

How do we build from the current corona crisis towards a more sustainable future?

If someone had telephoned in January and described the situation in which we now find ourselves, a chuckle and swift hanging up would have followed. The months since the beginning of 2020 have seen states, industries and communities adapt in ways people could not have foreseen. Firms are talking about how long it will take them to get output back to pre-COVID levels.¹ Returning to a pre-COVID normal should not be anyone's aim.

Balancing economic recovery with an unashamed focus on economic, social and environmental wellbeing is crucial. Commentary on this subject is now manifest, although practical steps are lacking. This essay offers two perspectives, focused on public utilities such as energy and water. The first is a top-down approach. Led by government, future stimulus can act as a catalyst for clean energy provisions such as reducing labour market inefficiencies in favour of productive, sustainable jobs. Second, and most crucially, is a population-centric model which takes lessons learned from the pandemic to pivot community engagement to improving sustainability. These two fronts have the potential to advance the green agenda by decades.

Twisting the Arm of Business

Stimulus programmes offer significant opportunity. To date, Chancellor Rishi Sunak has announced more than £65 billion of emergency stimulus measures.² The government is funding six million private sector workers through its furlough scheme with firms of all sizes receiving financial support. Such figures dwarf state investment in the low carbon and renewable energy sector. British investment in green initiatives was £7 billion in 2018, down from a peak of £18.5 billion in 2015.³ Therein lies the opportunity. The government must attach sustainable conditions to future payments to all type of companies. The World Bank

¹ Jasper Jolly, 'Airlines may not recover from Covid-19 crisis for five years, says Airbus', *The Guardian*, 29 April 2020, <https://www.theguardian.com/business/2020/apr/29/airlines-may-not-recover-from-covid-19-crisis-for-five-years-says-airbus>, (accessed on 29 April 2020).

² Alex Morales, Lucy Meakin, Andrew Atkinson, 'U.K. Virus Aid Package Beats Financial Crisis Stimulus', *Bloomberg*, 26 March 2020, <https://www.bloomberg.com/news/articles/2020-03-26/u-k-s-sunak-pledges-coronavirus-support-for-self-employed>, (accessed on 5 May 2020).

³ Frankfurt School-UNEP Centre, 'Global Trends in Renewable Energy Investment', *Frankfurt School-UNEP Centre*, 2019, <https://wedocs.unep.org/bitstream/handle/20.500.11822/29752/GTR2019.pdf>, p.56, (accessed on 5 May 2020).

has produced a *Sustainability Checklist* by which to assess stimulus proposals.⁴ Topics covered include decarbonisation, water pollution and energy security. Policymakers should look to employ this question set going forward.

Denmark and Poland have already made progress on this front. Both nations have attached mandatory stipulations to their compensation payments. Companies registered in tax havens are unable to claim on the scheme.⁵ Attaching environmental stipulations could further improve outcomes. Frans Timmermans, who is leading the EU's Green Deal initiative, said, "Every euro we invest must flow into a new economy rather than old structures".⁶ Companies that have focused on sustainability in their business models have weathered the recent economic turmoil better than others who did not.⁷ These firms have seen less disruption in terms of supply chain and energy provision. A green pivot might be pressed on the business sector in this way. Polluting industries should not be left to collapse, but support should be conditional on enhanced green timelines. Legal requirements to decarbonise and reduce water pollution, tied to robust measurement and financial penalties, should be introduced. Alongside, policymakers must funnel funds towards those areas with the most long-term growth potential, such as renewable energy. In a subdued economy, such decisions can make outsized gains in the future. Equally, existing government investments might also be investigated. In light of future reduced traffic levels, the president of the AA has already suggested that the government's £28 billion road expansion might be better spent on improving broadband.⁸ A principal representative of drivers' rights, this is a significant development and a sign of momentum in a sustainable direction. Improvements

⁴ World Bank, 'Proposed Sustainability Checklist for Assessing Economic Recovery Interventions', April 2020, <http://pubdocs.worldbank.org/en/223671586803837686/Sustainability-Checklist-for-Assessing-Economic-Recovery-Investments-April-2020.pdf>, (accessed on 4 May 2020).

⁵ Bill Bostock, 'Denmark and Poland are refusing to bail out companies registered in offshore tax havens', *Business Insider*, 20 April 2020, <https://www.businessinsider.com/coronavirus-companies-tax-havens-banned-denmark-poland-bailout-2020-4?r=US&IR=T>, (accessed on 5 May 2020).

⁶ Florence Schulz, 'Timmermans promises green recovery to EU lawmakers', *Euractiv*, 22 April 2020, <https://www.euractiv.com/section/energy-environment/news/timmermans-promises-green-recovery-to-eu-lawmakers/>, (accessed on 6 May 2020).

⁷ Nicholette MacDonald-Brown and Scott MacLennan, 'How have sustainable companies performed during the Covid-19 crisis?', *Schroders*, 4 May 2020, <https://www.schroders.com/en/insights/economics/how-have-sustainable-companies-performed-during-the-covid-19-crisis/>, (accessed on 4 May 2020).

⁸ Roger Harrabin, 'Coronavirus will transform UK work and travel, says AA', *BBC News*, 3 April 2020, <https://www.bbc.co.uk/news/science-environment-52137968>, (accessed on 6 May 2020).

in communications infrastructure would enable more productive home working and reduce demand for energy-intensive air and ground travel. This policy will help embed lessons learned from the pandemic.

Legislators should renew lapsed subsidy schemes and open new industries to government-backed auctions from which sectors like offshore wind benefit. Fossil fuel demand has collapsed during the pandemic, and commentaries have shown that renewable energy has been resilient enough to maintain power supplies. As the economic impact of growing populations and a more urbanised and industrial reality develops, power disruption will only grow. Despite a government desire for market-driven competition in the green sector, this is not yet the case. The complexity of major green projects is still high. The UK has also been found to have the highest fossil fuel subsidies in Europe. It outweighs that spent on renewables. In 2019, the European Commission identified £10.5 billion of subsidies for fossil fuels in the UK. Instead of a formal subsidy which would attract more scrutiny, this figure focuses on the 5% VAT rate levied on fuel which contrasts with the standard 20% rate. Partnerships between government and business also have the potential to improve our approach to a sustainable future. May 2019 saw the European Union and Breakthrough Energy Ventures create a fund to support clean energy investments. The initial fund was only €100 million, a tiny fraction of any of the stimulus measures currently being rolled out across the country. The partnerships look to support capital-intensive startup energy firms make fast progress which would be impossible otherwise. Britain can follow suit.

This idea can be extended when considering future job losses. It is unlikely that the furloughed workers mentioned above will return to their jobs. Blanchflower and Bell "estimate that unemployment will rise by around 5 million workers from 1.34 million to over 6 million by the end of May".⁹ This number could rise further depending on the progress made in subduing the virus. This is an individual tragedy, and hardship will be widespread. However, it presents another opportunity for the government to turn the economy in a more sustainable and resilient direction. In taking up the slack in the labour market, construction firms, local authorities and renewable energy providers should receive subsidies and tax

⁹ David Blanchflower and David Bell, 'US and UK Labour Markets Before and During the Covid-19 Crash', *National Institute Economic Review*, No. 252 May 2020, p.65.

breaks. Reducing labour market inefficiencies is a rare opportunity. The *Institute for Fiscal Studies* suggests using the end of the government furlough scheme to provide better information to match people to jobs which add long term value. It proposes "providing platforms for job posting and matching in specific sectors".¹⁰ The natural extension of this idea in this forum is to make efforts to resource employment in the clean energy and utility sectors. The government might look to link universal credit and unemployment benefits to job seeking in green industries. Incentivising Job Centres and recruiters to move people from low paying, precarious sectors into the green sector is possible. Supported by legislation requiring all firms and local authorities to improve their sustainable credentials, this has the potential for significant long-term enhancements in employment and output.

Energy efficiency improvements offer another avenue for surplus workers. Efficiency must be a central pillar of the government stimulus programme; every payment should have a green output. Arguably, a trick has already been missed here as payments have begun. Most British buildings were built before the 1990s and any energy efficiency requirements. Improving energy efficiency is labour-intensive. In a world of technology and automation, this is often considered a negative point. This should not be the case. It is accepted that "energy efficiency is by far the cheapest way of reducing our emissions."¹¹ For all the benefits of consultancies, support must be directed at firms that physically add value in this domain, installing rain collection systems, solar panels and battery storage. Improvements in the energy efficiency of users reduce the burden on an already strained transmission and distribution infrastructure. Chances are already slipping by. The government's Priority School Building Programme is spending £4.4 billion on refurbishing over 500 schools. The scheme is concluding, and only a handful of the schools have had any sustainable

¹⁰ Monica Costa Dias, Christine Farquharson, Rachel Griffith, Robert Joyce, Peter Levell, 'Getting people back to work', *Institute for Fiscal Studies*, May 2020, https://www.ifs.org.uk/uploads/Final-BN286-Getting-people-back-to-work-final-for-website_.pdf, (accessed on 6 May 2020).

¹¹ Lord Deben, ' Oral evidence: Energy Efficiency, HC 1730', *Business, Energy and Industrial Strategy Committee*, 29 March 2019, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/business-energy-and-industrial-strategy-committee/energy-efficiency/oral/98741.pdf>, (accessed on 30 April 2020).

infrastructure such as rainwater collection systems or solar technology included.¹² A government partnership, such as that discussed above, can steer decision-making in a more positive direction. This section has discussed government-led initiatives. Conditional stimulus payments, reducing labour market inefficiencies, and creating clean energy partnerships will help build from the current crisis towards a more sustainable future. This is only half the story.

Trust the People

Most public commentary concerns the subject tackled above, that of government intervention. The second part of this essay looks to offer a complementary, society-centric model. This looks to seize upon current momentum amongst the population. The pandemic has galvanised regions and communities in a way not experienced in a generation. Unfortunately, it has taken an imminent national emergency to stimulate such action. This is a natural human foible. Watkins and Bazerman call it "failures of mobilisation."¹³ Despite adequate warning and indications, governments, businesses and individuals live in the present. If events are not directly affecting us, we ignore them. Harford notes that comprehending the imminent threat of an abstract spectre like climate change is difficult for humans. He writes that in the case of COVID-19, "The step between recognising the problem and taking action was simply too great".¹⁴ That step has now been taken, and another must be encouraged in the name of sustainability. Climate catastrophes from flooding, rising sea levels and increasing temperatures will be commonplace. The World Health Organisation already attributes 150,000 deaths a year to climate change.¹⁵ Embedding this in the public consciousness is crucial. There are several practical ways to do this which couple the urgency of COVID-19 behavioural responses to the threat of climate change.

¹² Liz Lightfoot, 'Renewables barely feature in building programme for 500 schools', *The Guardian*, 18 February 2020, <https://www.theguardian.com/education/2020/feb/18/renewables-barely-feature-building-programme-schools-solar-panels>, (accessed on 5 May 2020).

¹³ Michael Watkins and Max Bazerman, 'Predictable Surprises: The Disasters You Should Have Seen Coming', *Harvard Business Review*, 1 March 2003, p.75.

¹⁴ Tim Harford, 'Why we fail to prepare for disasters', *Financial Times*, 16 April 2020, <https://www.ft.com/content/74e5f04a-7df1-11ea-82f6-150830b3b99a>, (accessed on 5 May 2020).

¹⁵ Health and Environment Linkages Initiative, 'Climate Change', *World Health Organisation*, Policy Brief, <https://www.who.int/heli/risks/climate/climatechange/en/>, (accessed on 5 May 2020)>

There is a close link between the climate emergency and COVID-19. The proximity of humans and animals raises the probability of a zoonotic virus such as COVID-19 making its way into the human ecosystem. Energy and water supplies are far more precarious than many people realise and have been strained by disruption to supply chains and workforces. The flexibility of renewable energy has bailed out nations as fossil fuel provision has been interrupted.¹⁶

One way to encourage engagement is appealing to people's sense of individuality. Many industries have already made progress here. Restaurants, taxi companies and car manufacturers are all working to offer personalised service to their customers.¹⁷ People do not yet have this relationship with energy and public utilities. It is a mostly transactional relationship – use the resource, pay for it, and nothing more. Some progress is evident. Firms have created applications "that allow customers to control energy usage...receive alerts if bills are higher than expected, and receive outage and service restoration alerts."¹⁸ This idea can be taken a step further. Research demonstrates "that when people are informed about the average energy consumption of their neighbours, they tend to adjust their own energy use to conform to the group norm".¹⁹ Interactivity should make energy engagement part of everyday life. Water provision is particularly relevant here. The value of water, something that most people in Britain do not give a second thought to, has grown with the threat of COVID-19. Increased handwashing and time at home have increased domestic consumption. Charities like *Waterwise* offer advice for improving water efficiency at home. Measures include reusing cooking water for plants and using a watering can instead of a

¹⁶ Jillian Ambrose, 'Covid-19 crisis will wipe out demand for fossil fuels, says IEA', *The Guardian*, 30 April 2020, <https://www.theguardian.com/business/2020/apr/30/covid-19-crisis-demand-fossil-fuels-iea-renewable-electricity>, (accessed on 6 May 2020).

¹⁷ Deloitte, 'Made-to-order: The rise of mass personalisation', *Deloitte*, 2015, <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consumer-business/deloitte-uk-consumer-review-mass-personalisation.pdf>, (accessed on 5 May 2020).

¹⁸ Power Technology, 'Innovation and customer focus are key if utilities are to retain clients', *Power Technology*, 25 April 2019, <https://www.power-technology.com/comment/future-of-utilities/>, (accessed by 30 April 2020).

¹⁹ Sander van der Linden, Edward Maibach, and Anthony Leiserowitz, 'Improving Public Engagement With Climate Change: Five "Best Practice" Insights From Psychological Science', *Perspectives on Psychological Science* 2015, Vol. 10(6) 758–763, p.760

hose in the garden. Drawing a golden thread from COVID-19 to environmental concerns is coherent and should be utilised. Youth empowerment can help this transition.

The UK's young people are currently sitting at their kitchen tables; their schools and universities are closed for the foreseeable future. An event rarely has an impact on an entire age demographic. Impact on exams, university entry and separation from friends is a genuine concern for millions of people. These will also be the next group to influence policy as they begin to vote and engage politically. It is therefore vital that they are engaged in the pivot. The last few months have seen countless people run 5km in support of the NHS, and people climb the height of Everest on their stairs. One centenarian raised over £30 million for the health service and became a national hero. Captain Tom and countless others have precipitated a joint effort with a collective aim few could have predicted. These developments have been driven through social media. The boost in the popularity of applications like TikTok shows the potential of the platform. The 'run 5km, donate £5, nominate five people' initiative spread principally through Instagram. Power on social media does not lie with traditional figureheads. Boris Johnson has 2.7 million Twitter followers while 23-year old TikTok personality Holly H has 16 million on that platform. Fatih Birol, the head of the *International Energy Agency*, has 32 thousand Twitter followers yet Joe Wicks – who provided viral PE lessons for children stuck at home – has a reach of 3.7 million people on Instagram. People buy into these people's lives and advice. How they produce content "imbues influencers with an air of authenticity that is rarely seen in semicommercial spaces".²⁰ The prevalence of videos circulating demonstrates the power to change the conversation. Bill Gates' 2015 TED talk on a possible pandemic has garnered over 50 million views. The number of people who could name Environment Secretary George Eustice in a line up is laughable. However, he is the person who leads the UK's green strategy. Greta Thunberg is perhaps one of the few people to bring mass engagement to the cause, but COVID-19 has provided a distraction from her messaging. Policymakers should take advantage of this reality "by employing influencers as respected and valued

²⁰ Paris Martineau, 'The WIRED Guide to Influencers', *WIRED*, 12 June 2019, <https://www.wired.com/story/what-is-an-influencer/>, (accessed on 21 May 2020).

intermediaries within social media for a long-term sustainable change".²¹ There will no doubt be frictions. Influencers are unlikely to want to be an extension of the state. However, intermediaries like think tanks and charities are a possible means.

This piece has demonstrated that appeals to pure reason have struggled in the fight for climate awareness and behavioural change. Employment of modern marketing thinking is an avenue with much promise. Social media influence can encourage people to switch energy tariffs to one more focused on renewables or limit their water consumption.

Hamilton writes "the task of achieving true sustainability, and especially avoiding climate disruption, is no longer predominantly a scientific or technological one, but a cultural and social one."²² He is likely underestimating the utility of scientific progress but hits the mark on the cultural opportunities. While there are many paths to progress from this consumer-centric model, it is not enough on its own. It must be coupled with the actions of powerful state instruments which can force the hands of industries and sectors.

Opportunity is Rife

This piece has provided a survey of measures that might allow a pivot to a more sustainable future. A rare fork in the road has presented itself. Polling suggests that two-thirds of Britons believe climate change is as severe as COVID-19.²³ The first part stated the need to focus on a clean-focused stimulus. Employing criteria to decide where funds go is a way to catalyse progress in green projects. This top-down approach can couple with a bottom-up approach. Monopolising upon the urgency created by COVID-19 can encourage societal and cultural buy-in. The combined model's strength lies in embedding ideas in the present using the pandemic as a level. This immediacy couples with investment in long term productive areas such as clean power alongside energy and water efficiency gains. This two-pronged approach will increase enfranchisement in the mission to promote a green future.

²¹ Leanne Johnstone and Cecilia Lindh, 'The sustainability-age dilemma: A theory of (un)planned behaviour via influencers', *Journal of Consumer Behaviour*, 17 (2018), pp.127-139.

²² Clive Hamilton, "Consumerism, self-creation and prospects for a new ecological consciousness", *Journal of Cleaner Production*, 18 (2010), pp.571-575.

²³ IPSOS-MORI, 'Two thirds of Britons believe Climate Change as serious as Coronavirus and majority want Climate prioritised in economic recovery', *IPSOS-MORI*, 22 April 2020, <https://www.ipsos.com/ipsos-mori/en-uk/two-thirds-britons-believe-climate-change-serious-coronavirus-and-majority-want-climate-prioritised>, (accessed on 6 May 2020).

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