



Stanford eCorner

European Advances in Green Energy

David Rothkopf, *Author*

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If the people who set the prices are the same people who set the production levels, then it's not really a market, and true supply and demand are a farce. David Rothkopf, author of *Superclass: The Global Power Elite and the World They are Making*, says that Europe is leading the planet in green energy technology thanks to government subsidies, including biofuels and wind energy. Rothkopf is optimistic that the US will eventually adopt these policies toward energy, though our current system is corrupted by nearsighted, pure financial interest.



Transcript

Denmark is doing well as an economy. Sweden has grown at four and a half or 5% for the past couple of years. Denmark gets almost 20% of their power from wind. Sweden has decided that they will be petroleum-free by 2020. Europe is leading on green technology because there has never been a green technology that has successfully taken route without government subsidies and government intervention because that's what's been necessary so forth partially because traditional energy markets - another secret, even though this is being podcast - they're not really markets. It's not a market if the people who set the prices and the people who set the production levels are the same people. The supply and demand thing is thrown out of whack in this thing and they have been able to move their prices to suit their sort of economic hegemony over energy markets for a long time. But Europeans have said, "No. There is a different approach." And they are leading in biofuels, in wind, in next-generation biofuels. They're not suffering from some of the problems that we're having in the United States and so forth.

So I think that one of the possibilities is this European model may end up as a resurgent model and could be blended with a Singaporean model, a Chinese model where there is some larger role for the state and there is a different conception about the role of the individual in society, which some people here may go up in arms about. But if you project out these numbers, you have to give that a real shot. Yes, sir? Could you just talk a little bit more about why you think countries in Europe like Germany, for example are so far ahead of us with alternative energy. Besides just government subsidies, what does the U.S. need to do to catch up? First of all, I mean, you say, well, could you please explain this, but eliminate the thing that you think is most important? I mean, you have to have a favorable environment and government subsidies and policies which mandate the use of certain things and penalize the use of other things obviously play a big role on that. I think that can happen in the United States. I think it's going to happen in the United States. You've got three candidates for president right now. All of whom have committed to making climate change a priority and breaking with the policies of the past. The problem is that in the United States, policy is made by a special interest free-for-all that gets us the kind of insane policies like the last energy bill where we set a goal 36 billion barrels of ethanol.

Much of which is made with technologies that don't even exist yet and some of which is made with technologies that we know are lousy. And at the same time as we do that and set that impossible goal, we undermine and undercut and eliminate subsidies for wind and solar, which is nuts. So why does that happen? It happens because it's all about a special interest tug-of-war in a system that we have allowed to become operated by and saturated by and corrupted by money.