POST-CORONAVIRUS SOCIETY: REBOUND OR DECOUPLING EFFECT?

Posted on 03/04/2020 by Naider



Jevons paradox or rebound effect: An increase in the efficiency of the consumption of a resource may not decrease the consumption of that resource, but rather increase it.

Economic intuition tells us that the improvement of efficiency (for example, energy) allows people to use less of that resource. However, the Jevons paradox – so named because of its discoverer William

<u>Stanley Jevons (1835-1882)</u> – says that "increasing efficiency decreases instantaneous consumption but increases the use of the model, which causes an increase in global consumption".

And why is this happening? Because the lower cost of the service translates into a greater demand for it, fully or partially offsetting the savings derived from the highest efficiency. Disposable income also increases, increasing the consumption of other goods and services that require energy.

And what does this have to do with the crisis? of the coronavirus? Reflection is the

following: If a very high efficiency in the consumption of natural resources of a system does not ensure that said system is sustainable in the long term (*effect rebound*), to what extent does a society whose bases remain the same than before the COVID-19 crisis (relentless economic growth, unsustainability, etc.) is capable of taking advantage of this crisis to decouple development economic impact of the environment?

During the last few days multiple media outlets communication have highlighted the positive effects on the environment of measures taken against the coronavirus, such as the reduction of atmospheric emissions, the presence of animals in the streets.... However, experts warn that the decline in pollution levels will be temporary. In fact, the increasing purity of the air does not mean that global warming is being stopped, since while that air pollution has a very short life (as soon as people stop driving, emissions go down), greenhouse gases have a longer life long, and large amounts of carbon dioxide have accumulated in the atmosphere. carbon since the Industrial Revolution of the mid-18th century.

In the same way as these days, during the global recession of 2008 there was a 1% reduction in carbon dioxide emissions, but these recovered the following year and growth during the next two years was exceptionally high. **Because of what?** Due to the economic stimuli that were approved to increase production and demand. In other words, a crisis may not only not improve the state of the environment and our relationship with nature, but may even worsen it.

So, what is most likely to happen in a few weeks? Logically, an attempt will be made to reactivate the economy through stimulus packages and various necessary measures. At the same time, we are well aware of the characteristic rebound effect of our system after a crisis. Now, the question lies in whether the stimuli to reactivate the economy will focus on clean energy and sectors that are respectful of the environment - in this case, the coronavirus would have contributed its grain of sand in changing the production model - or if it will carry out the so-called

"revenge pollution": investments in coal, oil and the same heavy industries that in the past decades have given so much economic success. A piece of information: oil is currently the most attractive fuel due to its low price; It is at levels not seen since 1991, at the height of the Gulf War. The question is: Which path will the countries take? The answer will vary depending on each one, but it is quite obvious where many of them will head, in most cases due to force majeure.

It is important to differentiate the coronavirus crisis from the environmental or climate crisis. Society perceives the coronavirus crisis as an extremely urgent and very close problem – its impact can be felt and seen –, behavioral changes and associated sacrifices have immediate positive effects – and furthermore these will only be temporary – and there is no reliance on international collaboration to take action. With the climate crisis, the opposite is true: everything seems much more complex and distant, the sacrifices may not have an immediate positive effect and may not be temporary, and there is a reliance on international collaboration – which often delays the implementation of solutions.

In conclusion, the challenge for the coming months is clear: **to be able to transfer a sense of urgency, and even positive fear, to the various environmental challenges we face** – especially to climate change – as the world recovers from a pandemic that will leave us economically, socially and mentally drained.

What is not little.

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