liberal societies of Europe and North America would have to accept that there are limits to the extent to which their democratic principles and values can be exported to the rest of the world. If countries are able to look beyond their cultural differences for the sake of political stability and economic prosperity, this scenario would be a possible outcome in the long term. Nonetheless, many societies have a cultural attitude that is cautious towards outside cooperation and social change. The long road towards a scenario of global cooperation and peaceful coexistence is at constant risk of potential economic, ecological or political disruptions that would expose these underlying cultural differences.

## 5 How leaders 'score' for leadership in these scenario's

A global crisis such as the Covid-19 pandemic serves as a stress test for the willingness of nations to collaborate and of the effectiveness of that collaboration. Evidently, multilateral collaboration is needed to reduce destabilizing economic effects and to prevent the next pandemic. The four scenario's show that the outcome for the global economy and political order can look very differently depending on the leadership of a

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<sup>19</sup> Fukuyama, Yoshihiro Francis, *The end of History and the Last Man* (1989)



few governments. It is therefore very valuable to study and understand the personality of key persons that will play a leading role in the development of the global economy and the international political system. The DISC-model provides a comprehensive framework for which to map out leader's personality based on a selection of their traits exhibited in their respective roles. How world leaders are likely to behave in the four scenarios of chapter 4 will stem from their leadership style, and how they are checked by the cultural values of their nations. The countries examined are China, US, EU, Germany, France, Russia and India.

### 5.1 Collaborative leadership

A collaborative leadership style is important when confronted with a global challenge such as the Corona crisis.<sup>20</sup> Leadership is important to get things done, to shape and implement collaborative agendas. To mobilize, empower and involve. The participating countries within a multilateral collaboration are independent, therefore a more hierarchical leadership style will not be effective. For a collaborative leader, the aim is to make sure that potential conflicts due to different interests, ambiguity, complexity, power, influence and (lack of) trust are being dealt with in a constructive way. This is all conducted in order to create and maintain conditions for getting the most out of diversity<sup>21</sup> - to achieve common goals instead of pursuing self-interest. Some of the key qualifications<sup>22 23</sup> that define such a collaborative style are:

- Willingness and legitimacy to overcome one's own national or organizational interests and boundaries.
- Ability and motivation to bring nations and organizations, and their leaders, together.
- Motivation to achieve common goals.
- Willingness to build, maintain and share knowledge – mutual fact finding – in support of common strategies towards those goals.
- Motivation and willingness to invest in these long-term strategies.
- Ability to accept and respect complexity and diversity.
- Willingness and legitimacy to share power.
- An ability to see the bigger picture.
- The ability and legitimacy to make timely decisions.
- Willingness to compromise and compensate for outcomes does not benefit all.

As has always been the case, the leader is an important figure to move ahead. We return to the fundamental insight of the DISC-model.<sup>24</sup>

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<sup>20</sup> Evers and Susskind, Mutual Gains Approach, 2006, Consensus Building Institute (MIT)

<sup>21</sup> Chrislip and Larson; Collaborative Leadership, 1994

<sup>22</sup> Ibarra and Hansen, Harvard Business Review, July/August 2011; <https://hbr.org/2011/07/are-you-a-collaborative-leader>

<sup>23</sup> Realin, Leadership Development in the Collaborative Era, Northeastern University, 2018

<sup>24</sup> DISCvision is cooperating with DISC Factor BV Benelux.



## 5.2 DISC and leadership styles

DISC makes use of terms to describe strong or negative correlations with the personality of a person. In the DISC Behavioural Economics figure some of the positive traits are shown. The positioning is consistent with the relative place in the DISC Behavioural Economics model and the responsibility of DISCvision.

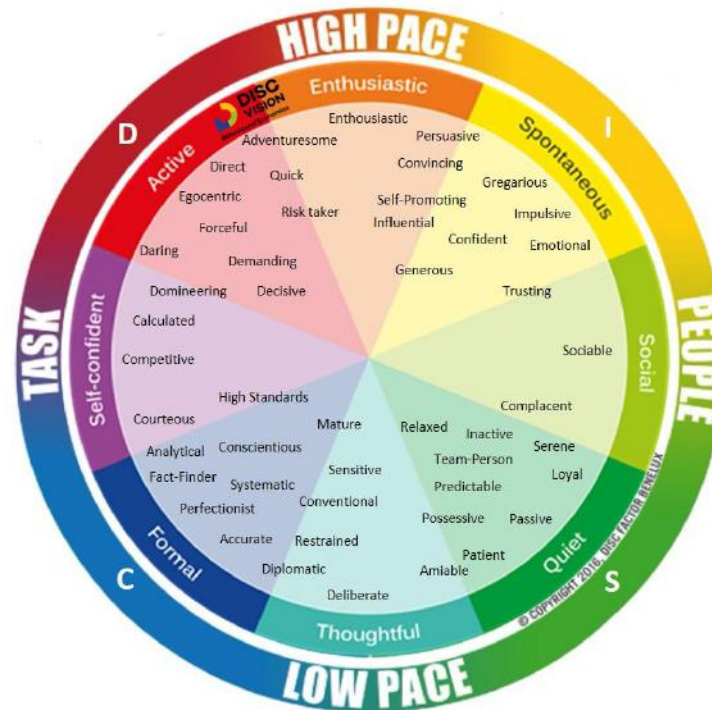


Figure 7. Positive descriptive DISC words positioned by DISCvision within a DISCvision behavioural economics frame

The D style within the DISC frame is an essential style a leader of any country will most certainly have. In conjunction with a powerful and/or trustworthy appearance, the D profile denotes the minimum combination of leadership, negotiation and decision-making skills. Preferably the leader also possesses degrees of communication skills, ability to change, conflict resolution, and creative teamwork skills. Some leaders, CEO's and national leaders will be recognized with a D profile as the most characteristic style (D, DI or DC), but others will be recognized as having either an ID or a CD style. The S style is rarely a preferent style found at this level of organisational or government positions.

A strong D style is also recognised by a degree of strong individualist behaviour. They will be forward-looking, progressive and highly competitive. A solemnly D profile will be direct, rude, forceful and unbalanced towards other leaders. D style leaders tend to have a wide range of interests, problem solving abilities, and incisiveness and criticality

if their standards are met. Because of these prominent, sometimes extreme characteristics, they need to be sensitive towards information about the feelings of other profiles provided by the people around them. They have to possess this sensory ability themselves or rely on trusted staff to translate the feelings of other people to them. Trust is immensely difficult to obtain and to preserve in such circumstances as a strong D style is typically short tempered and highly sensitive to situations where others may try to take advantage of them.

A solo D style is rarely seen in the international political field. The use of 'fear' destabilises opponents with strong C and S profiles because they seek to avoid uncertainty. The I in the profile of opponents usually ensures a positive view of the intentions of other leaders, and they tend to avoid unpleasanties in their relations with other leaders. A prolonged period of D behavior by strong leaders, backed by fear, will diminish the urge of other leaders to head toward joint feelings of being 'united'.

Therefore, it is more likely that the D style of a national leader is combined with the extrovert I-style or the more introverted C style. If the C-style is involved, the leader is more guided by perfection, fact checking, very cautious in taking actions and allergic to receiving criticism. The D provides the power and the C the 'scientific' credentials. The DC/CD combination is task oriented and not naturally sensitive to the social elements that give life to society. Within the international political negotiation framework, it is important to notice that a CD is, in general, not very flexible. They typically rule by direct power in the state centred arena.

The I-look, being spontaneous, is visible sometimes as more instrumental and staged, rather than being part of a professional personal profile. The opposite is the case with the DI/ID combination. The I provides the social sensitivity and is connected to the essence of the living culture. Having said this, the DI remains in control, but the ID style is optimistic and may make impulsive mistakes. Mistakes that can be read as simple human error, but nevertheless may complicate matters in international relation management.

The Chairman of a global diversified company with a broad scope of business and political interests will likely seek to incorporate the sensitivities of two DISC-styles, besides the eminent D. The combinations are DCI/DIC/CDI and CID. These personalities are rarer to be found at higher level politics because they are extremely sought-after in the corporate sector. The combination is more or less a guarantee that the person is not overreacting in one way or the other. Decisions taken will be set forth in prearrangements that recognise and weigh other opinions. The D in the profile guarantees that, despite heavy discussions, difficult principle decisions can be taken and implemented. These qualifications serve to keep the balance between trust and cautiousness and to ensure the right conditions are created and maintained for getting

the most out of diversity and collective action toward achieving a common purpose, ambition or goal.<sup>25</sup>

On the national political level, a combination of a D-profile with elements of the C- and I-profiles (DISC model) fits within a collaborative leadership style.

### 5.3 Expected behaviour of world leaders in these scenarios

The importance of the person of the leader of large nations and cultures is increasingly preeminent at this critical time. We therefore will try to elaborate from the DISC behavioural model an economics point of view on the combination national culture and present national leaders within the global political system.

#### 5.3.1 Donald Trump

President Donald Trump has a strong D profile with some unpleasant and unexpected I profile elements. A person with a D profile often provides limited space for compromise. This will hinder both US allies and adversaries to engage in political cooperation with the United States. It's unlikely that a Trump presidency would accept that China would overtake the United States as the most important geopolitical player. China attempts to use the situation of the Corona virus to bolster its image as a benevolent and effective global leader. Donald Trump, on the other hand, is attempting to blame the Chinese Communist Party for the Corona crisis, especially their alleged lack of transparency and incompetence in the early handling of the crisis.<sup>26</sup>

If China and the United States both take a confrontational approach it is almost certain that Trump will expand the "trade war" against China. In this instance, a D leader, Donald Trump in this case, would pressure their Asian and European allies to align their position with the United States against China. This would entail a dramatic shift from a globalized economy towards competing bipolar economic blocs led by China and the United States. A division which is visualized in the presented Hofstede/DISC behavioral figures (Figure 4, Figure 5 and Figure 6). Donald Trump would at all cost try to prevent scenario A, a West-to-East powershift, and instead steer towards scenario B, the end of globalization, or even C, resulting in a fragmented and destabilized global power landscape. In all scenarios, it would be difficult for Trump to create a stable economic coalition against China.

Leaders of many American allied countries in Europe already have rocky relationships with Donald Trump. If Trump wants to build and maintain a robust and integrated

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<sup>25</sup> Schruijer and Vasina, *Samenwerkingsrelaties over organisatiegrenzen: Theorie en praktijk*, M&O, 2007; Feyerherm, *Leadership in Collaboration*, Leadership Quarterly 1994.

<sup>26</sup> McNeil, Donald; Jacobs, Andrew: 'Blaming China for Pandemic, Trump Says U.S. Will Leave the WHO', New York Times (29 May, 2020): <https://www.nytimes.com/2020/05/29/health/virus-who.html>

economic bloc against China, the US will need to restore the confidence of its allies in America's ability and willingness to lead. If this fails, scenario C becomes the more likely outcome. In scenario B or C, Trump will encourage American firms to reallocate their investments away from China and towards the United States. With a successful negotiation of TTIP and a renegotiation of the TPP the United States could maintain a solid economic bloc. If such negotiations fail, Trump will concentrate on promoting domestic American industries through increased import tariffs and subsidies for American industries.<sup>27</sup> The outcome will rely on the ability of the Trump administration or its successor to regain the trust of its allies.

Wrapping up a more stable world scenario (D) does not cohere with the personality of Donald Trump. Trump has shown that he prefers a unilateral approach and has shown little interest in large multilateral projects such as the Paris Climate Agreement.<sup>28</sup> Trump, a strong D personality, likes disruption. If scenario B, a new global order, seems impending to the US and its businesses, this scenario will most likely be the outcome. Trump will, due to his age and maximum of one remaining term, be in a hurried position to outline the light on the horizon of disruption. The recent move to enlarge the G-7 with Russia, Australia, South-Korea and India is exactly in line with this scenario.

### 5.3.2 Narendra Modi

The profile of Narendra Modi, who will be around for some time as an important global leader, may be described as demanding, forceful, decisive, daring, persuasive, impulsive and confident. As such, Modi is most in line with a DI profile. He reaches out to the people of India and not towards the political framework. Although India is not regularly mentioned in the present division of global power, it remains a regional powerhouse with a population of 1.2 billion and a democratic political structure. Its historical and cultural ties to the United Kingdom gives it some advantage in its capacity to establish strong economic ties with the West. India is, according to the Hofstede/DISC behavioural insights a steppingstone between the more collectivistic societies and those with more individualism characteristics. India has accumulated power in several important economic areas. Within the IT industry, India is a global key player. Modi's first term was based on broad plans for economic reforms that were meant to transform the country from an agrarian economy to a major manufacturing hub.<sup>29</sup> The "Make in India" initiative, and Modi's ambition to implement risky major reforms in order to

<sup>27</sup> Moon, Emily: "The Trump Administration Will Pay Farmers \$16 Billion for its Trade War", Pacific Standard (26 July, 2019): <https://psmag.com/news/the-trump-administration-will-pay-farmers-16-billion-for-its-trade-war>

<sup>28</sup> Friedman, Lisa: "Trump Serves Notice to Quit Paris Climate Agreement", New York Times (4 November, 2019): <https://www.nytimes.com/2019/11/04/climate/trump-paris-agreement-climate.html>

<sup>29</sup> "Modi's Economic Reforms in India", Asian Economic Policy Review 14(1), (23 January, 2019): <https://www.jcer.or.jp/english/modis-economic-reforms-in-india>

achieve sustainable economic growth, show that he embodies both a strong D and I personality.<sup>30</sup>

The development of India is currently following the archetype set by China. Under the recent leadership of Narendra Modi, the government of India has taken controversial steps that have created serious concerns about the human rights of certain religious and ethnic minorities.<sup>31</sup> Such radical deviations from the status quo, combined with sectarianism and populism that is deeply rooted in Modi's BJP, resemble China's treatment of the Uighurs.<sup>32</sup> Additionally, India's enduring caste system has significant cultural impact upon the perceptions of the international community, even if officially its prominence has reduced in recent years.

As the main rival of China in the East Asia region, it is logical that Modi will look to strengthen its relationship with the United States. A leader with a strong D profile, such as Donald Trump, is primarily interested in cooperation only so far it as it benefits himself, and Trump is less concerned about human rights issues regarding Modi's government.<sup>33</sup> It is likely that India will play a more prominent role in the foreign policy of the United States, if Washington attempts to loosen its economic ties with China. If India continues to develop in the direction set forth by Modi into the foreseeable future, it will be a major force within Asia. Having said that, neither India nor Modi will have a decisive role within present changes to the global division of power. At the same time, the present restructuring is an opportunity that can be turned toward India's benefit. The recognition of this strength is clear to the US and Donald Trump in declaring that India should join the G-7, and that the G-7 is outdated in its present composition.<sup>34</sup>

India is often reluctant to join regional free trade agreements, such as the TPP or RCEP.<sup>35</sup> If the rivalry between China and the United States unfolds into a deglobalization process as depicted in scenario B, Modi would have to choose between the Chinese or American economic bloc. India mostly stayed out of the Cold War rivalry between the United States and the Soviet Union.<sup>36</sup> However, this time Modi must choose a side, as an exclusion from either economic bloc would be detrimental to his ambition to modernize the Indian economy.<sup>37</sup> The inviting move of Donald Trump will be accepted by Modi and cheered by American businesses. The growth of the Indian

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<sup>30</sup> Mir, Irshad: "Strategic Importance of 'Make in India' Campaign to Empower Indian Economy", Imperial Journal of Interdisciplinary Research 3(3), (2017): [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2941032](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2941032)

<sup>31</sup> "India: Mounting Human Rights Abuses", Human Rights Watch (14 January, 2020): <https://www.hrw.org/news/2020/01/14/india-mounting-human-rights-abuses>

<sup>32</sup> "China, India and Turkey Lead Human Rights Violations", Eurasian Times, (28 April, 2020): <https://eurasianimes.com/china-india-turkey-lead-human-rights-violations-during-covid-19-pandemic-un/>

<sup>33</sup> Ganguly, Sumit: "Why Human Rights Took a Backseat in Trump's Trip to India", The National Interest, (22 March, 2020): <https://nationalinterest.org/blog/buzz/why-human-rights-took-backseat-trumps-trip-india-134287>

<sup>34</sup> "India Plays With Fire Spicing up G7 Expansion", Global Times, (5 June, 2020): <https://www.globaltimes.cn/content/1190654.shtml>

<sup>35</sup> Oba, Mie: "The Implications of India's RCEP Withdrawal", The Diplomat, (14 November, 2019): <https://thediplomat.com/2019/11/the-implications-of-indias-rcep-withdrawal/>

<sup>36</sup> Bhagavan, Manu: "India and the Cold War", University of North Carolina Press: Chapel Hill.

<sup>37</sup> Rachman, Gideon: "India Picks a Side in the New Cold War", Financial Times, (22 June, 2020): <https://www.ft.com/content/d74d9bda-6822-4f85-9d48-a285a9effe07>



population in the US is the fastest after Mexicans, and the Indian influx is already 6% of the total foreign-born inhabitants.<sup>38</sup>

A rapid decline in global trade during the aftermath of the Corona crisis as depicted in scenario C would greatly disrupt India's development into a global industrial hub. However, Modi could present India as an alternative low-cost manufacturing hub to China.<sup>39</sup> In a fragmented world there will still be demand for cheap labour. India does not pose a threat to American global influence like China does; China is seen as the regional adversary of India, and it is through the security of India that China's global expansion is contained.<sup>40</sup>

India remains a culture between Collectivism and Individualism, and presents the same moderate level of Uncertainty Avoidance as the US. Further, India being pragmatic towards the future and the Freedom of Human Drives in other countries not being an important issue to the present US government leads to the conclusion that the majority the Indian culture will also back this movement. Within the WVS, both countries are relatively closely positioned towards each other. Great Britain, also looking for new alliances after Brexit and in the WVS close to the US, would be a convenient alliance.

### 5.3.3 Xi Jinping

Xi Jinping's broad DISC profile sets him apart from previous Chinese leaders and others within the Chinese party elite. Regardless of the scenario it is likely that Xi Jinping will remain in power for the foreseeable future, as his D/C/I profile allows him to adapt his leadership and foreign policy style depending on the situation. However, this D/C/I profile also has a clear weakness. Most Chinese people favor harmony, tradition and a stable economy.<sup>41</sup> Xi Jinping's most preferable scenario is the one in which China can expand its geopolitical influence whilst minimizing the chance for a direct military confrontation with the United States. President Xi Jinping often cites a global vision in which China takes a central position in the global economy.<sup>42</sup> Chinese lead projects such as the Belt and Road initiative and the Asian Infrastructure Investment Bank are all components of a long term plan that accepts the outcome of the 'end of globalization as we know it' (B).<sup>43</sup> This outcome is the most likely result of actions that China takes

<sup>38</sup> Zong, Jie; Batalova, Jeanne: "Indian Immigrants in the United States", Migration Policy Institute, (31 August, 2017): <https://www.migrationpolicy.org/article/indian-immigrants-united-states>

<sup>39</sup> Gonsalves, Oliver: "The Labor Market in India: Structure and Costs", India Briefing, (17 January, 2019): <https://www.india-briefing.com/news/labor-market-india-structure-costs-18264.html/>

<sup>40</sup> Rehman, Iskander: "Keeping the Dragon at Bay: India's Counter-Containment of China in Asia", Asian Security 5(2), pp. 114-143: <https://www.tandfonline.com/doi/pdf/10.1080/14799850902885114>

<sup>41</sup> Tubilewicz, Czeslaw: "Critical Issues in Contemporary China: Unity, Stability and Development", Routledge (London), (2016)

<sup>42</sup> Wong, Audrye: "China's Economic Statecraft Under Xi Jinping", Brookings Institute, (22 January, 2020): <https://www.brookings.edu/articles/chinas-economic-statecraft-under-xi-jinping/>; "Xi Jinping and China's Global Ambitions", Financial Times, (2020): <https://www.ft.com/content/08028d18-b976-11e7-9bfb-4a9c83ffa852>

<sup>43</sup> Ekman, Alice et al.: "China's Belt & Road and the World: Competing Forms of Globalization", Études de l'Ifri, Center for Asian Studies, (April 2019): [https://www.ifri.org/sites/default/files/atoms/files/ekman\\_china\\_belt\\_road\\_world\\_2019.pdf](https://www.ifri.org/sites/default/files/atoms/files/ekman_china_belt_road_world_2019.pdf)



towards the global order, as the actions of Donald Trump continue to indirectly empower Xi Jinping. The effects of Covid-19 may be a tragic supportive event to reach the goals of this plan. This focused foreign policy and expanding global ambition risks creating a rift between the Chinese leadership and the largely traditional focused Chinese population.

China's engagement in massive political and economic projects abroad also carry the risk for a Chinese imperial overstretch, in a number of ways.<sup>44</sup> Firstly, these overseas projects will have to be supported by a large force of Chinese managers and diplomats. These executive officials often have an inflexible and less culturally sensitive C/D profile within the state centered Hofstede/ DISC behavioral frame (Figure 4). They will have to gain a lot of political and cultural expertise in order to prevent these projects from creating a cultural rift between China and a wary local population in the recipient host country.<sup>45</sup> Secondly, despite China's past three decades of impressive economic growth many Chinese citizens are still relatively poor. A looming property bubble and a rapidly aging population will increasingly pressure China's economic capacity from within.<sup>46</sup> Additionally, the use of force to include 'discussed territories' with Japan, Hong Kong, South Korea, Pakistan, India and so on could trigger a global cultural defense mechanism that, once unleashed, will not be stopped easily. In that case scenario C, fragmentation, will be the outcome and China will suffer a major setback.

The Covid-19 experience will, to a certain extent, lead to the detachment of the economic dependency of the United States and the European Union from China.<sup>47</sup> If China were to be increasingly shut out from the lucrative US and EU market, it would be an even higher imperative to bolster its domestic economy and find new markets for its industries. If the West decides to decrease its economic dependency and trade on China it would imply that an important aspect of the Belt and Road Initiative will have failed. In this restructuring of global trade, China will have to adapt its export economy to this new geopolitical reality and readjust its global strategy towards trading partners in Asia, Africa and Latin America.<sup>48</sup> In the case of a more severe collapse in globalization as depicted in scenario C, the Belt and Road Initiative could be considered a total failure as China's massive investments in infrastructure would largely remain unused.

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<sup>44</sup> Belt and Road Economics: Opportunities and Risks of Transport Corridors p.104, 2019

<sup>45</sup> Yung, Justina: "Meeting the Cultural Diversity Challenges of China's "One Belt, One Road" Plan", South China Morning Post, (21 October, 2016): <https://www.scmp.com/business/article/2038657/meeting-cultural-diversity-challenges-chinas-one-belt-one-road-plan>

<sup>46</sup> Wang, Xinrui; Hui, Eddie Chi-Man; Sun, Jiuxia: "Population Aging, Mobility, and Real Estate Price: Evidence from Cities in China", MDPI, (23 July, 2018): [https://res.mdpi.com/d\\_attachment/sustainability/sustainability-10-03140/article\\_deploy/sustainability-10-03140.pdf](https://res.mdpi.com/d_attachment/sustainability/sustainability-10-03140/article_deploy/sustainability-10-03140.pdf)

<sup>47</sup> Liang, Yan: "The US, China, and the Perils of Post-COVID Decoupling", The Diplomat, (8 May, 2020): <https://thediplomat.com/2020/05/the-us-china-and-the-perils-of-post-covid-decoupling/>

<sup>48</sup> Lee, John: "US-China Economic Distancing in the Era of Great Power Rivalry and COVID-19", United States Studies Centre, (2 May, 2020): <https://www.usssc.edu.au/analysis/us-china-economic-distancing-in-the-era-of-great-power-rivalry-and-covid-19>

#### 5.3.4 Vladimir Putin

President Vladimir Putin most likely has a C/D profile. From the start of his presidency until now, Vladimir Putin has been fixated on gathering major domestic political players and oligarchs under his control.<sup>49</sup> As of 2020 Putin is still firmly in power and constitutional changes are upcoming that would allow him to circumvent a two-term limit.<sup>50</sup> Managing Russia through the Corona crisis and its aftermath will be no easy task. The Russian economy is highly dependent on high energy prices, which have plunged to all-time lows.<sup>51</sup> Yet it is unlikely that Vladimir Putin will undertake serious economic and political reforms to curb corruption and diversify the economy. Without these reforms Russia's economy will likely remain stagnant at a time when increased economic hardships have already negatively impacted Putin's popularity.<sup>52</sup> However, Hofstede's data shows that Russians have a strong tendency towards risk avoidance (Figure 5) and are used to a large power distance (Figure 4).<sup>53</sup> Regardless of the outcome of the Corona crisis for global politics, Putin and his allies will likely remain in power with little public resistance (Figure 6/IVR).

Upon first impression, the West to East power shift scenario seems to be in the direct interest of Vladimir Putin, as it would diminish the global influence of the United States and possibly the European Union. However, the benefit of this power shift from West to East for Putin and Russia should not be overstated. The largest beneficiary of this power shift remains China. A weaker United States and European Union would mean that Putin will face less international resistance for controversial domestic policies or military adventurism in Ukraine and Syria. Regardless, the economic benefit of this power shift for Russia will be very limited. Russia will be considered even more of a junior partner in its cooperation with China on matters of economy or security, and a more powerful China is likely to increasingly challenge Russia's influence in Central Asia (Figure 4, Figure 5 and Figure 6/LTO).

Some large political disturbance elsewhere, as earlier explained, would be ideal for Russia to misdirect attention away from its own defects towards the failures of an opponent. Creating disturbances elsewhere will unfortunately be the most likely contribution of the Russian regime. Putin may use a decline in Western influence as an opportunity to present Russia as an alternative to the United States and the European

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<sup>49</sup> Goldman, Marshall: "Putin and the Oligarchs", Foreign Affairs, (2004):

<https://www.foreignaffairs.com/articles/russia-fsu/2004-11-01/putin-and-oligarchs>; Foy, Henry: "The Russian Oligarchs are Gone. Long May They Prosper!", Financial Times, (2 July, 2019): <https://www.ft.com/content/8fbcf652-9c10-11e9-9c06-a4640c9fee9b>

<sup>50</sup> "Putin Proposes National Referendum on Russian Constitutional Amendments", Meduza, (15 January, 2020):

<https://meduza.io/en/news/2020/01/15/putin-proposes-national-referendum-on-russian-constitutional-amendments>

<sup>51</sup> Ambrose, Jillian: "Oil Prices Dip Below Zero as Producers Forced to Pay to Dispose of Excess", Guardian, (20 April 2020): <https://www.theguardian.com/world/2020/apr/20/oil-prices-sink-to-20-year-low-as-un-sounds-alarm-on-to-covid-19-relief-fund>

<sup>52</sup> Ellyatt, Holly: "Putin's Popularity Rating Falls to Lowest Level in Over Two Decades Amid Coronavirus Outbreak" CNBC, (6 May, 2020): <https://www.cnbc.com/2020/05/06/coronavirus-russia-putins-popularity-rating-falls-to-historic-low.html>

<sup>53</sup> "Country Comparison – Russia", Hofstede-Insights, (2020): <https://www.hofstede-insights.com/country-comparison/russia/>

Union. Putin has relatively little to lose from a more fragmented political world order and deglobalized economy. In fact, a decline of Western influence would give Putin more opportunities to expand Russia's influence in its near abroad. For the near future, Russia's energy exports will likely not be determined by a decline in European demand but rather Russia's capacity to maintain its production (Henderson, 2019).<sup>54</sup> This means that Russia will retain its primary source of income through the sale of oil and gas to European and Asian markets.

Wrapping up the position of Putin is more in dealing with a person than with a culture. Having said that, the culture and the person both could unleash seriously disruptive and potentially violent forces. Economically the country will not regain an important position on the global playing field.

### 5.3.5 Europe

France and Germany play undoubtedly a major role in the direction the European Union will move. We could discuss all the countries, but will stick to France/Emmanuel Macron and Germany/Angela Merkel. France representing Catholic Europe (WVS) and Germany representing Protestant Europe (WVS). We do feel that it will deliver a well-documented first impression of the way towards a post-corona leadership and a discussion on the scenarios.

#### *Emmanuel Macron*

France represents the Catholic European Culture. Emmanuel Macron has, most likely, an I/D profile. During the 2017 French presidential election Emmanuel Macron presented himself as a reformer that would modernize the French economy, politics and welfare state.<sup>55</sup> Macron had left the socialist party in order to establish a new centrist political party called "En Marche". In the following election, half of the candidates selected to run for En Marche were women.<sup>56</sup> Macron's eagerness for bold economic and social reforms and idealist attitude towards European integration show that for Macron the 'I' is the strongest driver. At times Macron also shifts to his D drive. Macron has a strong sense of projecting authority as a leader willing to face down challenges. This attitude made it more difficult for Macron to negotiate with the Yellow Vest protest movement in 2018. The volatility of the movement only decreased after Macron adopted a more open and accommodating position. This change in strategy shows the strength of the strong uncertainty avoidance of this culture (Figure 5). Familiar rituals of the past will not be replaced quickly by new ideas within the primarily

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<sup>54</sup> The Future of Russian Oil Production in the Short, Medium, and Long Term, 2019

<sup>55</sup> Lichfield, John: "Macron Wins a Battle, But Faces Long War Over Reforms", POLITICO, (27 January, 2020): <https://www.politico.eu/article/macron-wins-battle-faces-long-war-over-reforms/>

<sup>56</sup> Chwalisz, Claudia: "En Marche: From a Movement to a Government"

C-profile of this culture. The D aspect of Macron's personality is also reflected in his leadership style during the Corona crisis, pursuing much harsher restrictions of mobility than most other European countries. Such restrictions are also a reflection of the risk avoiding cultural position of France on the Uncertainty Avoidance Index (UAI). Neither Emmanuel Macron, nor France as a whole or French enterprises, hold any individual power in the global playing field. They are however a major player within the European Union as a whole, and by an extension an important player when citing as part of the EU collective.

Macron's political platform is based on an outward focused future for France. This long term oriented open message is strongly tied to his I profile and fits well with the culture of France. A good relationship with Germany and stronger integration of the European Union are among the core objectives of Macron's presidency. A fragmentation of the European Union as depicted in scenario C would be the least desirable outcome for Macron. Conversely, a stronger and more interconnected political order and global economy would be the preferable outcome for France. Both Macron and Merkel prefer the global political order remain intact. A stronger China would most certainly bring about some changes to this political order, but China would also benefit from political stability and a continuation of a global economy. Trump is much more willing to take a direct confrontational approach to challenge a stronger China than Merkel or Macron would be.<sup>57</sup> Strong differences in personality and leadership between Trump and European leaders such as Macron would make the creation of an western economic bloc against China as depicted in scenario b unlikely.

### *Angela Merkel*

Germany represents the Protestant European Culture. Angela Merkel has shown she has a broad C/D/I profile. Merkel is often able to adapt to very different situations. Merkel is primarily known for her reserved and cautious style of leadership. Due to the size of its population and economy, Germany is often expected to assume the role of leadership within the European Union. Yet Merkel's exercises of authority and leadership within the EU has been somewhat moderate and occasionally lacking.<sup>58</sup> This doesn't entail that Angela Merkel is risk avoidant and tends to refrain from making radical decisions. In fact, a planned moderate reaction fully fits within the Chancellor profile of DISC. Merkel's plan to completely phase out nuclear energy after the Fukushima nuclear disaster in 2011 and Merkel's "Wir schaffen das" response to the 2015 European migrant crisis were both radical in nature.<sup>59</sup> However, Merkel's radical

<sup>57</sup> Cassella, Megan: "Trump Talks Trade with Merkel, Macron", POLITICO, (27 March, 2018):

<https://www.politico.eu/article/donald-trump-trade-war-talks-china-trade-with-merkel-macron/>

<sup>58</sup> Chandler, W.M.: "European Leadership in Transition: Angela Merkel and Nicolas Sarkozy", in: Jeffrey, C; Padgett, S. (eds): "Rethinking Germany and Europe", Palgrave Macmillan, London, (2010).

<sup>59</sup> Yurdakul, Gokce; Koenitz, Hartmut: "We Can Do It! (Or Can We?) Angela Merkel's Immigration Politics", Harvard University, (24 May, 2019): <https://www.politico.eu/article/donald-trump-trade-war-talks-china-trade-with-merkel-macron/>; Harding, Luke: "Angela Merkel Switches Off Seven Nuclear Power Plants", Guardian, (15 March, 2011): <https://www.theguardian.com/world/2011/mar/15/germany-merkel-switches-nuclear-power-off>

decisions often tend to be well calculated political moves. Merkel is able to implement ideas and solutions that are associated with the I, but they are always regulated by the analytical aspect of her C profile.

A leader like Merkel is able to adapt to rapid changes in the international political order. Merkel would not resist a power shift from West towards East like Trump does. Instead Merkel would cope with this new geopolitical reality and try to steer Germany and the European Union in a more neutral position between China and the United States. It is unlikely that a leader like Merkel would be willing to compromise its important economic ties with China and the United States over political squabbles. As a major industrial power with a strong export economy to both China and the United States, Germany will be one of the biggest losers of the deglobalization process of scenario B and C.<sup>60</sup> A leader with a well calculated profile such as Angela Merkel will certainly try to prevent such risks. Under the leadership of Merkel or a likeminded successor, Germany would be one of the main proponents of economic globalization and the political integration of the European Union.<sup>61</sup> This would mean that Germany and other rich northern EU member states would have to continue to commit economically to the development of weaker European economies in southern and eastern Europe.<sup>62</sup> This is the only way to jointly act as a serious force on the global playing field. The EU could, acting jointly, try to rediscover the way towards the scenario of 'a more Stable and Cooperative World'. However, the quibbling inside the EU which is a reflection of their cultural differences, is unlikely to stop.

## 6 Final observations

In this short essay, we have looked at the anticipated behaviour of the leaders of the leading world powers in possible post-Corona scenarios. We combined the World Values Survey, Hofstede's culture framework and the DISC model to analyse their leadership styles and to examine their culture heritage. This, of course, has limited predictive value. Apart from the fact that the scenarios listed are approximations and lack real-world details, the psychological and cultural dissection of Trump, Xi and their colleagues render no exact blueprint for their acts in particular situations. For better or worse, people can act out of character, whether or not driven by extraordinary circumstances – such as in times of crisis. Even so, a given cultural bias and prevalent

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<sup>60</sup> Jung, Alexander: "The Beginning of De-Globalization", Spiegel International, (5 May, 2020): <https://www.theguardian.com/world/2011/mar/15/germany-merkel-switches-nuclear-power-off>

<sup>61</sup> Wagstyl, Stefan: "Merkel and Macron Promise to Deepen EU Integration", Financial Times, (15 May, 2017): <https://www.theguardian.com/world/2011/mar/15/germany-merkel-switches-nuclear-power-off>; "Davos: Merkel Wants Reform Rather Than a Halt to Globalisation", NewEurope, (24 January, 2019): <https://www.neweurope.eu/article/davos-merkel-wants-reform-rather-than-a-halt-to-globalisation/>

<sup>62</sup> Koukakis, Nasos: "Facing Slow to no Growth, EU's Poor Nations Plot Next Move", CNBC: <https://www.cnn.com/2016/09/09/eus-struggling-economies-meet-as-north-south-divide-widens.html>



leadership style point to a default behaviour that is likely to prevail, unless specific events or pressures lead to adjustments.

Finally, we examine the ability of our current world leaders to address the next global challenge, e.g. climate change. A global challenge in a post-corona world that requires collaboration across the board. Who will most likely be able, legitimated and motivated to take the lead?

If we look at it from a values-perspective, India and Germany are well positioned to take the lead. Both countries are on the balance of the Hofstede indexes and able to establish long-term relationships build on trust. If we focus on leadership and collaborative skills, Xi and Merkel are the most capable leaders to take the stage. But being capable does not mean that there is also a willingness, as exhibited by a reluctant Germany. Also, the acceptance of China in taking a leading role on the world stage in a global crisis cannot be taken for granted.

Looking at the post-Covid-19 scenario's, the prevalence of the global powers US and China is pointing in the direction of scenario B or C. Both scenarios' do not provide fertile ground for continued multilateralism. For the EU, scenario D is the preferred outcome. A scenario in which collaboration is a prerequisite. But is the EU able and willing to step up its game and become an intermediate and countervailing power towards the US and China? It looks as if the EU's heterogeneity is too great at this point, and its leading nations remain too committed to their national policies. On the other hand, it is too soon to predict whether the centrifugal or centripetal dynamics within the EU will prevail. India's position is unclear at this moment, while Russia is indifferent towards the scenarios and is not particularly interested in taking initiatives towards stabilization and cooperation.

Given the current situation, taking the erosion of the multilateral order into account, the prospect of enhanced global cooperation in the near future looks poor.



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