

Letter

Letter: Let's not waste this chance to transition to an environmentally sustainable future

From Tomas Käberger and Thomas Sterner, Gothenburg, Sweden



We can begin to rebuild our economies to be energy efficient © Alex Kraus/Bloomberg

MARCH 27 2020

With tens of thousands of casualties from Covid-19, and a severe economic crisis, many politicians are literally overwhelmed. Yet we are writing about a third crisis: the climate.

The spending necessary to solve the short-run economic crisis will amount to a decade of ordinary discretionary spending or ordinary budgetary reforms. It is vital that this money be spent in a way that is efficient, fair, non-corrupt — and of lasting value. If all is spent saving airlines, oil and carmaking companies, we will have wasted an opportunity to transition towards an environmentally sustainable future.

As we write, millions of professors and students are taking a crash course in distance education. Universities across the world are functioning quite well despite empty classrooms. Hopefully, the lecture halls will soon again teem with life but there will be a permanent effect. Digital learning platforms and student-centred learning are here to stay.

Similarly, travel will rebound somewhat but not to the same level. We have learnt that meetings — even conferences — can be virtual and still rewarding. The big airlines have been

in trouble for a long time and some restructuring is inevitable. This is the creative destruction that crises entail, which Schumpeter described as the fundamental force of progress.

Governments across the globe will spend colossal sums of money to avoid recession. Instead of spending it on the vested interests and their stranded assets, they should look to the future and start rebuilding our economies to be energy efficient and powered by sustainable renewable energy.

Policies have driven industrial learning curves making solar and wind electricity the cheapest generation in most parts of the world. Government spending to invigorate the economy may now drive down the cost of technologies substituting fossil fuels with renewable electricity in other sectors, and even producing fuels from electricity.

The opportunity to manage several crises jointly will not appear again. The year ahead of us may be a global turning point marking the start of a new era in future history books.

Tomas Kåberger

*Professor of Renewable Energy and Affiliate Professor of Industrial Energy Policy,
Chalmers University of Technology,
Gothenburg, Sweden*

Thomas Sterner

*Professor of Environmental Economics,
University of Gothenburg, Sweden*

[Copyright](#) The Financial Times Limited
2020. All rights reserved.