

Tougher carbon targets

Leading governments are as expected coming up with tougher targets to reduce carbon dioxide output, and are accepting the discipline of setting shorter term intermediate targets on the way to net zero by 2050. This week the German Green party moved in to the lead in the polls for the September 2021 Federal election. They have pledged to increase Germany's target of a 55% cut in CO2 by 2030 to a 70% cut. To achieve this they say they want to phase out all new internal combustion engine vehicles and stop all coal use by 2030. President Biden is talking of halving 2005 levels of CO2 output by 2030 in a major reversal of President Trump's cheap energy policy based on domestic oil, gas and coal.

The question to ask is how will these targets be hit without major changes of consumer behaviour? How will they encourage or incentivise people to change their gas boilers and scrap their diesel and petrol cars? Germany is still reliant on coal and imported Russian gas for industry and homes. Why put in another gas pipeline from Russia if this all has to be displaced? The German motor industry is trying to develop and display electric cars to replace its current successful model ranges, but so far there is no sign of a mass surge in demand on the scale needed given issues over prices, battery life and charge times. Governments are now talking about green hydrogen alternatives to battery electric travel and mains electric heating, but the products based on it are not yet available to purchase. More uncertainty about what technology will prevail puts [people off early adoption.

These carbon warrior governments need to work with the private sector to decide what is feasible. They need to understand this transformation can only go at the fast pace they now want if the cars, heating systems, diets and the other things they want to change appear as products people want to buy at prices they can afford. There has been no need for government to push the mobile phone revolution. Most people wanted one and most embraced the new capabilities of the phone. There was no need for governments to subsidise or regulate to get people to use Google searches or buy on line from Amazon. Their service was readily taken up by people.

The EU talks about the twin revolutions, the green and the digital. The truth is the digital revolution is bottom up, led by willing consumers seeking film and music downloads, wanting social media and welcoming on line shopping. The green revolution is still top down. Without the products that fly off the shelves because they are good and good value it is going to take a lot of law, tax, regulation and subsidy to force the changes the quangos and governments want. The more they do it by law, the more people will come to resent it.