

Green dreams on kibbutz track

Janet Albrechtsen, The Australian, November 13, 2013

SOMETIMES it pays to revisit significant cultural moments, even the small ones that slip by unnoticed. Back in March 2007, then presenter of ABC TV's The 7.30 Report, Kerry O'Brien, introduced a story about the kibbutz movement in Israel.

It was, said O'Brien, "a remarkable experiment in how humans can live together, but it's now facing the end of an era". O'Brien continued: "After almost 100 years, Israel's first kibbutz, the model for all that followed, has become a victim of market forces and has given up on the collectivist dream."

Around the country, members of the Left were surely shedding quiet tears as their utopian dream was exposed as just that: misplaced hopes by well-meaning people who refuse to face reality. Reporter David Hardaker picked up the story from Kibbutz Degania, explaining that "some on the kibbutz weren't as industrious as others. Money and reward for effort became a flashpoint."

He reported that market forces had "crushed the ideal, and young people have been deserting the kibbutz for the outside world where, the harder you work, the more you get". To its credit, the kibbutz movement managed to deceive itself about human nature and market forces for almost 100 years. But sooner or later, reality hit. As Hardaker reported, "By a vote of 85 per cent, (Kibbutz Degania) decided the individual could and should be paid according to effort."

And when reality does hit, it ought to be a reminder that there will always be another generation of dreamers. And sooner or later they, too, will discover that reality trumps sandcastles in the air.

O'Brien's lament about the end of the kibbutz movement came to mind when, earlier this month, German environmentalists sought to put ownership of power assets back in the hands of German people. Could there be another significant cultural moment around the corner, this time about the unreality of green dreams?

This time it will be a clash between reality and misplaced aspirations of environmentalists who believe they, unlike the farmers at a kibbutz, can actually beat market forces.

Will human nature and market forces once again be the ruination of utopian dreamers?

More than two decades after governments sold off power assets, the people of Hamburg last month voted to put them back in the hands of the people. There was a similar push in Berlin earlier this month where activists and green groups at the Energietisch (or Energy Table) tried to sell the dream that buying back power stations and electricity grids would bring down the skyrocketing price of energy and increase the use of renewable energy.

While the vote failed, that is unlikely to be the end of the story. European elites tend to keep putting their agendas to a vote until the lumpenproletariat follow their lead. The activists want nothing short of a green revolution - to raise renewable energy from its present one-quarter of Germany's electricity supply to 80 per cent by 2050.

The question is at what cost? And who will pay?

An article in Der Spiegel last month summed up the reasons Germany provides a critical lesson about a green energy utopia. Headlined "How Electricity Became a Luxury Good", it blows the whistle on the bogus nature of the green dream as Germans pay the highest electricity costs in Europe.

"The costs have reached levels comparable only to the eurozone bailouts," reports Der Spiegel. "This year, German consumers will be forced to pay €20 billion (\$26bn) for electricity from solar, wind and biogas plants - electricity with a market price of just over €bn.

"Even the figure of €20bn is disputable if you include all the unintended costs and collateral damage associated with the project. Solar panels and wind turbines at times generate huge amounts of electricity, and sometimes none at all. Depending on the weather and the time of day, the country can face absurd states of energy surplus or deficit."

And Germans are discovering that their warm embrace of green policies is leaving the most vulnerable citizens out in the cold - quite literally. Charities call it "energy poverty". Rising electricity bills, in large part due to Germany's renewable energy surcharges, have seen power cut off to more than 300,000 households a year because of unpaid bills.

As Stefan Becker from Catholic charity Caritas in Berlin told Der Spiegel, "People here have to decide between spending money on an expensive energy-saving bulb or a hot meal."

In other words, the fine-sounding push towards renewable energy - through subsidies to an expensive and haphazard renewable industry - redistributes money from a poor family living in a tiny apartment to a well-to-do family living in a house with roof-mounted solar panels.

And as Der Spiegel points out, the left-wing parties are most responsible for hurting the poor. The Social Democrats, "which sees itself as the party of the working class, long ignored this regressive aspect of the system. The Greens, the party of higher earners, continue to do so."

Former German environment minister Jurgen Tritten of the Green Party once said that Germany's switch to renewable energy would cost each German no more than the cost of a scoop of ice cream. In fact, rising electricity prices mean that the poor can barely pay for dinner, let alone dessert.

The same crunch is happening in Britain where Prime Minister David Cameron once declared his government would be the "greenest government ever". Cameron now admits that green levies for renewable energy are causing "energy poverty" for 2.4 million British households.

The lessons from Germany and Britain should be high in the minds of the Abbott government. Environment Minister Greg Hunt has made it clear that the fight is not over the science, it is about electricity prices. Last year the NSW Independent Pricing and Regulatory Tribunal found that green schemes in Australia will add \$316 to the average power bill, the carbon tax adding \$168 and the renewable energy schemes another \$148. The Productivity Commission and the Institute of Public Affairs have warned that renewable energy policies in Australia defy reality with increased electricity bills delivering no environment benefit.

After the Abbott government tables legislation to repeal the carbon tax today it should get to work to get rid of these other expensive green-led policies. Rather than mandate a 20 per cent renewable energy target by 2020, why not let the market decide? If renewable energy makes sense, it will thrive without mandates.

Sadly, there is a stubborn attachment by both sides of politics to expensive, inefficient and environmentally worthless renewable energy policies. But, sooner or later, surely these lazy, feel-good green dreams will go the same way as the kibbutz movement. When that happens, it will signal another important cultural moment, this time where reality trumps a green utopia.

janeta@bigpond.net.au