

## **From the COVID-19 Crisis to a Sustainable Economy: What progressive politics needs to do now**

**A Green House Gas by Reinhard Loske  
April 2020**

When talking to people these days who are concerned about global warming and sustainability as central challenges, I often encounter worried faces and gloomy forecasts: Once the COVID-19 pandemic has been brought under control, they fear, politicians will again do everything in their power to stimulate resource-consuming economic growth in every conceivable way. Longer-term ecological goals will once again be in danger of being undermined, just as they were following the financial crisis in 2008.

This fear is justified, and not just a figment of our imagination. Familiar media faces are popping up again to propose that we should be given a breathing space from climate policy, that the rules for air pollution control, nature and water conservation should be weakened, and even that citizens' rights to participate in environmental protest should be suspended so that the economy can quickly "re-boot" and "get buzzing" again after the crisis. As always, lobbyists and populists are at the forefront.

However, I also come across an entirely different and more hopeful attitude in green circles. Many people believe that the COVID-19 crisis, despite all the human suffering and the various restrictions it has created in our everyday lives, offers unique opportunities for promoting sustainability policy.

The argument being put forward here is that this crisis is a turning point. It divides time into a "before" and an "after". It exposes so many ecologically questionable practices that consequences must and will follow. Anyone who is paying attention can see where the disregard for natural boundaries, the acceptance of hypermobility and endless supply chains has led us: to more vulnerability and less resilience, more dependence and less robustness.

These are strong arguments. Yet it is also true that there is no automatic mechanism that will lead to more sustainable lifestyles, economic practices and technologies in the wake of the crisis. Many people may change their world view and their perspective on the looming abyss as a result of the COVID-19 upheaval, but we will not be "new" people because of it. There will continue to be self-interest and community spirit, competition and cooperation. The future task of democratic politics will be to re-balance these different orientations in the practical shaping of our social coexistence.

### **The Era of Rolling Back the State and of Deregulation is Coming to an End**

One thing is becoming evident, however: the basic political orientation will veer from its previous primary focus on the economization of ever more spheres of society, from the health system to education and climate policy. The view that fierce competition and a deeper division of labor on a global scale, together with a systematic rolling back of the state and the greatest possible deregulation, are the economic policy keys to increasing prosperity will come under increased scrutiny, much more so than after the financial crisis. It may be premature to speak of the "corona

twilight of neo-liberalism" (Ulrike Herrmann), but the crisis has certainly shaken it to its very foundations.

Yet at the same time, although politically influential advocates of neoliberalism are still holding back with public advice, this is only a temporary and tactical silence. They are aware enough to know that this is not the right time to propagate further weakening of the state's ability to act, or to endorse the idea that "there is no such thing as society, there are (only) individual men and women" (Margaret Thatcher). But behind the scenes, vigorous preparations are being carried out for the post-crisis period when society's expectations of the state may threaten to flood and possibly overwhelm it. The expectation is that battle cries claiming "the state and politics cannot do it all!" will no longer fall on deaf ears.

In any case, it is realistic to assume that during this crisis, and even more so afterwards, there will be a struggle to interpret and find viable ways to overcome it. Those who fight for sustainability, ecology and global justice must be part of this struggle, armed with good arguments, good conceptual frameworks and good enforcement strategies.

### **In Future, Sustainability Policy Must be Characterized by Evidence-based and Consistent Action**

Looking at the ongoing COVID-19 crisis and the fight against it from an ecological perspective, the speed with which the political system, and in turn the natural system, has reacted is particularly striking. As recently as February, achieving Germany's climate target for 2020 (a reduction of 40 percent in CO<sub>2</sub> emissions compared to 1990) seemed completely impossible, but now the COVID-19 crisis has made it likely that this target will even be exceeded. According to the Federal German Environment Agency UBA, it could reach 45 percent by the end of the year. Above Wuhan, the epicenter of the crisis in China, short term nitrogen oxide concentrations in the air have fallen so drastically that the effect was clearly visible in NASA satellite images. And in tourist-free Venice, the water in the city's canals is clearer than it has been in a long time.

Certainly, all these effects are not the result of environmental policy action, but side effects of virus control with a high level of intervention. The measures are not sustainable in the true sense of the word. It would also be foolish to see the principle of "environmental protection through collective shutdown" as a real solution. In the end, this would be grist to the mill of those who want to make us believe that we have to choose between the ecology and the economy, nature conservation and economic vigour. Both at the same time, so the false argument goes, are simply not possible.

Nevertheless, there is indeed a fundamental lesson to be learned from the accompanying phenomena of this shutdown. Nature reacts very quickly and generously when excessive human pressure is taken away from it. This too can give hope.

Many ecologically-minded people are therefore wondering why it is possible to combat the COVID-19 pandemic in a way that has not been done in the case of much more threatening problems such as global warming or the destruction of biological diversity, namely by taking consistent action. On the contrary, even the most minimal recommendations for the protection of the climate and nature are often discussed in Germany as if they were directly paving the way to an eco-dictatorship, whether it be a 120 km speed limit on motorways, or minimal eco-taxes, or going without meat for one day a week. Much of this cultural struggle around the "German way of life" now seems grotesque.

## **Political Courage is Not Punished in an Emergency, But Rewarded**

Another myth has also now been debunked, namely the assertion that politics is punished when it confronts people with uncomfortable facts and bases its actions on those facts. As recently as September of last year, when Chancellor Merkel presented the German government's (anyway totally insufficient) climate package, the memorable phrase was uttered that politics is just what is possible at any given time. Less than six months later, in the middle of the COVID-19 crisis, the same federal government is now pursuing a scientifically based policy of unsparing truths, restrictions and impositions - and 95 percent of the public approve, or even demand tougher measures (ZDF Politbarometer of 27 March).

There are of course good reasons why fundamental restrictions are more readily accepted in the COVID-19 crisis than in the fight against the climate crisis: the fear of lethal viruses is apparently much greater than the fear of global warming and species loss, the consequences of which are more insidious and long-term. Lobbying on all fronts against taking decisive action on long-term problems such as climate change also has an easier time of it: from sowing scientific doubt to propagating economic decline scenarios to mobilizing populist counterforces.

Nevertheless, it remains striking that in the case of the COVID-19 pandemic, action is consistent, whereas in the case of climate change it is inconsistent, even though scientific evidence is very compelling in both cases and surveys show similar approval ratings for preventive climate protection as for the rigorous fight against the pandemic. The only conclusion that can be drawn from this is that the timidity of government action on climate policy was and is primarily the result of too much consideration being given to powerful and unsustainable interests, especially industrial interests.

The lesson to be learned from the COVID-19 crisis is therefore that climate policy must in future also be carried out on the basis of evidence and should resurrect a supposedly old-fashioned virtue in the face of vested interests, namely political courage, which includes the ability to be steadfast in the face of opposition. Imposing restrictions that are comprehensible and well-founded is not risk-free for political decision-makers, but it is accepted by many more people than is assumed or prescribed in the political mainstream.

Of course, normative conclusions and political decisions cannot directly be drawn from scientific facts. Politics in democratic systems is about public discourse, conflict management, balancing interests, civic engagement. So this is not about replacing democracy by expertocracy. It is about taking scientific knowledge seriously.

## **Pandemic Control and Sustainability Require a New Intergenerational Contract: The Young and Old Depend on Each Other**

A policy of sustainability therefore needs courage. The current debate on intergenerational justice and mutual respect is certainly helpful in this respect. What we are experiencing in the COVID-19 crisis is indeed an interesting reversal of the public discourse on intergenerational considerations: if the climate debate is characterized by encouraging older people, and especially "baby boomers", to take into account the interests, indeed the survival of young people and future generations, the COVID-19 debate is about the exact opposite: young people accepting restrictions so as not to endanger older people through an uncontrolled spread of the virus.

So far - as of mid-April - we can say with some confidence that "Generation Greta" is doing its duty. They are staying at home, they are offering assistance, and they are sticking to the rules. You hardly ever hear derogatory remarks about the elderly; on the contrary, such remarks are greatly frowned upon. When they are heard, however, they are quickly drowned out by offers of help, on small and large scales.

All this should and will have consequences for politics. In the past, which is not untypical for ageing societies, policies have been very much geared towards the perceived interests of older people, which often revolve around present-day issues of security, from pension security to public safety and border security. These interests are legitimate, but they have often marginalized important future-facing issues such as climate protection, sustainability, education and digitalization.

It will be necessary to readjust society's intergenerational contract after the crisis and to give such future-facing issues the weight they deserve. From the transformation of energy systems to transport to agriculture, from digital strategies to research funding to education funding, the EU, the Federal German Government, state governments and local authorities now have the opportunity to integrate sustainability systematically and ambitiously into all policy areas.

The window of opportunity is now wide open. Ursula von der Leyen's EU "Green Deal" must be implemented quickly and must be even better funded. The planned economic stimulus packages and recovery programs must turn into "green stimulus" packages and "green recovery programs" that promote real structural change towards sustainability and do not artificially keep old ways alive. Absurdities such as "scrappage schemes" for fully functional cars or pointless road construction programs, which still characterized the German government's economic stimulus package after the financial crisis, must be abandoned.

### **Sustainable Economic Policy after the COVID-19 Crisis: Selective De-Globalization, Regionalization of Value Creation and Resilience as New Guiding Principles**

In large parts of the climate movement, "the economy" has so far been seen as a "black box", as the "other", even as anti-social. In the light of the actual experience of dealing with many industrial groups and trade associations, this attitude may be understandable. But it does not make sense. As a society we cannot afford it. The economy is too important for the supply of the necessities of life and the functioning of our communities. But it is also clear that the economy will and must change. The more people are able to see the economy as an agent that requires public spirit, the better it will be for everyone, including most companies themselves.

The way we talk about business and pluralistic economic styles in the future will have to change. Above all, the teaching of economics, which today is often characterized by the unrealistic and dogmatic idealization of self-interest and competition, will have to be turned on its head.

Many assumptions of prevailing mainstream economics are equally fundamentally challenged by the COVID-19 pandemic and global warming. These include not only the widespread ignorance of planetary boundaries and the invocation of individual utility maximization as the highest form of rational choice, but also the assumption that an ever deeper international division of labor, with ever larger companies and ever longer and more complex supply chains, is good for everyone.

The fact that there are not only "economies of scale" but also "diseconomies of scale" has long been firmly established in socio-ecological debates. Unfair and ecologically harmful global economic structures which disadvantage the southern hemisphere are criticized just as intensively as excessive traffic flows in the sky and on the world's oceans. When transport costs for container vessels and cargo planes are kept artificially low by not internalizing external costs to the environment, this directly subsidizes unsustainable trade.

In its own way, the COVID-19 crisis has now made clear how vulnerable states are when necessities have to be obtained from distant sources or from monopolies, or when they run out altogether. In the USA, the President has already activated the Defense Production Act to force automobile companies to produce much needed ventilators for COVID-19 patients.

To reduce vulnerability and avoid abrupt disruptions of supply chains, and to thereby increase the robustness ("resilience") of the overall system, selective de-globalization and targeted re-regionalization will be important building blocks of an economy of sustainability in the future. It will not be possible to achieve this purely by striving for autarchy and self-sufficiency, but rather by increasing autonomy, i.e. shifting the weight from external supply to local and regional supply. This too has practical consequences for many policy areas: Regional agriculture needs to be strengthened, urban-rural cooperation improved, the use of motorways as rolling stock for just-in-time production in factories reduced; economic development needs to be geared to increasing intra-regional production interdependencies and the circular economy, and banking geared to supporting decentralized value creation strategies.

### **What Seemed Impossible Yesterday May be Here Tomorrow: Global Responsibility in the Post-COVID-19 World Order**

From the perspective of sustainability and global justice, it is also impossible to justify a strategy of permanent isolation from increasing global problems such as pandemics and climate extremes. The current focus on the national, which may perhaps have a temporary rationale in combating the COVID-19 crisis, should not become the new standard. On the contrary, the world of states needs more cooperation and better international agreements.

Apart from the fact that dealing with global problems virtually forces nations into multilateral cooperation, it would be a gloomy prospect, especially for the countries of the southern hemisphere, if the industrialized countries were now to rely on isolation, self-sufficiency and exclusion. In the so-called developing countries, the proportion of those who are particularly vulnerable to climate change, pandemics and other disasters is very high. The poor suffer most.

The problems of the world, to which the industrialized countries have contributed disproportionately through colonialism, unjust world economic relations and geopolitical egoism, cannot be kept at bay by high border fences, certainly not in the long term. The refugee crisis on the EU's external border in Greece, which has currently been forgotten by the media, shows this very clearly. The problem will not simply disappear if we look away.

So, as ecologically sensible as it is to reverse the deepening of the global division of labor, which is too extreme in many places, it is at the same time necessary to stick to the goal of creating fair and sustainable world trade structures. Here, too, after hopefully overcoming the COVID-19 crisis quickly,

politicians will be faced with an overabundant list of tasks, from implementing the Paris climate agreement to a fair and sustainable system of support for global biodiversity, from an effective supply chain law to a "Marshall Plan for Africa", from fair trade agreements to the protection of sustainable domestic economies from imported products based on eco-dumping. Implementing the "UN Sustainable Development Goals" from 2015 should be the top priority for international policy.

**An Important Crisis Lesson for Sustainability: Modern Economies need to Strike a Balance between Care Work and Industrial Production, and between Unpaid and paid Work!**

The greatest resource for a conceptual framework for a sustainable future could be the immediate experience of the crisis itself, both in the negative and positive senses. This certainly includes the experience of fear for one's loved ones and one's own life, for one's workplace or business, because fear is known to be a very strong driving force. But also, and perhaps even more importantly, it includes the experience of togetherness, community spirit and affection, as well as the involuntary experience of sudden "time wealth" and restrictions on consumption and mobility.

One of the positive aspects of the last few days and weeks has been how much appreciation has grown for those who keep society going through their work, whether in hospitals, nursing homes or supermarkets, on public transport, in the water supply system or in waste collection. Until recently, their work was hardly noticed, but now there is talk of "everyday heroes" everywhere. Above all, the role of care work, which is mainly performed by women and the underprivileged sectors of society, is now coming to the fore. One can only hope that warm sentiments will soon translate into higher salaries for the "heroines", and that inversely salaries on management levels will be lowered to a healthy level.

At the same time, the COVID-19 crisis makes it clear that personal work, family work and voluntary work are positive experiences for many people, because they counteract the alienation of individuals from themselves and their environment and strengthen social relationships. However, it is also true that some people struggle with the novelty of unstructured time, forced sedentariness and involuntary limits to consumerism, which is sadly evidenced by the increase in domestic violence we are currently witnessing.

Overall, however, it can be said with a high degree of certainty that both types of care work, paid and unpaid, are also of great importance for sustainability strategies. Above all, they remove commercial growth pressure from the economic system. Shorter working hours and basic income elements can help to increase time sovereignty and thus create the conditions for a healthy balance between working hours and personal time. The crisis also makes it clear that meaningful and satisfying work can release vast reserves of energy when it counts.

**The Future is Open: Let's Talk About It!**

In these highly volatile times, it is impossible to make reliable forecasts about the future. This also applies to the challenge of socio-ecological transformation that we as a society are facing even after the COVID-19 crisis. A great many questions remain open: No one can know for sure whether the experience of forced sufficiency will lead people in the future to throw off superfluous ballast or instead to a new wave of consumerism; whether the new familiarity with the digital world, which more and more people are hooking up to in home offices and through video conferences, will lead to

less traffic or to a new hypermobility; whether the sense of community reactivated by the COVID-19 crisis will be a permanent or a temporary phenomenon.

Precisely because so much is open, the promotion of sustainability requires not only the political will to act and an economy ready for transformation, but also and especially an alert civil society. What is needed are spaces for discourse and real-world laboratories in schools and universities, businesses and public authorities, NGOs and charities, in which formats for a sustainable and just re-shaping of society can be developed and, above all, put into practice together.

In the future, it will be important to look more closely for "third ways" beyond the state and the market. For as much as it is necessary to push back the neo-liberal *zeitgeist* of an all-encompassing economization, it would be inappropriate to put all our trust in the "strong state". As history teaches us, the state also has a tendency to encroach on the public sphere, which is exemplified by the current breaking down of barriers to data protection.

Once the COVID-19 crisis with its daunting challenges has been overcome, neither blind faith in the market nor exaggerated trust in the possibilities of social control should become the main feature of the socio-ecological transformation, but rather our capacity for reflective, responsible and collective social and political decision-making. We must talk!

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