
International Affairs

Governmental Plans Post-Pandemic: A Brighter Future

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With all the uncertainty regarding COVID-19, it is difficult to create a solid action plan for what governments around the world should do to get back to the status quo – or rather, to discover a new normal – especially since many countries are managing the virus in their own unique ways. Not only do governments have to watch over the health and safety of their citizens, but they also need to analyze and minimize the impact on the economy which could lead to some long-lasting consequences if managed poorly. To better understand what governments should do moving forward, it is beneficial to look at what governments did in the past to recover from economic disasters and let history aid us in our modern-day decision making. By analyzing the case-study presented in the economic recovery of the Great Depression, this article aims to illuminate how we can come to our own “new normal” by utilizing the renewable energy sector as an economic stimulus initiative to efficiently recover from the effects of this pandemic.

In the early autumn of 1929, a stock market crash sent a shock through the United States, and consequently the rest of the world, throwing many people into the most infamous economic crash of their time. The 1929 stock market crash “unraveled the transnational linkages of the global economy and thus illustrated the growing dependency of all world regions on each other for economic prosperity” exemplifying the consequences that resulted from the economic interconnectivity of the post-industrial revolution world (Andrea, 2011). The effects of this crash were devastating in the short run with high unemployment, investment paralysis, and growth in popularity of political radicalism. However, some policy changes significantly helped in reducing the long-term effects of this monumental crash, the lessons of which can be used to navigate our current economic crisis.

Looking at the United States, there is much success to be found in how they went about their plan to stimulate the economy during that time of crisis. For

instance, Franklin D Roosevelt (FDR), the president at the time, implemented an important number of economic policies that succeeded in stimulating the economy. Examples of this include, “expanded Federal Reserve open-market operations, adequate credit expansion, lower real interest rates, and increased public works expenditure as well as growth in private-sector investment and employment” (Elliot, 2012). All these methods were proven beneficial in bringing the economy back to its pre-depression level of employment and in raising average income.

However, it is also important to note that economic crises can create greater opportunities for the political success of authoritarian ideologies. A prime, and certainly condemnable, example of this is Germany’s economic crisis during the interwar period. Following the economic devastation of the First World War and the punitive sanctions imposed by the Entente, Germany’s economy collapsed. Rampant inflation and skyrocketing unemployment only worsened when the Great Depression hit. The economic desperation of the German people played a critical role in the ability of dictator Adolf Hitler and his Nazi Party to seize and consolidate power. The Nazi regime pushed a nationalist agenda and prioritized populist economic policies at

the expense of minority rights both domestically and abroad.

The New Deal recovery plan of FDR, while applied in very different political contexts, shares some of these nationalist characteristics. During the Great Depression, the Roosevelt administration, “moved toward domestic priorities” focusing on the United States’ interests before the world’s (Elliot, 2012). However, Roosevelt did this through an attempt to build up all American citizens through the success of the United States, with a softer approach, whereas Germany attempted to do this by destroying everyone that did not fit with their ideology with a more traditional violence. Since economic downfalls tend to lead to “protectionist policies by the world’s major economic powers” that play an integral role in the rise of nationalist and authoritarian movements, preventing these crises is a primary concern (Andrea, 2011).

Regarding today’s society, nationalistic ideologies within the general population seem to be relatively undetermined perhaps due to the general apathy of the population. However, for political parties, that is not the case. Florian Bieber, political scientist and current president of the Association for the Study of Nationalities, wrote about the rise in nationalism through empirical data stating, “[a]lthough there is no clear global trend indicating a shift in attitudes

towards nationalism, there has been a rise of nationalist parties and candidates” (2018). This is concerning as, although most people do not associate themselves with nationalistic views, more and more nationalistic candidates are emerging from the political field. This is especially concerning now that there is a global emergency wreaking havoc all throughout the globe; since rises in nationalistic ideologies tend to follow as populations struggle with economic uncertainty and insecurity. However, a country looking out for its own interests need not be problematic.

As Roosevelt did in the 1930s, countries today can use the COVID-19 recession as a chance to develop a domestic strategy and spark innovation in a time when the world needs it most. Domestic-focused policies, like those mobilized during the Great Depression can create a tailored national plan for recovery. This domestic focus must be top of mind, as sometimes one must focus on their own personal well-being before being able to turn their sights back to helping others. This is not to say that in the pursuit of domestic policy countries should gain a disdain for their global neighbours. Rather, it is merely to suggest economic crises can be better managed on a national level as opposed to the international level.

Taking these historical lessons into consideration, how can countries better recover from COVID-19’s economic disaster? One way of achieving economic recovery is through development in a national renewable energy plan. Similar to how Roosevelt put a lot of focus into job creation through public work projects to successfully get the United States back to a more stable economy, the world today could invest money into renewable resources therefore creating many new jobs within their own respective countries. According to Cristian Barra and Nazzareno Ruggiero, economic researchers at the University of Salerno, with their empirical analysis of the effect of green technology on the demand of the job market, they conclude that “investments in green energy lead to a positive externality, represented by the creation of new matches in the labo[u]r market which are not limited to green jobs but to the labo[u]r market as a whole” (2019). Consequently, these advancements in the green sector would benefit the entire labour market in the long run.

As with the Great Depression, this pandemic has shown how reliant and interconnected our global economy is on others, with some countries suffering worse consequences than others. It is therefore essential to develop local renewable energy technologies to

provide jobs, energy, and a sustainable future moving forward. It may be difficult at first as costs of many renewable technologies are still uncertain and have the possibility of being rather costly. However, Paul Vercruysem, J.D. graduate from the University of Washington, determines that there is a “reduced cost projection,” but it does not take into account “the cost of implementing its recommended changes” (2011). In this case, the missing variable leaves the determination of these costs uncertain for the moment. However, once larger economic powerhouses put these steps into place, the market will certainly be less restrictive to poorer nations with the increase in supply.

How can countries accomplish this goal for renewable energy? According to the World Health Organization, “[a]ccelerating the pace of progress in all regions and sectors will require stronger political commitment, long-term energy planning, increased public and private financing, and adequate policy and fiscal incentives to spur faster deployment of new technologies.” This shows us the important roles government officials play in this economic recovery in regard to the use of green technology (2020). For instance, the adoption of the Green New Deal proposal in the U.S.

In regards to job creation that could be involved with green technology into the

United States economy specifically, it seems that, “[g]rowth in the RE [Renewable Energy] & EE [Energy Efficiency] sector of the US economy will lead to vast new employment opportunities as businesses expand to meet the new, clean, and sustainable energy requirements” (Wendling, 2014). This is an important step to recovery from an economic crisis through job creation and self-sufficiency.

In summary it seems that this catastrophic pandemic gives humanity a chance to make some drastic changes to policy to both create jobs and recover back to where we were, as well as provide a sustainable future for the next generation. It is important to learn from the past errors and not fall into the trap of authoritarian nationalism, but also learn from the successes with development on the local level to create significant job growth in a developing field. History has shown us that, not only is it possible to efficiently recover from the damage that this virus has caused in many sectors of the working world, but it is possible to take advantage of this opportunity and pave the way to a more sustainable and economically prosperous future in taking this opportunity to invest in renewable energy.

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