

# **Climate SOS Statement on Shifting Subsidies after Covid-19**

## **Covid-19 demands that we end fossil fuel subsidies, not bring in new ones**

(Written 6/5/20)

*“Public funds should invest in the future, by flowing to sustainable sectors and projects that help the environment and climate. Fossil fuel subsidies must end, and carbon must have a price and polluters must pay for their pollution.”*

**UN Secretary General, Antonio Guterres, 28 April, 2020.<sup>1</sup>**

*Covid-19 has changed the world irrevocably and is challenging humanity on many levels. One of its greatest challenges to us all is that it has brought us abruptly to a fork in the road in the climate emergency: we have to decide now whether the trillions that will be spent on stimulus packages to help the global economy to recover from its current trauma should be invested in fossil fuels or the zero-carbon economy.*

*It's not enough to insist that the Covid-19 health and economic crisis cannot be solved by propping up fossil fuel companies with yet more taxpayers' money, although that, of course, is true. Covid-19 requires us to commit more whole-heartedly than ever to our zero-carbon future. Among many other actions, that involves governments across the world, including the UK, now planning to urgently phase out already existing fossil fuel subsidies (and subsidies for industrial-scale bioenergy) and transfer this finance to subsidies for the zero-carbon economy.*

**These are our views on Covid-19 and the climate, ecological, social and economic crises:**

### **1) The coronavirus crisis has reduced carbon emissions at a terrible cost.**

Covid-19 - and the global economic lockdown - has resulted in a huge reduction in energy demand and carbon dioxide emissions. The International Energy Agency (IEA) says that the pandemic is on course to cause the largest ever decrease in emissions with fossil fuel companies on course for historic decline and renewable energy set to gather momentum in 2020.<sup>2</sup>

There has been a leap in air quality. In the UK there have been reductions of toxic small particulate matter by as much as 50% in some major cities.<sup>3</sup>

The fossil fuel industry is broken. At least two thirds of annual investment in the oil industry has been dumped and there have been tens of thousands of job losses. Oil wells responsible for more than 1 million barrels a day may already have been shut down.<sup>4</sup> The price of US crude oil has fallen below zero for the first time in history, meaning that oil producers are payers to buyers to take barrels off their hands.<sup>5</sup>

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<sup>1</sup> <https://www.un.org/press/en/2020/sgsm20063.doc.htm>

<sup>2</sup> <https://www.independent.co.uk/environment/fossil-fuel-decline-coronavirus-iea-report-oil-coal-gas-renewables-climate-change-a9492136.html>

<sup>3</sup> <https://www.independent.co.uk/environment/coronavirus-air-pollution-uk-lockdown-china-italy-covid-19-a9421291.html>

<sup>4</sup> <https://www.theguardian.com/environment/2020/apr/01/the-fossil-fuel-industry-is-broken-will-a-cleaner-climate-be-the-result>

<sup>5</sup> <https://www.theguardian.com/business/2020/apr/20/over-a-barrel-how-oil-prices-dropped-below-zero>

Many people have enjoyed seeing wildlife occupy places that people in lockdown have vacated and hearing birdsong that is no longer drowned out by traffic. We have all seen the pictures of penguins walking down the street of Cape Town,<sup>6</sup> coyotes exploring San Francisco's Golden Gate Bridge<sup>7</sup> and African lions sleeping in the road.<sup>8</sup>

Many people are talking about behaviour changes taking place that might result in reductions in travel and greater use of video-conferencing, even once the pandemic is under control.

There is nothing to celebrate in all of this. These environmental benefits have come at a huge cost in terms of deaths, illness, reduced access to non-Covid-19 related healthcare<sup>9</sup>, impacts on mental health, domestic violence<sup>10</sup>, unemployment and poverty. Covid-19 has caused the sort of abrupt shock that a zero-carbon transition needs to avoid.

Furthermore, these changes could be short-lived. Oil and gas could sky-rocket once the lock-down ends.<sup>11</sup> Indeed, several commentators have pointed out that the low cost of fossil fuels could, in itself, put them in a strong position to compete with clean energy.<sup>12</sup>

As we explore in the next two points, fossil fuels could recover rapidly as a result of being bailed out and as a result of stimulus packages that governments produce to try to re-start their economies.

The benefits for wildlife are also questionable: there is evidence that, globally, the decline in eco-tourism is causing a collapse in funds for nature conservation<sup>13</sup>; equally, the lockdown has resulted in poachers and illegal loggers exploiting the withdrawal of the rangers and monitors protecting wildlife and habitats.<sup>14</sup>

Indigenous people are also under greater threat, not only from the direct activities of the miners and loggers who have exploited the lockdown to advance into their territories, but also from the coronavirus that they bring with them.<sup>15</sup>

## **2) Fossil fuel companies and high-carbon industries are lobbying hard for bail-outs and are likely to be lobbying for a share of post-Covid-19 stimulus packages.**

Fossil fuel companies and high-carbon industries are lobbying for funds and for weakening of environmental regulations. The US has already provided huge bail-outs for fossil fuel industries. The \$2 trillion US coronavirus relief package is giving \$60 billion to airlines and providing low-

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<sup>6</sup> <https://twitter.com/LewisPugh/status/1251478981142097920?s=20>

<sup>7</sup> <https://www.theguardian.com/world/2020/apr/09/climate-crisis-amid-coronavirus-lockdown-nature-bounces-back-but-for-how-long>

<sup>8</sup> <https://www.bbc.co.uk/news/world-africa-52314282>

<sup>9</sup> <https://www.theguardian.com/society/2020/apr/29/extra-18000-cancer-patients-in-england-could-die-in-next-year-study>

<sup>10</sup> <https://www.theguardian.com/society/2020/mar/28/lockdowns-world-rise-domestic-violence>

<sup>11</sup> <https://www.newstatesman.com/politics/2020/04/coronavirus-emissions-pollution-climate-change-oil-environment>

<sup>12</sup> See comment by Dieter Helm in <https://www.theguardian.com/environment/2020/apr/01/the-fossil-fuel-industry-is-broken-will-a-cleaner-climate-be-the-result>

<sup>13</sup> <https://www.theguardian.com/environment/2020/may/05/conservation-in-crisis-covid-19-coronavirus-ecotourism-collapse-threatens-communities-and-wildlife-aoe>

<sup>14</sup> <https://www.independent.co.uk/news/world/coronavirus-poaching-wildlife-lockdown-rhino-jaguar-puma-cats-a9498231.html>

<sup>15</sup> <https://www.theguardian.com/world/2020/may/03/eve-of-genocide-brazil-urged-save-amazon-tribes-covid-19-sebastiao-salgado>

interest loans to fossil fuel companies. Alberta, home of the tar sands, has given tax relief to the province's oil and gas sector.<sup>16</sup>

In the UK, the airline industry has been lobbying for support.<sup>17</sup> So far, the Chancellor Rishi Sunak has promised special measures to help the aviation industry but has said they will only be bailed out as a "last resort" when all other options (including finance from lenders and shareholders) have been fully explored.<sup>18</sup> In April EasyJet secured a £600 million loan from the Government and the Bank of England's coronavirus fund.<sup>19</sup> The fact that the Bank of England has been buying oil firms' debts as part of the Covid-19 stimulus programme is failing the climate and breaks with the Governor Andrew Bailey's assurances that there was a "very strong argument" for excluding fossil fuels from such support.<sup>20</sup>

### **3) There must be no 'no-strings' bailouts or support given to fossil fuel companies and high-carbon industries and infrastructure.**

We agree with Rachel Kyte of Tufts University, US - a former UN special representative for energy and former World Bank Group vice president - who has said: "Using public money to bail out firms that will take us on the road which doesn't accelerate decarbonisation and doesn't address inequality is not just unaffordable, it's dangerous." Likewise, we agree with Michael Liebrich, founder of Bloomberg New Energy Finance, who has said: "No fossil-fuel-based businesses should be bailed out without committing to science-based, net-zero targets. No money should go to industries that have been living high on the hog on fossil fuel subsidies and tax loopholes, like the airline industry, unless they accept structural reform."<sup>21</sup>

We do not oppose all bailouts or support for fossil fuel companies and high-carbon industries and infrastructure. Doing so would cause hardship and distress to workers and communities. However, there should be no 'no-strings' bailouts and any support should have conditions. Conditions should involve structural reforms that relate to:

- protecting workers,
- cutting emissions and even changing the function of the companies, and
- a range of tax and finance reforms (including closing tax loopholes, addressing shareholder dividends, progressive carbon taxes and aviation levies).

We agree with the Open Letter that was written to the UK Chancellor on a UK Government support package for the aviation industry.<sup>22</sup>

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<sup>16</sup> <https://www.theguardian.com/environment/2020/apr/01/the-fossil-fuel-industry-is-broken-will-a-cleaner-climate-be-the-result>

<https://www.theguardian.com/environment/2020/apr/17/polluter-bailouts-and-lobbying-during-covid-19-pandemic>

<https://www.dw.com/en/coronavirus-lobbying-oil-gas-industry/a-53146092>

<https://www.climatechangenews.com/2020/04/20/coronavirus-governments-bail-airlines-oil-gas/>

<https://www.theguardian.com/environment/2020/may/01/fossil-fuel-firms-coronavirus-package-aid>

<sup>17</sup> <https://www.theguardian.com/world/2020/mar/22/time-is-running-out-aviation-industry-warns-government>

<sup>18</sup> <https://www.politicshome.com/news/article/britains-coronavirushit-airlines-have-been-warned-that-they-will-only-be-bailed-out-by-the-government-as-a-last-resort>

<sup>19</sup> <https://www.theguardian.com/business/2020/apr/06/easyjet-secures-600m-coronavirus-loan-from-uk-treasury-and-bank>

<sup>20</sup> <https://www.theguardian.com/business/2020/apr/16/bank-of-england-failing-climate-with-covid-19-stimulus-programme-oil-firms-debt-bond-governor>

<sup>21</sup> <https://www.theguardian.com/environment/2020/apr/17/coronavirus-profiteers-condemned-as-polluters-gain-bailout-billions>

<sup>22</sup> <https://www.greenpeace.org.uk/news/the-airlines-industry-wants-a-government-bailout-heres-what-needs-to-happen/>

In terms of UK oil production, we note that Professor Alex Kemp, Director of Aberdeen University's Centre for Research in Energy Economics and Finance, has proposed an "energy sector deal" that involves the fossil fuel industry developing renewables: "An energy related sector deal could encourage the development of renewable technologies, investments and new ideas to get the cost of renewable technologies down. A sector deal that was energy-related would include oil and gas because the oil and gas companies will actually do a lot of the work in the renewable sector."

We are open to whether these conditions could be met by companies retaining existing ownership structures or would require nationalisation or a public stake.

We think that the public ownership proposals put forward by Commonwealth in their report 'Commoning the Company'<sup>23</sup> and the 'Dos and Don'ts' of fossil fuel bailouts provided by Oil Change International<sup>24</sup> offer interesting models on these matters that deserve attention.

#### **4) The recovery (and stimulus packages) could see trillions of dollars invested globally in fossil fuels. This finance must be directed towards the zero-carbon economy.**

Trillions of dollars are going to be spent across the world, bailing out struggling companies and providing stimulus packages to kick-start stagnant economies. It is essential that we 'build back better' so that this finance is directed towards the zero-carbon economy, i.e. energy efficiency, non-emissive renewable energy, public transport and spending on nature restoration. Failure to do this will lock economies into fossil fuels and prompt a surge in carbon emissions at a critical moment in the climate emergency. As Achim Steiner - head of the United Nations Development Programme (UNDP) - has said, we are at a "fork in the road." He states, correctly, "You have an opportunity to either invest in returning to yesterday's economy or to invest into tomorrow's economy."<sup>25</sup>

We must avoid what happened after the 2008 economic crash. During that recession, the United Nations proposed a Green New Deal to rescue the global economy.<sup>26</sup> Instead, trillions of dollars were invested in fossil fuels and high-carbon industries leading to a surge in emissions.<sup>27</sup>

UN Secretary General Antonio Guterres has stated that this green stimulus is essential. At the 'Petersberg Climate Dialogue' he said, "As we spend trillions to recover from COVID-19, we must deliver new jobs and businesses through a clean, green and just transition. Investments must accelerate the decarbonization of all aspects of our economy. ...Where taxpayers' money is needed to rescue businesses, it must be creating green jobs and sustainable and inclusive growth. It must not be bailing out outdated, polluting, carbon-intensive industries."<sup>28</sup>

Green stimulus packages will not only protect the environment. They will create jobs, prosperity and improve public health. The head of the International Energy Agency, Fatih Birol, has described this as a "historic opportunity".<sup>29</sup>

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<sup>23</sup> <https://www.common-wealth.co.uk/reports/commoning-the-company>

<sup>24</sup> <http://priceofoil.org/2020/04/22/a-resilient-recovery-means-a-managed-decline-of-oil-and-gas-production/> and <http://priceofoil.org/2020/04/22/covid19-dos-and-donts/>

<sup>25</sup> <https://www.climatechangenews.com/2020/04/24/un-development-chief-calls-green-shift-away-irrational-oil-dependence/>

<sup>26</sup> <https://www.telegraph.co.uk/news/earth/earthnews/3353698/UN-announces-green-New-Deal-plan-to-rescue-world-economies.html>

<sup>27</sup> <https://www.greenpeace.org/international/story/30020/coronavirus-pandemic-covid-crack-system-economics-future-fairness-recovery-climate/>

<sup>28</sup> <https://www.un.org/press/en/2020/sgsm20063.doc.htm>

<sup>29</sup> <https://www.theguardian.com/environment/2020/apr/01/the-fossil-fuel-industry-is-broken-will-a-cleaner-climate-be-the-result>

These were the conclusions of the 'Global Renewables Outlook: Energy Transformation 2050' report, produced by the International Renewable Energy Agency (IRENA) in April 2020. The report claims that current global investment plans will cost \$95 trillion dollars to maintain a course of "business as usual", while a decarbonization path totalling \$110 trillion would create "massive" socioeconomic gains, generating savings of between \$50 trillion and \$142 trillion by 2050. Francesco Camera - Director of IRENA - said, "By accelerating renewables and making the energy transition an integral part of the wider recovery, governments can achieve multiple economic and social objectives in the pursuit of a resilient future that leaves nobody behind."<sup>30</sup>

Similar conclusions were reached by a team of leading economists including Joseph Stiglitz and Nicholas Stern in their paper, 'Will COVID 19 fiscal recovery packages accelerate or retard progress on climate change?'<sup>31</sup> They find that green projects create more jobs, deliver higher short-term returns per dollar spend and lead to increased long-term cost savings, by comparison with traditional fiscal stimulus. Charles Donovan - Director of the Centre for Climate Finance and Investment, Imperial College Business School - says: "Clean energy is not just affordable and reliable, it also offers the highest return on investment. Investors have a growing appetite to put money to work in sustainable finance. Governments need to re-write the rules so that they can."

Indeed, the Government's independent advisors, the Committee on Climate Change, wrote to the Government on 6/5/20 to state that the coronavirus recovery should have a green focus. The CCC advised the Government to re-start the economy through low-carbon work programmes to insulate homes, plant trees and build flood barriers. They said that rescue packages for carbon-intensive sectors "should be contingent on them taking real and lasting action on climate change", to avoid locking in high emissions for the future. Chair of the Committee Lord Deben said, "Actions towards net-zero emissions and to limit the damages from climate change will help rebuild the UK with a stronger economy and increased resilience."<sup>32</sup>

The EU is aligning itself with the UN's position on the necessity of a climate-resilient recovery. In April, the Environment Ministers of ten EU countries - including France and Germany - formed the 'Alliance for a Green Recovery', stating that a European Green Deal must be central to a climate-resilient recovery from the Covid-19 crisis. Their statement asserted, "The lesson from the Covid-19 crisis is that early action is essential. Therefore, we need to maintain ambition in order to mitigate the risks and costs of inaction from climate change and biodiversity losses. We cannot afford setbacks that can have detrimental effects on our climate, biodiversity and environment as well as on human health and our economies.... We should withstand the temptations of short-term solutions in response to the present crisis that risk locking the EU in a fossil fuel economy for decades to come."<sup>33</sup>

The UK Government has reflected this in its rhetoric at the 'Petersberg Climate Dialogue' in late April. Alok Sharma, the UK Climate Secretary and president of COP26 said, "The world must work together, as it has to deal with the coronavirus pandemic, to support a green and resilient recovery, which leaves no one behind."

Dominic Raab's words were equally encouraging. He said, "It will be the duty of every responsible government to see that our economies are revived and rebuild in a way that will stand the test of

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<sup>30</sup> <https://www.forbes.com/sites/davidrvetter/2020/04/20/how-a-110-trillion-green-recovery-can-save-the-world-new-report/#420f748e4914>

<sup>31</sup> <https://www.climatechangenews.com/2020/04/24/un-development-chief-calls-green-shift-away-irrational-oil-dependence/>  
<http://www.lse.ac.uk/GranthamInstitute/news/building-back-better-a-net-zero-emissions-recovery/>

<sup>32</sup> <https://www.theguardian.com/environment/2020/may/06/uks-coronavirus-recovery-should-have-green-focus-johnson-urged>  
<https://www.theccc.org.uk/2020/05/06/take-urgent-action-on-six-key-principles-for-a-resilient-recovery/>

<sup>33</sup> <https://www.climatechangenews.com/2020/04/09/european-green-deal-must-central-resilient-recovery-covid-19/>

time. That means investing in industries and infrastructure that can turn the tide on climate change.”<sup>34</sup>

The language is surprising from the government of a nation judged by the European Commission, fifteen months earlier, to have the biggest fossil fuel subsidies in the EU.<sup>35</sup> UK Government rhetoric will need to be matched by action. It will be interesting, for example, to see how it responds to Chris Stark – Chief Executive of the Committee on Climate Change, the Government’s independent advisors - who suggested that, in response to post-coronavirus behaviour change, the Government should consider shifting investment from road building to broadband.<sup>36</sup>

## **5) There must be a New Deal for Nature to protect biodiversity and support wildlife and to protect humanity from zoonotic pandemics.**

The climate crisis is not the only ecological crisis. Coronavirus has been rightly described by the UNEP’s Inger Andersen as “a clear warning shot”.<sup>37</sup> We must protect humanity from zoonotic diseases by changing our relationship with the natural world. This involves, protecting biodiversity which, due to the ‘dilution effect’ lowers the risks of zoonotic diseases. It also involves reducing contact between humans and wild species by reducing incursions into wild spaces for deforestation, road building or mining and by ending the wildlife trade.<sup>38</sup>

We support the World Wide Fund for Nature’s ‘New Deal for Nature and People’.<sup>39</sup>

## **6) The Covid-19 recovery must also be socially just.**

Covid-19 has brutally exposed the inequalities and injustices, the fractures and the vulnerabilities in our society and across the world. As Rebecca Solnit wrote in April 2020, “Ordinary life before the pandemic was already a catastrophe of desperation and exclusion for too many human beings, an environmental and climate catastrophe, an obscenity of inequality.”<sup>40</sup> The Office for National Statistics has revealed that people living in poorer areas are twice as likely to die from coronavirus.<sup>41</sup> The Institute for Fiscal Studies has found that people of black African heritage in Britain are dying at more than triple the rate of white Britons.<sup>42</sup>

Even the experience of lockdown has demonstrated how we are not ‘all in this together.’ The range of experiences of different types of workers – from employees who can work at home, to those who are required to work on the high-risk frontline, to those who are couldn’t access furlough schemes because they were in the gig or zero-hour economy – demonstrates this. So does the wide range of experiences of people at home: there is no comparison between a childless couple living in a suburban house with a garden and a single parent family in an urban flat, struggling to cope with the malfunctioning free-school-meal voucher scheme.

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<sup>34</sup> <https://www.bbc.co.uk/newsround/52467688>

<sup>35</sup> <https://www.theguardian.com/environment/2019/jan/23/uk-has-biggest-fossil-fuel-subsidies-in-the-eu-finds-commission>

<sup>36</sup> <https://www.bbc.co.uk/news/science-environment-52371140>

<sup>37</sup> <https://www.theguardian.com/world/2020/mar/25/coronavirus-nature-is-sending-us-a-message-says-un-environment-chief>

<sup>38</sup> <https://www.greenpeace.org/international/story/29970/can-the-pandemic-sound-the-alarm-on-climate-change/>  
<https://www.theguardian.com/environment/2020/mar/18/tip-of-the-iceberg-is-our-destruction-of-nature-responsible-for-covid-19-aoe>

<https://www.bbc.co.uk/news/science-environment-52204724>

<sup>39</sup> <https://explore.panda.org/newdeal>

<sup>40</sup> <https://www.theguardian.com/world/2020/apr/07/what-coronavirus-can-teach-us-about-hope-rebecca-solnit>

<sup>41</sup> <https://www.bbc.co.uk/news/uk-52506979>

<sup>42</sup> <https://www.bbc.co.uk/news/uk-52492662>

As well as being climate resilient, the post-Covid-19 world recovery needs to be fair and just. It needs to guarantee free healthcare for all and to protect workers. We cannot pay for emergency spending and stimulus packages through austerity again. It needs to address underlying social and health inequalities in our society. It must respect human rights.

The post-Covid-19 recovery must also address international inequality and injustice. Global co-operation, sharing of research and information and solidarity is essential if we are to tackle coronavirus and recover from the crisis. The suspension of debt repayments of poor countries by the IMF and the G20 is welcome.<sup>43</sup> Those debts must be cancelled. A vaccine for Covid-19 must be affordable for all, equally available to all countries and provided to those most at risk first, wherever they live.<sup>44</sup>

We agree with Kate Pickett and Richard Wilkinson (authors of 'The Spirit Level') that inequality within societies and between nations must be reduced in order that we tackle the climate crisis effectively and fairly.<sup>45</sup>

We support the demand for a 'Just Recovery'.<sup>46</sup>

## 7) Other lessons to be learned from Covid-19

There are other lessons to be learned from Covid-19 that have significant bearing on the social and environmental crises.

### ***Respect for science***

With some notable exceptions, many countries have put scientists at the centre of their Covid-19 strategy. That's encouraging. We share the view of the International Institute for Sustainable Development when they said, "We can hope that, once Covid-19 subsides, those scientists who warned of the public health, economic, and ecological consequences of global warming and the rapid loss of the planet's biodiversity will be heeded."<sup>47</sup>

The writer and historian (and author of 'Sapiens') Yuval Noah Harari has made a similar point. "In recent months, humankind learned how important it is to listen to scientific experts when they warn us about epidemics. Now how about listening to their warnings regarding ecological collapse? The current global crisis is an opportunity to stop learning the hard way."<sup>48</sup>

### ***Improved management of risk***

Covid-19 has raised huge questions about the Government's management of risk. This is not only as a result of its response - or lack of response - to the 2016 national pandemic exercise, 'Exercise Cygnus'<sup>49</sup>, but also its management of risk in the early months of 2020 after coronavirus appeared in China.<sup>50</sup>

By definition, management of risk involves the precautionary principle and involves planning for eventualities that may not happen.

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<sup>43</sup> <https://www.bbc.co.uk/news/business-52292249>

<sup>44</sup> <https://act.globaljustice.org.uk/make-any-covid-19-vaccine-affordable-all>

<sup>45</sup> <https://www.theguardian.com/commentisfree/2020/may/04/coronavirus-equal-society-britain-wellbeing-economic-growth>

<sup>46</sup> <https://350.org/just-recovery/>

<sup>47</sup> <https://www.iisd.org/blog/covid-19-environmental-agenda>

<sup>48</sup> [https://twitter.com/harari\\_yuval/status/1252925519085142016?s=20](https://twitter.com/harari_yuval/status/1252925519085142016?s=20)

<sup>49</sup> <https://www.newstatesman.com/politics/health/2020/03/government-documents-show-no-planning-ventilators-event-pandemic>

<sup>50</sup> <https://www.theguardian.com/world/2020/apr/18/how-did-britain-get-its-response-to-coronavirus-so-wrong>

As Christiana Figueres, former head of the UNFCCC, said on Radio 4's 'The Future for the Environment', "Management of risk is I think the biggest lesson learned because we have all different types of risk in our life and in our world but those that are high probability and high impact are the ones that deserve most of our attention and certainly our speedy attention because delay is very costly. That is the biggest lesson from coronavirus."<sup>51</sup>

## ***Global co-operation***

Neither pandemics nor environmental crises such as climate change can be solved without global co-operation. This involves exchange of ideas and research, agreed frameworks for progress and support for the most vulnerable nations.

The writer and historian Yuval Noah Harari has written eloquently about the absence of global co-operation and the failure of leadership during the Covid-19 crisis, contrasting this with the leadership shown by the US during the Ebola crisis. Harari asserts, "Without trust and global solidarity we will not be able to stop the coronavirus epidemic, and we are likely to see more such epidemics in future. But every crisis is also an opportunity. Hopefully the current epidemic will help humankind realize the acute danger posed by global disunity."<sup>52</sup>

## ***Building resilient societies/ economies***

Rob Hopkins, inspiration for the Transition Town movement, tweeted in April 2020, "#onethingstgetbacktonormal is trending. Resilience is sometimes described as how systems 'bounce back' following a shock. But for me it should about how we 'bounce forward' to do something better. The old 'normal' was a car crash, a disaster. We can, and must, do so much better."<sup>53</sup>

Covid-19 has exposed multiple fractures and vulnerabilities in our society and across the world. As the Institute for Government has stated, the NHS has been less able to respond to Covid-19 as a result of austerity<sup>54</sup> (including cuts to public health totalling £1 billion since 2015<sup>55</sup>) and the funding cuts since 2010 had similar impacts on social care and local government. As Kevin Gulliver of the Human City Institute has said, "Austerity has created a precariat class that is highly vulnerable to COVID-19, including 320,000 homeless people, 1.2 million food bank users and 1.3 million destitute people, according to the Joseph Rowntree Foundation. At the same time, part-time and zero-hours contract working has increased massively, undercutting the financial resilience of hundreds of thousands of people. Back in 2010, if the UK had invested heavily in physical and social capital, the country would not only have been in a far better position to confront the virus, but the nation's economy would also have grown faster."<sup>56</sup>

We also believe that Covid-19 has exposed the lack of resilience in our globalised, just-in-time international economy. Globalisation drives international trade and travel and drives market penetration of the developing world, including areas of biodiversity. It strengthens the powers of corporations and weakens the power of government, the public sector and citizens and their ability to improve equality and social and environmental justice. There is no contradiction between the

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<sup>51</sup> <https://www.bbc.co.uk/sounds/play/m000hfs7> (From 2 mins 53 secs)

<sup>52</sup> <https://time.com/5803225/yuval-noah-harari-coronavirus-humanity-leadership/>

<sup>53</sup> <https://twitter.com/robintransition/status/1249980581330522113?s=20>

<sup>54</sup> <https://www.instituteforgovernment.org.uk/blog/coronavirus-illustrates-need-make-nhs-more-resilient>

<sup>55</sup> <https://www.theguardian.com/commentisfree/2020/mar/18/the-covid-19-crisis-is-a-chance-to-do-capitalism-differently>

<sup>56</sup> <https://www.theguardian.com/world/2020/mar/17/austerity-has-crippled-the-uks-response-to-the-coronavirus-crisis>



need for global co-operation, exchange of ideas and research and the need to address the vulnerabilities caused by globalisation.

### ***Re-thinking the impossible***

As Rebecca Solnit wrote recently, “Things that were supposed to be unstoppable stopped, and things that were supposed to be impossible – extending workers’ rights and benefits, freeing prisoners, moving a few trillion dollars around in the US – have already happened.”<sup>57</sup>

Social justice and environmental justice campaigners have been consistently told that their demands were too expensive, too unrealistic, too idealistic. They were told that governments didn’t have the power, the resources or the public support to take the measures required to improve lives and to protect the planet. Yet, in the Covid-19 crisis, governments have stepped up to enforce safety, co-ordinate health provision, protect incomes, prevent evictions and house the homeless.

As Sir Michael Marmot - Professor of Public Health and Epidemiology at University College London and Chair of WHO’s Commission on Social Determinants of Health - has said, “What the Covid crisis exposes is that we can do things differently. We must not go back to the status quo, we cannot do that.”<sup>58</sup>

It’s possible that Covid-19, like earlier global crises, will create a new zeitgeist, will alter our collective values and shift the consensus. Whether it will or not, government action during this period has re-defined what is politically feasible and has made possible what was once described as impossible.

### **8) Governments – including the UK Government – must commit wholeheartedly to the zero-carbon economy. Shifting subsidies from fossil fuels and industrial-scale bioenergy (from land-use change) into energy efficiency, non-emissive renewable energy, public transport and nature restoration is an essential stepping-stone to the zero-carbon economy.**

Before the Covid-19 crisis, the UK Government was failing on climate change. Its independent advisors, the Committee on Climate Change, have stated that it is on course to miss its climate targets for the late 2020s and 2030s. Part of the UK’s failure involved the subsidies for fossil fuels and its inadequate support for the zero-carbon economy.

Covid-19 - and the economic slump that it has caused - means that, whatever happens, the UK can never be on the same trajectory that it was on at the end of 2019. The stimulus packages that are required to kick-start the economy mean that the UK will either invest even more heavily in the fossil fuel and high-carbon sectors or will make a conscious decision not to do this but rather, to invest in the zero-carbon economy; in energy efficiency, non-emissive renewable energy, public transport and nature restoration.

As has been said before, the UK – together with the rest of the world - is at a “fork in the road”.

The UK needs to commit more wholeheartedly than ever before to achieving its carbon reduction targets alongside ensuring that we ‘build back better’ by creating a climate-resilient economic recovery.

That involves many things. One of those is to tell the truth about its fossil fuel subsidies and to shift those subsidies from fossil fuels to the zero-carbon economy.

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<sup>57</sup> <https://www.theguardian.com/world/2020/apr/07/what-coronavirus-can-teach-us-about-hope-rebecca-solnit>

<sup>58</sup> <https://www.independent.co.uk/environment/coronavirus-economy-green-equality-climate-change-covid-19-a9430616.html#comments>

In April 2020, Charles Donovan, Executive Director of the Centre for Climate Finance and Investment at Imperial College, spoke of “the interventions needed now to bend the curve on carbon emissions.” He noted the historic opportunity and specified what these interventions would need to include: “Historically low oil and natural gas prices provide governments with the perfect moment to change course. By scrapping wasteful energy subsidies and raising new taxes on fossil fuel producers, carbon dividends would put money back into consumers’ hands while levelling the playing field in energy.”<sup>59</sup>

Climate leadership involves many things, including leading by example. Overseeing an urgent shift of subsidies from fossil fuels to the zero-carbon economy is essential if the UK Government wants to have the credibility required for that leadership role up to, and beyond, 2021’s COP 26 meeting.

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<sup>59</sup> <https://www.forbes.com/sites/davidrvetter/2020/04/20/how-a-110-trillion-green-recovery-can-save-the-world-new-report/#6cc4b71c4914>