

# German jobs boom in renewable energy questioned

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Hydrogen storage (L), biogas storage (R) and a wind turbine (back) are seen at a hybrid power plant in eastern Germany. Optimistic predictions that Germany's decision to turn its back on nuclear energy will lead to the creation of hundreds of thousands of jobs in the renewable energy sector have met with scepticism.

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While renewable [energy](#) lobbyists as well as the German government argue one of the upsides of Germany's planned abandonment of [nuclear energy](#) by 2022 will be a rosier employment picture, some experts are unconvinced.

Chancellor [Angela Merkel](#) defended the so-called 'Energiewende,' the

term used to describe both the end of nuclear power and the promotion of [renewable energy sources](#), on being asked about [nuclear industry](#) job losses.

"All in all, the new energy policy will create more jobs than will be lost," she told reporters last month after French nuclear giant Areva became the latest of several big energy companies to announce it was axing posts.

But the very same day also saw the first case in Germany of a solar panel manufacturer, Solon, announcing it was going into liquidation, threatening the loss of some 500 jobs.

The company, established in 1998, was the first victim of Germany's crisis-racked solar energy industry, hurting due to a cut in government subsidies and from foreign competition.

Since Berlin decided in March to permanently switch off Germany's eight oldest nuclear reactors and to close by 2022 nine others currently online, job loss announcements have mounted.

The government's surprise about-turn in its nuclear policy came in the wake of Japan's massive March 11 [Fukushima nuclear disaster](#), the worst since Chernobyl in 1986.

Partly as a result, Germany's biggest power supplier, EON, plans to cut up to 11,000 jobs worldwide while its rival RWE will shed 8,000, according to press reports.



An electrician checks solar panels at a not yet working photovoltaic plant near Munich. Optimistic predictions that Germany's decision to turn its back on nuclear energy will lead to the creation of hundreds of thousands of jobs in the renewable energy sector have met with scepticism.

Both groups however also face profitability problems with their gas- and coal-fired plants as well as with subsidiaries abroad while restructuring by France's Areva will cost at least 1,200 jobs at its German subsidiary.

Opponents of nuclear energy respond to such bleak predictions by pointing to the huge potential for new jobs in renewable energy.

Given that the sector in Germany is still relatively immature, lobbyists from the renewable energy association predict its workforce will swell to 500,000 as a result of the policy change.

DIW economic research institute eyes up to one million jobs, while the government puts the figure at 400,000 by 2020 compared to 300,000 in 2009.

"Just for show," Manuel Frondel, a researcher at RWI institute, said dismissively, arguing the figures did not take into account jobs lost because of the shift to renewable energy.

"Renewable energies demand a lot of capital but less manpower" than

conventional energy sources, he said.

Hundreds of personnel are needed for the operation of a nuclear or coal-powered plant, while very few are required for the running of a wind or solar park.



A pump serving alternative E10 fuel at a petrol station in Bremerhaven. Optimistic predictions that Germany's decision to turn its back on nuclear energy will lead to the creation of hundreds of thousands of jobs in the renewable energy sector have met with scepticism.

Frondel in particular points the finger at "blatant (political) mistakes" in the solar energy sector.

While the installation of solar panels in Germany has jumped in recent years, it is down to a subsidy system financed through levying a surcharge on consumers' energy bills, he said.

At the same time, the system has proved particularly beneficial for Asian producers of solar panels which are less costly than those produced in Germany.

"Every job (in Germany) in the solar (sector) costs 250,000 euros (\$318,000)" to electricity consumers, meaning they are "doomed" or already lost jobs, Frondel commented.

According to a study last year by Stuttgart University's Institute for Energy Industry and Efficient Energy Use, the end of nuclear energy by 2022 will have a limited negative impact on jobs in the short term.

"But by 2025 job losses of about 185,000 people will be recorded here too," it said.

Additionally some research institutes believe the expected rise in the cost of electricity in Germany will hold back growth and neutralise in the short term any employment benefits reaped from the move to [renewable energy](#).

One recent example underscores their fears -- German company SGL Carbon announced it would build a carbon fibre factory in the United States rather than in Germany since electricity there is cheaper.

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