

<https://blog.en.erste-am.com/everybody-will-know-someone-who-is-affected-by-climate-change/>

Everybody will know someone who is affected by climate change

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Will Europe be the first climate-neutral continent in the world?

Where has the climate movement gone? [Corona](#) has crowded out Fridays for Future and its founder, Greta Thunberg, from the media. While at the beginning the coverage mainly focused on the right measures against corona, the news flow has now shifted to the fear of a second wave.

Who would have thought that those governments that were taking particularly stringent measures against the virus, curbing the freedom we were used to, would be rewarded with the best approval ratings? (N.B. This was at least the case as long as the imminent danger was palpable and communicated accordingly, making the measures logically comprehensible.)

At the same time, the quick feedback of insufficient measures helped reveal populist heads of government such as Jair Bolsonaro in Brazil. Whereas politico-economic measures and cases of corruption often only manifest themselves in later legislative periods, the effects of corona became apparent immediately due to the publication of the infection and death rates. (No surprise that Bolsonaro tried to suspend the daily updates – unsuccessfully so.)

We will be surprised about all the things that were possible

What used to be unthinkable happened within the shortest of time frames: borders inside the EU were closed, masks became obligatory, nursing homes and hospitals were off-limits for visitors, air traffic was grounded, and restaurants were forced to shut down.

Home schooling and home office were introduced at the same time, and all of a sudden nobody bought forward contracts on crude oil anymore, as a result of which the price even dropped below zero for a short while.

Climate change cancelled? Only a small flu?

Since the peak the strict measures have been loosened in many places again; also the oil price has recovered and is now positive again, causing the shares of oil producers to rebound.

Was that it with the fear of climate change then? Should we maybe wait for the economy to recover before talking about climate change again? That is at least what some lobby organisations want. We can only hope that they do not misjudge the severity of climate change just like some heads of government misjudged corona – as a little flu that would quickly pass.

Transformation has already started

The truth of the matter is, the transformation of the economy has already started. BP announced billions in write-downs a few days ago, because the expected future oil price had to be revised downwards (N.B. a scenario that our ESG team has warned against for a while).

The biggest shareholder of Exxon Mobil is publicly pondering whether to replace the CEO and the board because they have failed to restructure the company sufficiently to prepare it for climate change. OMV sends its employees an info magazine about the causes and effects of climate change.

In its joint engagement efforts with other sustainable investors, Erste Asset Management was able to convince the board of Angle American to distance itself from lobby organisations that deny climate change.

This list goes on. It is a fact that due to the demands from sustainable investors and pressure from the European Commission, these developments have picked up significant momentum.

The European Green Deal

Ursula von der Leyen, President of the European Commission, is Doctor of Medicine and has spent several years in an epidemiology ward in Hanover – which means we have now come full circle, back to corona. At the end of last year, shortly before the outbreak of the pandemic, she announced the European Green Deal.

The European Green Deal is a programme aimed at turning Europe into the first climate-neutral continent in the world by 2050. A few days ago, this goal was specified further, and intermediate targets were introduced for 2030. The recovery after the lockdown should be green. But why do we want to be the global pioneer here?

Everybody will know someone who is affected by climate change

Likely, the worry by the Austrian government that many people will know someone who has died from corona has not come true. However, let us formulate a different kind of prediction: everybody will know someone who is affected by climate change.

You are likely to be that someone. Because climate change is already happening. Ask a farmer about changes in precipitation and extreme temperatures in recent years. The only question is how aggressively and how quickly climate change will proceed. Much like with corona, governments will be continuously tightening their measures along the intensifying and ever more threatening effects of climate change.

Much like with corona, because that is what the populations expects and because otherwise those governments would be voted out of office. And again, much like with corona, the later adequate measures are taken, the more aggressive and restrictive they have to be in order to be effective. If we know therefore that climate change is reality and that it will change our lives, why should we Europeans not be the first ones to prepare for it so as to be able to sell our European innovations to the rest of the world in due course?

Listen to the science

It has paid off to listen to epidemiologists during the corona crisis. Let's do the same thing in the climate crisis with climate scientists. Once we are beyond 2 degrees of warming, there will be no return to the current normal; instead, we will basically have to go into unlimited lockdown.

We have to fight against such a "new normal" with all our might for our children. They are the demographic that have had to deal with the most crippling restrictions during the corona crisis (in Spain, children were not allowed to leave the house or apartment) while running the smallest risk of complications. During the climate crisis, this situation will be the other way around as far as the generational divide is concerned, so it is time to fight for the future generations.

Will there be a green economic recovery after the Corona lockdown? [esgletter.at](https://www.esgletter.at)

INFO:

Climate change and its consequences are considered the greatest challenge in human history. In order to achieve a reversal of the trend towards an environmentally friendly future, a joint effort is required from a wide range of areas. The financial sector is also making a significant contribution by managing investments in a targeted manner. One of the most effective instruments is impact investing.

Impact investing is the term used to describe investments in companies, organisations and funds with the intention of achieving measurable, positive effects on the environment or society in addition to financial returns.

The new equity fund of Erste Asset Management – [ERSTE GREEN INVEST works precisely according to this principle](https://www.erste-am.com/investor-rights). The fund invests its capital in sustainable companies in the fields of renewable energy or water management. It also supports companies that play a pioneering role in the conversion of environmentally damaging processes of the "old economy".

Warning notice:

The first green invest may have a higher volatility due to the composition of the portfolio, therefore the unit values may be subject to large upward and downward fluctuations even within short periods of time.

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