Germany Claims Emissions Success Yet Becomes More Dependent Than Ever On Russia

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On February 3, German Economy Minister Peter Altmaier proclaimed that Germany had exceeded its target of cutting greenhouse gas emissions by 40% compared to 1990 levels. Despite clearly being aided by the deep economic slump caused by the Coronavirus, Altmaier stated that Germany's emissions have dropped by 42% over the last 30 years. "We have now achieved (our emissions goal), not just because of corona but because emissions trading worked."

Altmaier was referring to a European system in which companies in the energy and industrial sectors are allocated a certain amount of permitted emissions. These then can be bought or sold. Germany itself also introduced a similar system nationally for the heating and transport sectors.

The 42% drop in emissions is impressive, but must be put into perspective. The time frame corresponds roughly to the reunification of East and West Germany, which resulted in the retiring of numerous old, inefficient Communist lignite-coal based power plants. Regardless, Germany is to be commended for its achievement. While the 2020 drop in emissions was directly related to the economic fallout from COVID-19 –

Altmaier admitted that in 2020 Germany's economy shrank by 5%, although he claimed that was less than expected – he reiterated his claim that even without Germany's largest economic downturn since the aftermath of the financial crisis in 2009, Germany would have met its 2020 emissions target.

Ironically, the German emissions decrease comes as the country is shrugging off Trump-era sanctions to finish building the Nord Stream 2 pipeline in the Baltic Sea directly from Russia. Germany thus seems to be heading simultaneously in opposite directions. On the one hand, it is claiming victory in the quest to decrease emissions in order to safeguard the world environment. On the other hand, Germany is ensuring that it has a direct source of fossil fuels from a country that produces that natural gas in an environmentally sensitive area of the Arctic with few environmental safeguards. The combination is dreadful for the German consumer. German energy prices average about 30 cents per kilowatt hour, nearly three times higher than in the United States and among the highest in the world.

Despite its massive push into renewables through "Energiewende," Germany's energy transition program, the country remains the largest user of natural gas in Europe. To supply its needs, Germany still imports over 60% of its energy.

This puts Germany at a huge disadvantage politically. As its dependence on Russian natural gas increases, Germany finds itself much less able to speak candidly on political issues that might impact its citizens and allies, including the recent mass protests and crackdown following the arrest of Russian dissident leader Alexander Navalny.

Internally, pressure is growing from the Green Party to repudiate Nord Stream 2 over the Navalny affair. However, Christian Democratic Leader Armin Lachet has flatly refused to do this. Lachet, considered a likely successor to Angela Merkel as Chancellor, said that "feel-good moralizing and domestic slogans are not foreign policy."

Lachet, Altmaier, and Merkel all are in a tricky position. Green politics are popular in Germany and Europe, and German governments love to publicize figures showing emissions drops and their success in "saving the planet." Continued high energy prices, however, are not popular, nor is German dependence on Russia, especially for a country that wants to take a leading role in shaping European foreign policy.

Following the announcement on emissions reduction, Chancellor Merkel stated that Germany will substantially decrease emissions in its transport sector, which has seen almost no change since 1990. However, there remains little substance to how this will be done and what its impacts will be.

In a sense, Germany is a microcosm of the world energy debate. By decreasing its fossil fuel energy production and retiring inefficient old Communist-era power plants, Germany has cut its emissions. Now it rushes headlong to increase renewables. At the same time, however, Germany remains at least as dependent on fossil fuels as before, ironically from sources using some of the same old Communist era production techniques. Throughout the developed world, nations are copying Germany's "transition from fossil fuels". While this is happening, Russia, the other OPEC countries, and China are going the other way – continuing to develop their fossil fuel industry. Without clear thinking, the developed world may find itself even more dependent on Russia and OPEC than at any time since the 1970's, with China going its own way to its advantage. This is hardly the result the developed world desired when it instituted its energy policies, and could portend a very dangerous future.

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