



Article published in Investir – Le Journal des Finances on 6 July 2019

A Marshall Plan for ecological transition

Climate change and the unprecedented erosion of biodiversity are confronting humanity with its responsibilities to future generations.

That is why there is an urgent need to rethink the western paradigm of economic development so that value creation does not mean progress for some but destruction and misfortune for others. We now know that it is possible not only to produce without polluting but also, better still, to combine economic growth with preservation of the environment in a virtuous model of which the business community would be one of the drivers. And innovation must of course be the fuel. It is the principle resource available to firms seeking to reinvent themselves in order to serve not just their customers but also the common good. Most large firms are well aware of the situation and have made sustainable development central to their strategy, but they need to do even more in response to the ecological emergency.

Let us not fight the wrong battle. Energy efficiency must be the priority, both in new-build projects and when renovating the old buildings which make up the vast majority of the stock. The pace at which public and private buildings are currently being renovated is far too slow. In France alone, nearly 34 million housing units will have to be renovated over the next 30 years if we want to comply, at our level, with the Paris Agreement.

Europe has few reserves of fossil energies, so it must import them in vast quantities. This in turn has an adverse effect on its trade balance and energy independence. It is therefore in Europe's interest to concentrate its forces in order to construct a European model for a low-carbon economy. It needs to speed up the phase-in of renewable energy production systems in addition to hydro and nuclear. It also needs to invest in the roll-out of new transport networks that are fast, comfortable and safe. The same applies to lightweight electric and internal combustion vehicles, which will gradually become the norm and be integrated into buildings' energy functions. I am therefore issuing a call for a European "Marshall Plan" for ecological transition. In my opinion, it is the best way to accelerate our transformation. The immediate effect of such a plan would be to revitalise our regions and boost employment, because most of the work to be done would be a matter for local industries using local labour. The opportunity should also be taken to increase the taxation of countries with carbon-intensive economies that do not do enough to reduce their carbon use.

Reinventing ourselves means innovating in all areas. Companies can find an immense source of inspiration in technological progress, the benefits of responsible digitisation, the encouraging prospects afforded by the steadily falling cost of renewable energy production and the enormous potential of hydrogen, provided it is produced from carbon-free primary energies. As a precondition for success, these factors need a regulatory framework that is ambitious but above all streamlined and stable in the long term, so as to give companies time to adapt their solutions and make a return on their investment.

These changes concern all of Bouygues' business segments, but it is in construction that the most opportunities related to the warnings of NGOs and the scientific community on the state of the planet are to be found. Bouygues was one of the first construction companies to design and build positive-energy buildings which produce more renewable energy than they consume, in both the new-build and the renovation segments. Better still, we are now scaling up, joining forces with local authorities to develop sustainable and desirable urban environments by building eco-neighbourhoods and smart cities which combine frugal consumption of resources with quality of life.



We are trying out new construction methods based on the use of biosourced materials like timber in order to reduce our environmental footprint. These few examples show that it is already possible for companies to grow differently, with a virtuous model that ensures a decent level of profitability, essential in order to secure their long-term future.

The solutions exist, as you can see, and young people are impatient to channel their enthusiasm in the service of meaningful initiatives of this type. Let us not wait until it is too late, but act now!

Martin Bouygues
Chairman and CEO of Bouygues