The EU falls out over the pace and cost of net zero

The EU intends to improve its offer to the world for its progress to net zero.It plans a 55% reduction in output of carbon dioxide compared to 1990 levels which will require tough action to cut fossil fuel use in transport, homes and industry.

It has led to various disputes. Should the lower income countries be allowed laxer targets than the richer ones, who arguably are better able to pay for a fast transition? Will there be substantial solidarity funds to help pay the costs of change from EU funds for the poorer countries?

Should the EU carbon trading scheme be extended from electricity and general industry to cover personal transport and home heating? If so how high would the carbon price go, cutting the living standards of all who were hit by the new carbon penalties? Are the voters of EU states now ready to pay more directly for car and boiler use, on top of the extra indirect costs already imposed through electricity and general industrial product prices?

German opinion is getting more and more concerned about the possible expansion of a transfer Union, where Germany will be expected to pay more to help countries like Greece, Portugal, Spain and Italy. It is also worried about the extent of ECB buy up of the bonds of the weaker countries of the Union to keep interest costs down. The next ECB meeting and the next EU Council in June are going to be important meetings about far the EU plans to go down the road of fuller financial integration, binding Germany in to accept more the debts and obligations of poorer countries and more of the high costs of the road to net zero. Germany is also unwilling to phase out its coal industry and coal power stations this decade.