

# Recover better: Pathways to a new kind of growth

A leadership roundtable hosted by Xynteo  
with the Norwegian Prime Minister Erna Solberg

EUROPE  
DELIVERS >

Powered by

XYNTEO





## About Europe Delivers

Europe Delivers is a partnership of businesses working to build socially inclusive, environmentally regenerative growth in Europe. Our current work has three streams:

1. **Foresight:** building cross-sector foresight to support a better recovery
2. **Engagement:** connecting business to a wide range of stakeholders and allies in Europe
3. **Impact:** launching and running projects that drive systems change while supporting the aims of the European Green Deal



Europe Delivers partners are currently leading the following projects:

- **The bioeconomy** – Scania
- **The gig economy** – Mastercard
- **Farm to fork** – Yara

Click [here](#) to read Europe Delivers' latest contribution to the debate about the future of growth in Europe: 'Unlocking Europe's vibrant future – five jobs to be done'.

### Roundtable participants: (in alphabetical order)

**Osvald Bjelland**, CEO, Xynteo

**Harry Brekelmans**, Projects & Technology Director and member of the executive committee, Shell

**Remi Eriksen**, Group President and CEO, DNV GL

**Henrik Henriksson**, President and CEO, Scania and Chair, Europe Delivers

**Svein Tore Holsether**, President and CEO, Yara and Co-Chair, Europe Delivers

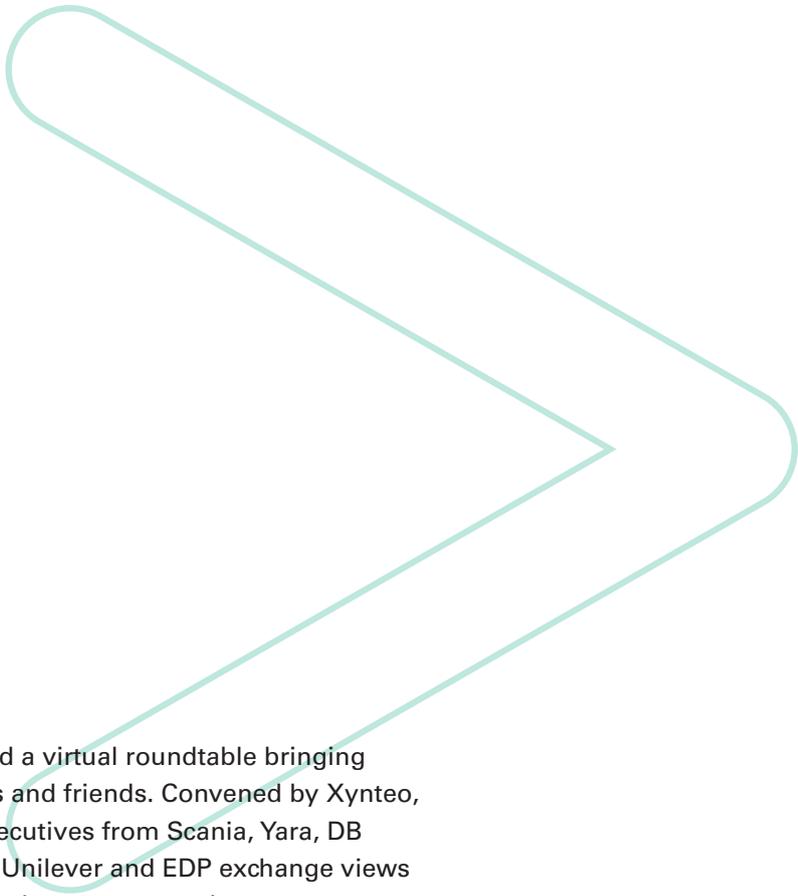
**Sanjiv Mehta**, Chairman and Managing Director, Hindustan Unilever Ltd

**António Mexia**, CEO, EDP Energias de Portugal

**Jochen Thewes**, CEO, DB Schenker

With special guest **Erna Solberg**, Prime Minister of Norway

Moderated by **Saya Snow Kitasei**, managing director, Xynteo



# Introduction

On 3 June 2020, Europe Delivers held a virtual roundtable bringing together both partners and key allies and friends. Convened by Xynteo, the session saw CEOs and senior executives from Scania, Yara, DB Schenker, DNV GL, Shell, Hindustan Unilever and EDP exchange views with the prime minister of Norway on how to recover better.

The exam question was this: how can businesses collaborate better with each other, government and civil society not only to move Europe through this crisis but beyond it, to a growth model fit for the deep challenges of our time?

This roundtable marks a key step in Europe Delivers' main ambition for 2020: to make a concrete contribution to the realisation of a new growth model in Europe – a resilient growth model that works for all and not just a few, while protecting the environment on which we depend. With that in mind we are closely following the European Green Deal, the EU's digital strategy and Next Generation EU, the Commission's recovery plan.

With a combined revenue of USD 600 billion in 2019, an employee base of half a billion and operations cutting across multiple sectors of critical importance to Europe's growth model, these companies have the power to drive significant change.

And yet we recognise that our ability as businesses to make good on our commitments depends on creative alliances with strong partners from other sectors. That is why we were so delighted to be joined by Prime Minister Erna Solberg, one of Europe's most respected leaders. It was an enriching conversation, underpinned by a strong belief in the power of collaboration.

We will keep talking, but we will also do. We look forward to reporting back on the impact we generate together, and on the lessons we learn along the way.

# The context for our conversation

## – we can recover better

**We are living through an age of abundance.** Never before have we had so much capital; never before have we had so much talent; never before have we been capable of such life-giving innovation.

And yet we do not wield this collective power as wisely as we should. We have been shortsighted, dangerously degrading our natural environment. We have failed to prepare adequately for problems we knew would come, COVID-19 among them. And we have not worked nearly hard enough to build a social contract rooted in true, systemic justice for all. **We can do better – we must do better.**

The COVID-19 pandemic has claimed the lives of over 400,000 worldwide – and rising. To contain the pandemic we have put ourselves into an economic coma. These measures are winning ground in the fight against the virus, reducing the rate of contagion and creating time to bolster health care systems. But comas have side-effects – the costs of this lockdown are huge and mounting, and threaten to erode hard-won gains against other ills, including poverty, hunger and lack of access to education.

Through the clouds of this uncertainty, we can see signs suggesting that **change – forceful, muscular change – is absolutely possible.** Over the past few months, for example, we have learned that businesses can absolutely maintain productivity without requiring staff to travel to the office – keeping the cost of space off company books; saving households time, money and stress; and saving us all from unnecessary emissions. We have a range of instruments at our disposal; we just need the will to prioritise and follow through.

For all the anxiety crises cause, they can also be moments that focus the mind. The desolation wrought by World War 2 rallied the energies of a wide set of parties around a set of core values that became part of Europe's bedrock: a commitment to peace, dialogue and

democracy, an intolerance for inequality, the responsibility of governments to serve electorates (and not the other way around).

We can convert this crisis, too, into momentum for a better recovery. We can use this crisis to **transform ourselves, our organisations and our wider systems** with a view to unlocking a new growth model – one that works with nature and not against it, that delivers value across generations and not just quarters, that creates value for the many and not the few.

A better recovery is within Europe's reach. But **we must listen more deeply**, to each other and to the societies we serve. We must plan with wisdom, with loyalty to our core values; and with foresight, recognising that we are stronger if we shape the future we want instead of reacting to whatever one we get. And we must execute quickly, **collaborating across old divisions** to capitalise on our collective capability.

We will not pull the drawbridge up. We will do this not only for Europe, but also for the world.

We can recover better.

### Three themes from the roundtable

The roundtable discussion covered a wide expanse of territory. From this rich content, Xynteo has selected and built out three themes. The quotes have been signed off by the participants, but the rest of the commentary is ours. The themes are:

1. Two-horizon leadership
2. Inclusion at the heart of recovery
3. From individual acts to accelerated systems collaboration

“We cannot afford to return to business as usual.”

– **Erna Solberg**  
Prime Minister of Norway

“We are living in a very different world today. I think none of us in our professional or private lives has experienced anything like this. Our thoughts go to all those most affected by this crisis. At the same time, we are looking ahead. Because we have a tremendous opportunity to restart our society and economy. But we will not simply reinstate what existed before the crisis. We will come back more resilient and more sustainable.”

– **Henrik Henriksson**  
CEO, Scania  
Chair of Europe Delivers

## *History is watching us*

It is precisely this Europe that our founding fathers and mothers dreamt of amid the ashes of the second world war. When they created this union of people and nations, they were painfully aware of what egotism and overblown nationalism could lead to. Their goal was to forge an alliance in which mutual trust grows into common strength. And it was from their great idea that within decades a unique community of freedom and peace – our European Union – arose.

Today, in the face of our invisible enemy these fundamental values of our Union are being put to the test. We must all be able to rely on one another. And we must all pull each other through these tough times.

In recent days many of you have quoted Jean Monnet – the unifying force behind the birth of the European Union – on Europe being forged in crises. This still stands true today.

But there is a quote from another founding father which I think also sums up where we are. Konrad Adenauer once said that ‘history is the sum total of things that could have been avoided’.

Dear friends, history is watching us. Let us do the right thing together – with one big heart, not 27 small ones.

**Ursula von der Leyen**  
President of the European Commission  
Speech to the European Parliament, 26 March 2020

## Theme 1:

# Two-horizon leadership

### The situation – is the tide turning on the sustainable development goals?

We are already feeling the economic blow – the US is now officially in recession<sup>1</sup> and emerging market economies are forecast to shrink for the first time in 60 years.<sup>2</sup> We now also need to look hard at how the lockdown – though absolutely critical in our fight against the virus – will affect other life-and-death efforts.

Up until now, poverty alleviation could be said to constitute a bright spot in our collective efforts to improve the well-being of humanity. The share of world population living in extreme poverty declined to 10% in 2015, down from 16% in 2010 and 36% in 1990. But the pace of reduction is now decelerating: projections suggest that 6% of the global population will still be living in extreme poverty in 2030,<sup>3</sup> meaning that we'll miss our target of ending poverty. And so the 17 UN sustainable development goals – which many businesses use as a framework to guide their practices – are suddenly facing a new threat.

### The dilemma – the damage could be long-lasting

To make ends meet in the lockdown, some European families are running down savings, selling off

investments and putting off education (UK universities are facing a GBP 760 million hit as one in five students plans to defer<sup>4</sup>). In some developing countries, people are reportedly selling the livestock and land upon which their long-term livelihoods depend. Some are eating less.<sup>5</sup> For children this is especially dire: too few of the right kind of nutrients can impair cognitive and physical development, kicking off a vicious set of cascading impacts, from reduced educational attainment to limited employment prospects.

'I think it's staggering seeing these SDG numbers. Before we felt we were moving too slowly, and now we are being turned back,' **Prime Minister Solberg** said. Pointing out that 1.2 billion children had been kept away from school in the past month,<sup>6</sup> she argued that hard-won achievements were at risk of being wiped out.

### The solution – don't lose sight of the long game

While we weren't able in the 90-minute conversation to come up with a detailed solution to this dilemma, participants agreed on the overriding need, in F. Scott Fitzgerald's words, 'to hold two opposing ideas in our heads at the same time'. As leaders we need to be able to deftly manage

the immediate crisis without compromising on the actions we know we need to build for a better future. As Shell's **Harry Brekelmans** put it: 'It is important that we take care of the issues that confront us today, but without losing sight of what we need for the long term. This is challenging, but it's possible.'

Working across these two time horizons will undoubtedly take many forms. In recent weeks, UN secretary-general Antonio Guterres joined a growing chorus of voices from business, government and the investment community to call for bailouts and recovery packages to be tied to 'green jobs and sustainable growth'. The French government has given us an early testcase of this tactic, making its rescue of Air France contingent on stopping routes that compete with rail.<sup>7</sup> A group of major companies from around the world – including all of those represented during the roundtable – have signed the Business Ambition for 1.5°C pledge, aligning their businesses with the most ambitious aim of the Paris Agreement: to limit global temperature rise to 1.5°C and reach net-zero by 2050. To achieve those net-zero ambitions recovery packages will be scrutinised by many to ensure the alignment with those goals.

“This is clearly a time for deep reflection, to think through how we focus our leadership agenda toward what yields the highest return in the short, medium and long term.”

– **Osvald Bjelland**  
CEO, Xynteo

“Each country needs to look at how can we create jobs now, not in five years, but right now, this year and next year, and at the same time contribute to the SDGs.”

– **Remi Eriksen**  
CEO, DNV GL



<sup>1</sup> <https://www.theguardian.com/business/2020/jun/08/us-has-officially-entered-first-recession-since-2009>

<sup>2</sup> <https://www.ft.com/content/47998ee3-b2d3-4066-a914-edbf60b797b5>

<sup>3</sup> <https://sustainabledevelopment.un.org/sdg1>

<sup>4</sup> <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>

<sup>5</sup> The Intelligence podcast from The Economist, 'An epidemic of hunger: covid-19 and poverty', 2 June 2020

<sup>6</sup> <https://www.washingtonpost.com/education/2020/03/26/nearly-14-billion-children-around-globe-are-out-school-heres-what-countries-are-doing-keep-kids-learning-during-pandemic/>

<sup>7</sup> <https://www.bbc.com/news/world-europe-52527517>

## Theme 2:

# Inclusion at the heart of recovery

### The situation – trending towards more joblessness

In April, the International Labour Organisation warned that as much as half the global workforce – some 1.6 billion people – may lose their livelihoods in the economic fall-out from COVID-19.<sup>8</sup> More than 40 million Americans have already filed for first-time unemployment benefits since March. In Europe, it is estimated that up to 59 million jobs could be at risk, the equivalent of 26% of the total workforce.<sup>9</sup> These numbers would take us to the same levels of unemployment experienced during the Great Depression.

So the stakes have reached epic heights. Yet even before the pandemic, economists had been sounding the alarm about the likelihood of job losses caused by automation. So sidelined workers may ultimately find that the jobs they want to return to may not exist for very much longer.

As often is the case, it is the already vulnerable who will take the biggest hit – both in health and income security terms. Lower-wage jobs in labour-intensive industries have borne the brunt of corona-sparked lay-offs in Europe. Given that educational attainment in these segments tend to be lower, workers are less

equipped to switch jobs. In the EU's hospitality sector, for example, 30% of workers left education at the lower secondary level, compared to 18% in the overall economy.<sup>10</sup>

Gig workers, too, are struggling, showing the precariousness of this employment model. In a recent AppJobs Institute survey of 1,400 gig workers – including independent contractors, workers for online platforms, and contract, on-call and temporary workers – almost 70% of respondents reported they had lost their incomes, and only 23% had some money saved.<sup>11</sup>

### The dilemma – jobs are the quid pro quo for the growth transition

Many European countries – perhaps most notably the Nordics – are pioneers in fostering economic and social inclusion. Allowing unemployment to spiral would not only compromise this leadership; it could also, as **Prime Minister Solberg** cautioned, erode the societal approval that national and EU governments need to execute the transition to a competitive, inclusive, climate-neutral growth model in Europe. 'There will be extreme political movement against transforming if the transformation doesn't lead to jobs,' Solberg said.

### The solution – aggressive development of green industries

Roundtable participants responded to this dilemma by pointing to the job creation power of new, green industries. It will take significant labour to empower Europe to stand up the industries required to reach the EU's targets for 2030 – including a 40% cut in greenhouse gas emissions; a 32% share for renewable energy in the energy mix; and a 32.5% improvement in energy efficiency.

**Remi Eriksen** of DNV GL listed offshore wind, carbon capture and storage (CCS), hydrogen fuel and green shipping as 'no-regret investments' that would generate jobs while advancing technologies we know we need. And Scania's **Henrik Henriksson** flagged the jobs potential of the bioeconomy, particularly in Central and Eastern Europe, where there are large stretches of land that could be used for fuel crops without compromising food production.

<sup>8</sup> <https://www.theguardian.com/world/2020/apr/29/half-of-worlds-workers-at-immediate-risk-of-losing-livelihood-due-to-coronavirus>

<sup>9</sup> <https://www.mckinsey.com/industries/public-sector/our-insights/safeguarding-europes-livelihoods-mitigating-the-employment-impact-of-covid-19>

<sup>10</sup> <https://www.hotrec.eu/facts-figures-2/>

<sup>11</sup> <https://www.weforum.org/agenda/2020/04/gig-workers-hardest-hit-coronavirus-pandemic/>

## A question to take with us

Among the pandemic's many lessons has been the role of inclusion in helping to fortify societies and economies against shocks. Workers and households that lose their incomes and homes are less likely to be able to bounce back quickly, if at all.

Knowing what we now know, and given Europe's commitment to a just transition, can we expect that standing up new clean tech industries will generate the jobs needed to offset the loss in jobs from both the pandemic and automation? Or, as our guest **Sanjiv Mehta** from Hindustan Unilever put to the prime minister, 'is it time for the world to look at universal basic income, but without compromising the basis of wealth creation?'

“This crisis has proven beyond doubt that building resilient, sustainable societies and economies is also smart economics.”

– **Erna Solberg**  
Prime Minister of Norway

“It's been a real eye-opener for me to see what has happened across the world as a result of the lack of safety nets. As business leaders we cannot sacrifice livelihoods to technology. And we have a responsibility to reskill our workforce, doing our bit to contribute to more resilient societies.”

– **Svein Tore Holsether**  
CEO, Yara

“Globalisation has lifted millions out of poverty. But in recent times, countries have started becoming parochial. How do we ensure that the world moves forward in globalisation and does not go backward?”

– **Sanjiv Mehta**  
CEO, Hindustan Unilever

## Theme 3:

# From individual acts to accelerated systems collaboration

### The situation – our systems remain as they were

Sometimes it takes a crisis. The International Energy Agency expects global emissions to decline by 8% over the course of this year, sinking to 2010 levels.<sup>12</sup> And as of the end of April, cleaner air in Europe had reportedly saved 11,000 deaths from pollution while cutting the number of children developing asthma by 6,000.<sup>13</sup>

As cheering as this is, we know these gains are but fleeting. The financial crisis of 2008 also saw a drop in emissions but as soon as the economy rolled back into gear, CO<sub>2</sub> and pollution levels bounced back with force. As **Harry Brekelmans** of Shell told us: 'We have not transformed the energy system in the past six months; we've simply stopped using it. That is why, while we respond to the current crisis, we need also to maintain our focus on the longer-term actions and collaboration required to confront the climate challenge.'

What we have won is a bit of perspective and a timeout to make sure our next move pushes us powerfully forward. And as we plot next steps it is vital that we radically widen our aperture – going beyond actions by individual players to identify how to shift our wider systems. However

bold and inventive 'lone-wolf' actions can be, they are dwarfed by the size, intricacy and unpredictability of the challenges we face. To build a new growth model, one that respects planetary boundaries and supports dignified lives for all, we need change across multiple systems, at scale and at pace. We need to rapidly transform the way in which we run our energy, transport and food systems – to name just those that were discussed during the roundtable.

### The dilemma – leaders need to unlearn old skills

While many leaders today understand the need to adopt a systems approach to change, systems collaboration calls for new behaviours, skills and disciplines that clash pretty dramatically with the traditional leadership approaches typically taught at mainstream business schools. Leaders are trained to optimise not transform, and to eke out efficiencies within the boundaries of a particular domain, whether a project, company or even country. And there have been some good reasons for this.

The trouble is that successes in one domain are often won at the expense of another – and short-term gains often transmute into longer-term headaches, which are typically more costly and more difficult to

solve than the initial problem would have been.

DB Schenker's **Jochen Thewes** shared how the European transport sector could benefit from a systems approach. 'If we look at the investments that are being made today in Europe into infrastructure, they're mainly focused on optimising domestic in-country road and rail networks. We're clearly missing the pan-European view that focuses on optimising the overall transportation infrastructure.'

### The solution – reinventing our systems through partnerships

It is one thing to understand a system and see where it is failing; it is another to build the partnerships required to influence it. Again, this is fiendishly difficult to do. The barrier to exit in a collaboration is typically quite low – when challenges rear their heads it is natural to assume that it is easier to go it alone.

In order to generate the 'stickiness' required to extend the life of an effective partnership, leaders need to go beyond championing their own interests to building deep familiarity with the capabilities, constraints and motivations of their partners. As Shell's **Harry Brekelmans** said: 'Collaboration is more important today than ever. We need to pass the

“One of the things we have learned from this crisis is that shelves don’t stock themselves. Getting food to citizens is the result of a sophisticated, interconnected system of global supply chains. For these supply chains to work, we need to ensure that we in the future, have open borders at all times for the free movement of goods in Europe.”

– **Jochen Thewes**  
CEO, DB Schenker

baton from one to another, depending on who’s best positioned to make the calls or make the progress.’

Nowhere is the need to build this capacity for systems collaboration more apparent than in the interface between business and government. A first step is adjusting the way in which government and business relate to each other. Scania’s **Henrik Henriksson** asked whether the COVID crisis could provide the impetus for a higher-quality dialogue. ‘Hopefully this crisis will help us throw away old legacies and start communicating proactively with each other instead of sending documents back and forth.’

Henriksson said further that he hopes that leaders can ‘sit down around the same campfire and try to solve problems together’. And he shared his wish – echoed by many business leaders – that regulators could find ways of implementing ‘broad agreements that are valid over the long term’, rather than changing every four years.

While there remains a big job to be done in unlocking the global, cross-sectoral, cross-industry partnerships envisioned in SDG17, there are notable successes to point to, and learn from. Henriksson referred to the coalition of businesses that are working with each other and policymakers to spur the growth of the bio-economy in Europe. And Yara had just launched a programme with the support of the Norwegian government to direct Norwegian-produced crop products and digital technology to support African farmers. The goal is for 250,000 farmers to get access to crop nutrition and increase maize production by 300% – enough to feed one million people for one year.

In sharing this example of Yara’s partnership work **Svein Tore Holsether** said, ‘We’re ready to take on the risks, but we need governments to put in place a framework. With the right incentives, this can be done with speed and with force and, actually, at a rather low cost.’

A critical mass of businesses is ready to lean in to power Europe’s transition to a green, competitive and just economy. But to capitalise on this will, we need a new approach to collaboration – one that makes use of distinct but complementary capabilities from across sectors and industries; that structures incentives so that these actors will work in the same direction over time; and that aims to transform the systems on which Europe’s growth model depends.

If the speed and force with which the coronavirus has wreaked havoc around the globe has proven anything, it is that we are an intricately connected, interdependent world. Though this interconnectedness can be a source of vulnerability, it is also a strength.

<sup>12</sup> <https://www.iea.org/reports/global-energy-review-2020>

<sup>13</sup> <https://www.theguardian.com/environment/2020/apr/30/clean-air-in-europe-during-lockdown-leads-to-11000-fewer-deaths>

“I think it is necessary for us to truly embrace the shift from individual activities to systems transformation.”

– **Osvald Bjelland**  
CEO, Xynteo

“We should get away from procrastination and half measures, and work together to flatten the climate curve, take concrete steps to better manage water resources and keep plastic away from the environment.”

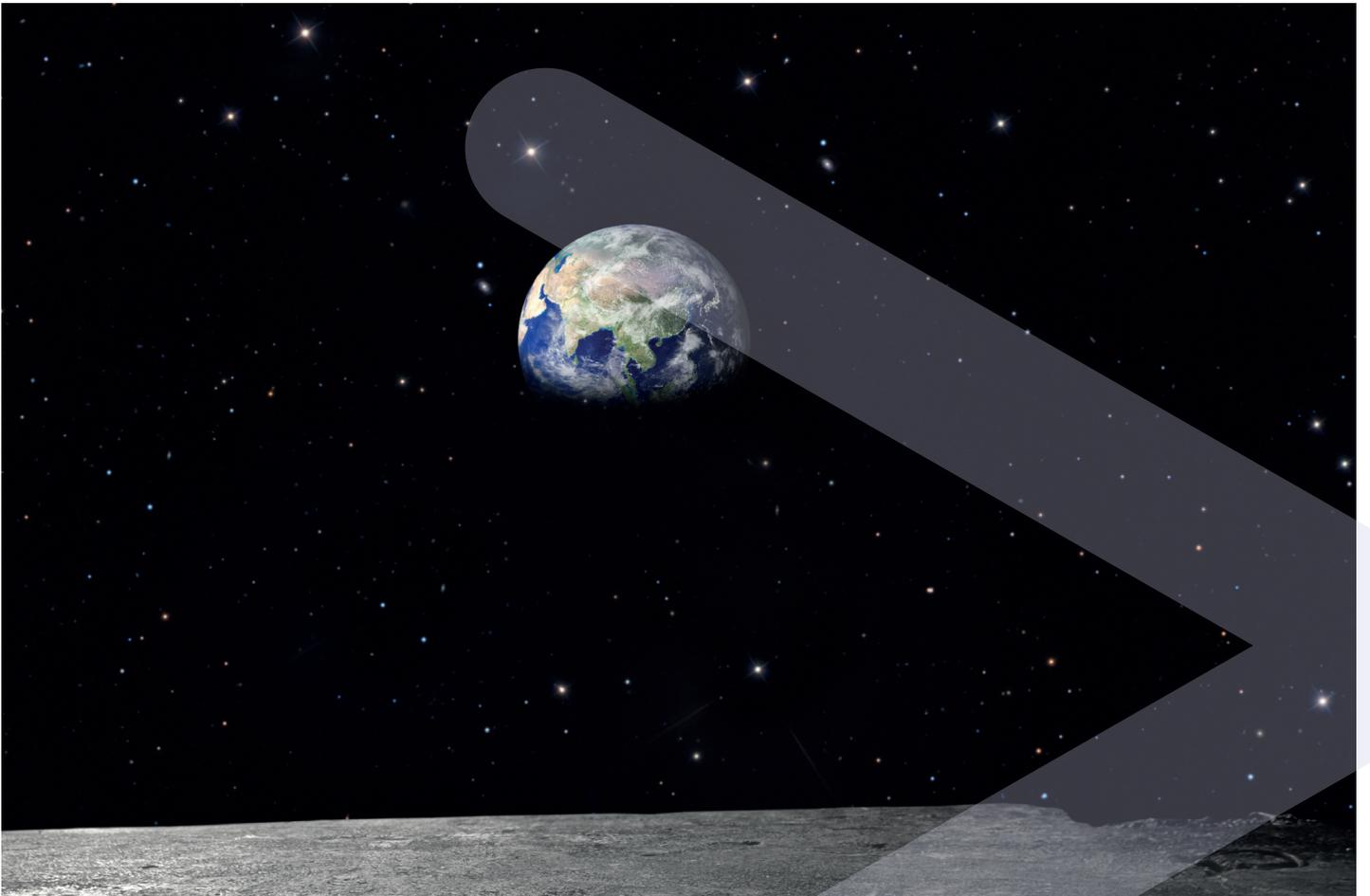
– **Sanjiv Mehta**  
CEO, Hindustan Unilever

“Learning from this crisis requires partnerships. It requires the understanding that we have to work between the political administrative levels of governments and businesses to make sure that we are working together in the same direction.”

– **Erna Solberg**  
Prime Minister of Norway

“And if there’s anything to be learned from COVID-19, it’s that these are not regional problems, they’re global problems. It’s not going to be fixed for anyone unless it’s fixed for everyone, and that’s something that we need to bring with us.”

– **Svein Tore Holsether**  
CEO, Yara



“It’s not going to be fixed  
for anyone unless it’s fixed  
for everyone, and that’s  
something that we need to  
bring with us.”

– Svein Tore Holsether  
CEO, Yara

Powered by

**XYNTEO**