

#CoronaLessons

“NOW IS THE TIME TO BE POLITICAL.”



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The worst of the health crisis may lie behind us, but governments are now working on countering its economic impact. Alexander Ochs advised Germany on its Corona relief package. How green can the recovery be? *By Anna Gyulai Gaál*

You're an expert governments hire to develop safe and sustainable economic strategies. Were you prepared for dealing with a situation like we've seen?

This pandemic hit us so quickly, nobody was really prepared for something of this magnitude. In 2008 we had a serious financial crisis, but it was relatively quickly overcome. This time around, it's not just an economic crisis that you can measure in terms of a certain percentage of lost GDP – it's more substantial. It's much deeper because everybody has been directly affected by the pandemic itself. This experience and its aftermath will change our societies and not just hit our economies. It's a generational challenge – but I think it's also a tremendous opportunity.

Do you think that we're at a crossroads?

Major disruptions only happen so often in a lifetime and it is clear to me that we are seeing something that has the significance of the September 11 attacks or the fall of the Berlin Wall. There is hardly anything that will remain unchanged from the experience of the pandemic and its aftermath. Take the health care system: It's not just about what we have learned from this pandemic and how we deal with the next, it's also about whether we want to have a public or a private health care system – or something in between. And it's not only a discussion of, “Hey, maybe we should pay our nurses better,” but it's the nurses getting organised and saying, “This is it, we are not doing it anymore under the work conditions we face.” So it's time for those of us who care about equality,

human rights and the environment to get our act together and formulate relevant new narratives that will stimulate people to support new ways. A lot of people are already engaged, there are new forums, new ideas and a new sense that change is possible. Now is the time to be, think and act political. The iron is steaming hot. Now is the time to strike.

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What is your role in developing Germany's Corona recovery plans?

One of the things we do is analyse the lessons learned from previous crises and the recovery packages that were put in place. A lot of money has to be spent very quickly to stabilise our economies and redirect them towards growth. That's the number one goal here, no doubt. But what I fight for is to do this while not forgetting about our mid- and long-term objectives. Germany is a fervent supporter of the UN's Sustainable Development Goals, or

CORONA FISCAL STIMULUS PACKAGE

On June 12 the German government passed a €130 billion economic stimulus package to help companies and workers recover more quickly from the coronavirus pandemic. The package includes, among other measures, a VAT reduction from 19 to 16 percent, financial support for Deutsche Bahn and other public transport providers, a car-scrap bonus for purchases of electric cars and additional support for every child in the country as a one-off payment. While €50 billion of the package has been set aside to fund climate change innovation and digital technology, the government wants to see the whole package aligned with its sustainable development goals and climate targets.

SDGs: a global agenda of 17 very clear goals. Almost all countries worldwide have agreed to them. Now it's the chance to make sure the recovery money is not being used to re-install the former, unsustainable economic system, but directed towards transitioning to more sustainable societies.

How is the federal stimulus package meeting those sustainability targets?

We have committed to cutting emissions by at least 55 percent by 2030, and to being climate neutral by 2050. Five years from now, 42-45 percent of electricity is supposed to come from renewables. So, for example, instead of encouraging people to buy a new car, whatever its environmental performance, the package is incentivising the purchase of electric and hybrid cars. The government will give people up to €6000 for a purely electric car. Meanwhile, owners of gas guzzlers such as SUVs will pay higher taxes. From next year, owners of 'dirty' cars will gradually pay more taxes. E-mobility is also being boosted with more charging stations, etc.

But you're still incentivising the car industry. Are you satisfied with it overall?

I feel we've done a lot better than many had feared. Still, there is a lot of room for improvement. I would have preferred a public investment plan by which only climate-compatible, SDG-proven businesses, technologies and practices receive public funds. If you reduce VAT for any possible expense, you also make polluting goods and practices cheaper. Stronger commitments could have been part of the package, including more ambitious sustainable energy goals, new support for a quicker transport transition, stronger incentives for sustainable agriculture. Needless to say, one package alone will not create a sustainable country overnight. But it could have been a more courageous milestone, rather than "one step forward, two to the side".

But who's profiting from this? Lufthansa and the car industry are being bailed out, but they're the number one polluters with super rich owners and CEOs.

That's the crux, and in my eyes it is so easy: Public money needs to be used to advance the interest of the many, directly and with guarantees. Not just in the interest of the few, hoping that there should be trickle-down effects. In my eyes, it's obscene to use public money to bail out a car industry that made record profits just last year while cheating and lying to the very public it is now asking for money. That money will then pollute our lives and it will cost the public more to address negative health impacts, to clean our local environments and to deal with the consequences of climate change. And what's left, that's the best part, will be used

to pay high bonuses to those who have lied to the public! This is really beyond ridiculous, I don't know how one can defend this. Sure, the argument is that there are a lot of jobs at stake. But in exchange for public money we should demand clear commitments from receiving companies – including job guarantees, but also deep transformative efforts towards a broad common welfare and sustainability agenda. How can we buy Lufthansa shares to keep them afloat without saying, "Now that we are holding some shares, let's have some say in the future of the company"?

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Who are the biggest winners of the pandemic?

In terms of businesses, mostly those involved in the new interactive work platforms, video conferencing and digitalisation. Obviously also anything that has to do with delivery of goods. Oh, and smart consultancies and advisers. The domestic tourism industry is a winner now that people are afraid of vacationing too far from home. A re-localisation of tourism – who would have thought that! If animals are causing human diseases, maybe we should think about how we treat them, or think over our relationship with nature. So yes, the green industry can also be a winner. There is a competition of ideas right now. Here's one: why don't we spend a good portion, say 10 percent, of our green recovery money, on employing people to plant trees, to make our cities greener, to grow fruit and vegetables in public places? Why can't the state play a more important role again as an employer, giving unemployed people something that has a purpose for themselves and the societies they live in? I think these ideas are just starting to surface. Some really cool stuff can come out of this crisis if we work together and give up our intellectual gridlock. We could then all be winners of this crisis. ■