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# Conspicuous Destruction: Energy Transition in Germany

Henrik Egbert<sup>1</sup>

## Abstract

This paper examines whether conspicuous destruction—typically observed in small groups or individuals—can emerge as a behavioral pattern in large, democratic societies. Using Germany's energy transition as a case study, it explores how politically legitimized decisions lead to the dismantling and devaluation of existing energy infrastructure, including nuclear power plants and fossil fuel systems. This visible devaluation and destruction serve as political and social signals of Germany's commitment to a green economy. The paper identifies three interrelated motives driving this process: the pursuit of status, the demonstration of power, and the display of economic wealth. These motives, commonly observed in small groups, help explain similar behavioral patterns in national policymaking within the energy sector.

**Keywords:** conspicuous destruction; energy transition; wealth; climate status; Germany

**JEL:** Z13, P17, Q42

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## 1. Introduction

Several years ago, my son described an incident where one of his classmates intentionally damaged his mobile phone. The event took place in the changing room after a sports lesson. A 12-year-old boy demonstrated to his peers that he could afford to smash his latest-brand mobile phone. He threw the phone on the ground, breaking their screen, in an attempt to impress his classmates. He claimed he would simply receive a new phone from his parents if the current one was damaged. Among schoolboys at the time, YouTube videos showing the destruction of new phones—whether by smashing them or using tools such as hammers or air guns—were highly popular. The popularity of these videos was reflected in the number of ‘likes’ and comments they received, which provided status to the creators.

This act resembles the behavior of adolescent Black youth in South African townships.<sup>2</sup> There, non-wealthy youths, known as *izikhothane* form groups and engage in ritualized, stylized public destruction battles involving branded commodities.<sup>3</sup> They destroy expensive consumer goods and burn banknotes to gain social status. The public display of being able to afford the destruction of valuable items and outperform rival groups enhances the status of both the crews and individuals.<sup>4</sup> This behavior has been described as *conspicuous destruction* and can be considered as an extreme form of conspicuous consumption.<sup>5</sup>

The motivation for conspicuous destruction at the individual and small group level appears to be the pursuit of status, the demonstration of power, and the display of wealth. It functions as a signaling

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<sup>2</sup> Jones, M. (2013). Conspicuous destruction, aspiration and motion in the South African township. *Safundi* 14(2): 209–224; Howell, S. and Vincent, L. (2014). ‘Licking the snake’: the i’khotane and contemporary township youth identities in South Africa. *South African Journal of Sociology* 45(2): 60–77.

<sup>3</sup> Mchunu, K. (2017). Izikhothane youth phenomenon: the Janus face of contemporary culture in South Africa. *African Identities* 15(2): 132–142; Mnisi, J. (2015). Burning to consume? Izikhothane in Daveyton as aspirational consumers. *Communicatio* 41(3): 340–353.

<sup>4</sup> Chipp, K., Kapelians, D. and Mkhwanazi, P. (2012). Ukukhothana: the curious case of conspicuous consumption and destruction in an emerging economy. In K. Plangger, ed., *Thriving in a New World Economy*, Springer, pp. 161–163.

<sup>5</sup> The term can be related to two milestone publications in the social sciences. Veblen emphasized the signaling function of consumption and related it to class and status, thus making it *conspicuous*. Schumpeter, following the tradition of Marx, analyzed the capitalist system—specifically production—and coined the term *creative destruction*. The case described appears to represent a specific form of conspicuous consumption. Veblen, T. (1899). *The Theory of the Leisure Class*. MacMillan; Schumpeter, J. (1942). *Capitalism, Socialism and Democracy*. Harper & Row.

game, where the sender communicates their social position to the receivers. This behavior includes elements reminiscent of potlatch cultures.<sup>6</sup>

The pattern of conspicuous destruction is also documented in ancient societies, where archaeologists have discovered evidence of valuable items being sacrificed for religious or social purposes.<sup>7</sup> Another case is found in the burial rites of the Late Bronze and Iron Ages, when valuable iron swords were intentionally bent and buried together with their owners.<sup>8</sup> In more recent history, the term of conspicuous destruction was also used to describe the destruction of food supplies in a context where famine is used as a weapon in civil war.<sup>9</sup> If the object of destructive decisions is not external objects but the actor herself, the case of self-mutilation may also be seen as an instance of conspicuous destruction.<sup>10</sup>

Starting from these observations, this essay examines the question: Can the practice of conspicuous destruction also manifest as a behavioral pattern in a comparatively large and complex democratic society? The answer is relevant from at least two perspectives. Firstly, if such a behavioral pattern occurs, it certainly influences the path of future economic and social development in a society because it affects real resources. Secondly, it impacts the society's social position in relation to other societies.

The case for my discussion is the transition of the energy sector in Germany, a country with a population of roughly 83 million. What is notable in this case is the path chosen and the measures taken by the country and its government to achieve the goals of nuclear safety and CO<sub>2</sub> emission reduction. I relate this case to conspicuous destruction.

In the next section, the focus is on Germany's energy sector, which has been significantly restructured by the government over the past decades. My argument is that the political decisions of

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<sup>6</sup> Boas, F. (1920). The social organization of the Kwakiutl. *American Anthropologist* 22(2): 111–126.

<sup>7</sup> Junker, K. (2018). Opferrinnenzeremonie und Potlatch. Ein Testfall der interkulturellen Analyse. *Archäologischer Anzeiger* 1: 231–254.

<sup>8</sup> Lloyd, M. (2015). Death of a swordsman, death of a sword: The killing of swords in the early Iron Age Aegean (ca. 1050 to ca. 690 B.C.E). In G. Lee, H. Whittaker and G. Wrightson, eds., *Ancient Warfare: Introducing Current Research*, Cambridge Scholars Publishing, pp. 14–31; Hitchkok, L. (2014). Conspicuous destruction and the economy of sacrifice in the Bronze and Early Iron Age East. Mediterranean. In B. Houtman, M. Poorthuis, J. Schwartz and J. Turner, eds., *The Actuality of Sacrifice: Past and Present*, Brill, pp. 7–33.

<sup>9</sup> Human Rights Watch (1992). *Conspicuous Destruction: War, Famine and the Reform Process in Mozambique*. Human Rights Watch; Waal, A. d. (1993). War and famine in Africa. *IDS Bulletin*, 24: 33–40.

<sup>10</sup> In clinical psychology, several functional models of self-mutilation are discussed. This essay is confined to the social sciences but, for comparison, see for instance Suyemoto, K. (1998). The functions of self-mutilation. *Clinical Psychology Review*, 18(5): 531–554.

democratically elected governments have led to, and continue to cause, a noticeable loss of accumulated wealth in the process of energy transition. My point is that conspicuous destruction aptly describes this process. This leads to further questions, such as why societies engage in such destruction. Therefore, I analyze whether the motivations and patterns of conspicuous destruction found in cases of individuals or small groups also apply to larger societies. The final section presents concluding remarks.

## 2. The Production of Energy in Germany

From an economic perspective, Germany is one of the most successful economies in the world.<sup>11</sup> It is a member of the G7 and the leading economy within the EU. Among the world's largest economies, it is the only one to have undertaken a comprehensive transformation of its energy production system, known as *Energiewende*. This energy transition focuses on replacing nuclear energy and fossil fuels with renewable energy sources like wind and solar power. This section outlines the main changes in the energy sector over recent decades and highlights the resulting devaluation of previous investments in production facilities, energy infrastructure, and human capital.

In the 1950s and 1960s, nuclear power was widely accepted as a means of electricity production in Germany. However, in the 1970s, political opposition arose due to concerns about the risks of nuclear power plants and the problem of nuclear waste storage. Over time, these concerns gained broader political support, evolving from a leftist position to a majority view.<sup>12</sup>

Under Chancellor Schröder's governments (1998–2005), formed by the Social Democrats (SPD) and Greens, phasing out nuclear energy became a political goal. In 2002, the government decided to phase out nuclear energy within 20 years. During Chancellor Merkel's first term (2005–2009), under a coalition of Christian Democrats (CDU/CSU) and Social Democrats (SPD), this decision was upheld. In her second term (2009–2013), under a coalition of Christian Democrats (CDU/CSU) and Liberals (FDP), the policy was reversed but then reinstated shortly afterward. The reason was the Fukushima nuclear disaster in 2011, which led to the decision to accelerate the phase-out. Eight of

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<sup>11</sup> With respect to the World Development Indicators, Germany ranks 3rd in GDP and 18th in GDP per capita in 2024.

<sup>12</sup> Strunz, S. (2014). The German energy transition as a regime shift. *Ecological Economics*, 100(2): 150–158.

the oldest nuclear power plants were shut down immediately, and the remaining plants were scheduled to close by 2022.<sup>13</sup>

This policy remained in place during Merkel's third and fourth terms (2013–2021), under a coalition of Christian Democrats (CDU/CSU) and Social Democrats (SPD), and was continued by Chancellor Scholz's government (2021–2024), consisting of the Social Democrats (SPD), Greens, and Free Democrats (FDP). The last nuclear power plant in Germany was shut down in April 2023. As a result, the share of nuclear energy in electricity production fell from about 22% in 2010 to 0%. Despite this, electricity generated by nuclear power plants continued to be imported from the EU.

As climate change became a major political issue, successive governments also aimed to phase out fossil fuel energy production, particularly from coal and natural gas. In 2019, during Merkel's fourth term, the government introduced legislation to reduce greenhouse gas emissions, aiming for climate neutrality by 2045 in line with the Paris Agreement. The Scholz government later strengthened the goal of decarbonization with additional laws targeting energy production from coal, lignite, and natural gas.

The mining of hard coal in Germany ended in 2018. Since then, all hard coal used in Germany has been imported, while lignite continues to be mined domestically. In 2020, the government decided to phase out coal-fired power generation by 2038, including electricity generated from imported hard coal and domestically mined lignite. This phase-out is being implemented through legal restrictions on energy production, resulting in the gradual closure of coal-fired power plants and the cessation of coal mining. To achieve this goal, the use of natural gas is expected to increase temporarily. The federal government is also assessing whether the phase-out of lignite energy production can be completed earlier, with the current goal being 2030.

The political goal of decarbonization focusses on the use of natural gas and oil for electricity generation and for residential heating.<sup>14</sup> In 2022, natural gas heated approximately 51% of German households, and heating oil heated 20%. Therefore, the transition to alternative energy sources directly affects private households. Starting in 2024, the heating replacement law (*Heizungsgesetz*), is mandatory for new buildings, which will not be allowed to use fossil fuels for heating. Existing buildings will also need to replace fossil fuel heating systems over the coming decades.

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<sup>13</sup> See Göllinger, T. (2021). *Energiewende in Deutschland*. Springer Gabler, pp. 18-20.

<sup>14</sup> The separate issue of decarbonizing private and public transportation is not addressed in this essay. However, a similar pattern of conspicuous destruction may emerge as the transition to electric vehicles is fully implemented.

The reasons for phasing out nuclear energy include a reassessment of risks following the Fukushima disaster and the unresolved issue of safely storing radioactive waste. The decision to phase out fossil fuels is based on the will to reduce greenhouse gas emissions and meet climate targets. Over the past 25 years, this energy transition has been implemented by governments representing four different political parties, reflecting broad political and public support. This can also be interpreted as a shift in voter preferences towards supporting these policies. Most likely, the new government implemented in 2025 will continue this policy.

### **3. Devaluation of Investments**

In this section, I outline the devaluation of private and public investments in the energy sector as a consequence of the phase-out of nuclear energy and the transition away from fossil fuels. Both processes lead to a loss of capital in various forms, which had previously been invested by private and public actors. I do not focus on the additional costs of substitution, such as the expenses incurred by individuals and society to implement renewable energy systems. Instead, the focus is on identifying the types of devaluation that have resulted from the policies implemented.

The decision to phase out nuclear power stations included shutting down functional nuclear power plants and fully operational technology that had been planned for long-term use, usually for 50 years or more. The political *ad hoc* decision made in 2011 to immediately take eight nuclear power plants off the grid after the Fukushima disaster meant that previous investments — both by private investors and the state in energy infrastructure — were transformed from assets into liabilities. Expected profits from energy production could no longer be realized, and the costs of deconstructing and rebuilding these facilities were incurred earlier than planned. The sudden devaluation of nuclear power stations and their shutdown led to rising energy prices for both industry and private households, as well as an increase in electricity consumption and energy production from fossil fuels. Additionally, the unrealized profits of private companies had to be compensated by the state. The decommissioning, rebuilding and disposal of the shut-down nuclear power plants began immediately, as prescribed by the respective law. Consequently, there was no opportunity to reactivate these plants at a later point.

Not only physical but also human capital was devalued on a large scale. Setting up and operating complex facilities like nuclear power plants requires highly specialized human capital, with qualifications needed not only for operation but also for construction and maintenance. The

education and knowledge acquired by these individuals became less valuable. Furthermore, investments in educational infrastructure, especially university programs related to nuclear energy, have lost value, as experts in this field are no longer in demand in the country. At the economic level, technological expertise lost value, leading to a decline in research and reduced competitiveness in this sector. The expertise and technological competence of companies also eroded, resulting in a loss of competitiveness at the international level.

A similar process of asset devaluation is occurring with the use of natural gas and heating oil in private households. To incentivize the achievement of climate goals, a CO<sub>2</sub> emissions tax was introduced. The law establishing the CO<sub>2</sub> emissions tax was passed in 2019 and took effect in 2021. This tax is based on the quantity and sources of energy consumed by private households and industry. The objective is to make fossil fuels, such as gasoline, diesel, heating oil, and natural gas, more expensive while making substitutes, like electricity from renewable sources, comparatively cheaper and thus more attractive. The tax increases over the years. Furthermore, in 2024, a law aimed at replacing fossil-fuel-based heating systems was implemented after significant public and political debate.<sup>15</sup>

The introduction of the CO<sub>2</sub> emissions tax, along with the heating replacement law, has once again led to a significant loss in the value of public and private investments in these sectors. It is not only the heating systems in existing houses that should be replaced—switching from natural gas and heating oil to heat pumps and alternative energy sources—but also, most importantly, the natural gas pipeline network. As the use of natural gas for heating and industrial purposes becomes more expensive due to the tax, more private consumers are switching to subsidized and politically preferred energy sources, mostly electricity for heat pumps. As a result, fewer users (mostly private households) remain to cover the costs of the well-established natural gas pipeline network. The gas pipeline network is about 600,000 km, of which only 40,000 km are long-distance pipelines. The rest is locally maintained through more than 900 municipal energy companies. The first municipal energy company has recently started to announce that it will rebuild its gas pipeline network by 2035.<sup>16</sup>

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<sup>15</sup> Russia's invasion of Ukraine in 2022 only focused the resulting problems of energy shortages in Germany. As a consequence of this conflict, EU sanctions on Russia—particularly on natural gas imports—along with the destruction of the Nord Stream pipeline in 2023, led to a sharp decline in Russian gas imports, driving up prices for natural gas and its substitutes.

<sup>16</sup> The municipal energy company Mannheimer Versorgungs- und Verkehrsgesellschaft (MVV) announced in December 2024 that it will shut down its gas pipeline network by 2035. [[www.mvv.de/informationen-zum-rueckzug-aus-dem-gasnetz](http://www.mvv.de/informationen-zum-rueckzug-aus-dem-gasnetz)] (2025.02.26).



Once again, the same process that occurred in the nuclear power generation sector is taking place: existing investments in the pipeline network and decentralized private heating systems are losing their value and are set to be dismantled, leading to the destruction of fully functional assets.<sup>17</sup> One must note that structural change is often induced through market changes, such as technological advancements in industries, innovations, demand and supply in labor markets, and trade effects in processes of globalization and deglobalization. In the present case, however, structural change is induced by governments issuing laws that incentivize different types of actors in energy markets.

#### 4. Physical Destruction and Signals

Historical cases of state-organized devaluation and destruction of capital are abundant for the time after the Second World War when socialist governments in Eastern Europe switched property rights from private to collective, for instance in land reforms, nationalization politics in industry, or forced collectivization. However, the described case of Germany is different. The parliament has been freely elected, governments are democratically legitimized, and their decisions in legislation reflect majority votes. Additionally, the energy markets are highly fragmented and decentralized. Apart from the markets themselves, various other institutions play key roles. These include administrations at different levels, suppliers of varying sizes with different market power, private and business customers, and civil society organizations, among others.<sup>18</sup> As a result, laws issued by governments devalue assets and trigger various reactions at different levels. Some actors respond by physically dismantling functional assets. This represents nothing less than the visible destruction occurring in one of the world's leading economies, all under the scrutiny of global attention.

One of the most striking visible signals is the demolition of the cooling towers at the nuclear power station. During the years-long process of rebuilding the power stations, the demolition of the cooling towers stands out as the most dramatic moment, as it marks the physical eradication of symbols of nuclear power. These events are widely covered in the media and shared on countless social media videos.<sup>19</sup> The blasts resemble a ritualized public destruction of assets that were fully functional before the political decision. The demolition of the cooling towers is therefore comparable to the

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<sup>17</sup> See the statement of Sinn, who speaks of the potential destruction of assets worth several hundred billion euros. Sinn, H. W. (2025). Hände weg von den Gasleitungen. *Die Welt*, January 8th, 2025, No 5, p. 12.

<sup>18</sup> Cf. Göllinger, T. (2021). *Energiewende*.

<sup>19</sup> See for instance the blast of the cooling towers in Grafenrheinfeld in August 2024. Bayerischer Rundfunk [<https://www.br.de/nachrichten/bayern/kuehlturmsprengung-in-grafenrheinfeld-hier-ist-die-beste-sicht,ULKTbUx>] (2025.02.25).

destruction of functional mobile phones, the burning of banknotes, the destruction of food supplies, or the bending and burial of valuable swords.<sup>20</sup>

The observations outlined regarding the energy transition (nuclear and fossil) and its implementation raise further questions, especially when the politics are viewed as a signaling game with senders and receivers. The signals are the laws issued by governments. The receivers include, on one hand, the society in Germany, and on the other, the international community, both with their many players.

For the society in Germany, government decisions indicate that the government is acting in line with the preferences of the majority of voters—specifically, phasing out nuclear energy and pursuing decarbonization strategies. However, it also signals that the chosen path is largely irreversible in the short term, as the physical destruction of material assets prevents a return. The recipients of the signal include not only supporters of the energy transition but also members of society who oppose it. This signal is equally important for private companies, as they are incentivized to invest in renewable forms of energy production and consumption. Since such investments are long-term in nature, companies must trust that economic policy will remain stable—regardless of which parties form the future government—and will not become erratic. Consequently, the destruction of assets serves as a signal of commitment and also as a self-binding strategy for future governments.

Internationally, the receivers of the signal include the governments and societies of other countries. The signal of the energy transition is particularly strong and widely recognized because Germany, one of the most successful economies since World War II, built its economic success on nuclear and fossil energy. The energy transition sends a message to both industrialized and industrializing nations, suggesting that economic success can be sustained through renewable energy sources. Furthermore, it is a message to societies severely affected by climate change: unlike other countries, Germany is taking action and, among the world's leading economies, is a frontrunner in denuclearization and the decarbonization of its entire energy system.

If conspicuous destruction is considered a signaling game, the question of motives becomes evident. Why is this game being played, and what is the goal of the signals being sent? Three interrelated motives have been observed in instances of conspicuous destruction: the pursuit of status, the

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<sup>20</sup> For the sacrificial practices in the Bronze Age, Hitchcock used the term “conspicuous display of destruction,” which fits very well. Hitchcock L. (2014). *Conspicuous destruction and the economy of sacrifice*, p. 32.

demonstration of power, and the display of wealth.<sup>21</sup> I will now elaborate on these motives in the context of Germany's energy transition.

Germany has held a reputation as one of the strongest economies in Europe since the 1950s. Memberships in organizations such as the EU, OECD, G7, and G20, as well as economic indicators like GDP and GDP per capita, serve as signals of economic success. These can also be seen as indicators of wealth and of status related to economic performance. However, the path of energy transition in Germany threatens its economic status, as the country's energy supply increasingly relies on natural sources like solar and wind energy, which make the supply more volatile and less secure. Furthermore, building a new energy infrastructure while dismantling the old one is costly and requires significant public and private investments. Additionally, the increasing tax on CO<sub>2</sub> emissions drives up energy prices. Rising energy costs pose an economic challenge for many traditional sectors of the German economy, such as the chemical industry, steel, mechanical engineering, and automotive industries. As a result, the energy transition represents a real threat to economic status and wealth and has the potential to diminish both.

The specific path that Germany has chosen—namely, to decarbonize energy production with a prior exit from nuclear power—is unique among leading economies. One possible explanation is that governments (and society) aim to establish a reputation as a climate-friendly industrialized economy and create a positive climate status for the country. In the best-case scenario, a successful energy transition would result in a positive climate status that complements Germany's positive economic status.

Studies from various disciplines show that pro-environmental or *green* behavior leads to higher social status and a better social reputation. Individuals who seek status often engage in (or mimic) such behavior, even if it is costly, in order to gain social recognition.<sup>22</sup> Following this line of thought, a country may also gain status if its policies are seen as reflecting green or environmentally friendly principles. The energy transition in Germany, particularly the decarbonization strategy, can be viewed as a strategy to enhance its environmental, green, or climate status in the international context.

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<sup>21</sup> One may also argue that the behavioral signal implies a form of arrogance on the part of the sender toward the receivers, as it suggests a sense of dominance in terms of material resources.

<sup>22</sup> Uren, H., Roberts, L., Dzidic, P. and Leviston, Z. (2021). High-status pro-environmental behaviors: Costly, effortful, and visible. *Environment and Behavior*, 53(5): 455–484; Kennedy, E. and Horne, C. (2019). Do green behaviors earn social status? *Socius*, 5: 1–9; Griskevicius, V., Tybur, J. and Van den Bergh, B. (2010). Going green to be seen: Status, reputation, and conspicuous conservation. *Journal of Personality and Social Psychology*, 98(3): 392–404.

The climate status of a country is reflected in international rankings that assess efforts to reduce greenhouse gas emissions. The Climate Change Performance Index (CCPI) ranks countries based on energy use, renewable energy adoption, and climate policy.<sup>23</sup> Another key index is the Environmental Performance Index (EPI), which evaluates 180 countries on sustainability using 58 indicators.<sup>24</sup> A strong ranking in these indices can be achieved through reduced carbon emissions. Consequently, Germany's climate status, as an economy solely focused on renewable energy, can improve by securing high positions in these rankings.

Status in many social groups is achieved through the demonstration of power and the display of wealth. The demonstration of power can take the specific form of conspicuous destruction. The visible demolition of cooling towers, symbols of nuclear power, alongside the large-scale construction of wind turbines, sends a strong signal to society—both to supporters and opponents of the energy transition—that there is no turning back to nuclear energy in the short term and that a path toward a *green* economy has been chosen. Moreover, conspicuous destruction acts as a display of power to other societies and governments, as Germany positions itself as the first among the leading economies to attempt to combine economic success with a long-term focus on renewable energy—an inherently risky strategy.

The signal sent is that society—including its government, civil and business actors, and other groups—is so powerful and wealthy that it *can afford* to dismantle functional infrastructure and replace it with an alternative energy system. Valuable assets are sacrificed to build a new energy infrastructure aligned with the country's sustainability goals. The devaluation and destruction of these assets serve as a display of national wealth, whether this wealth is real or merely imagined by the actors. It signals that society can afford to destroy resources—resources that other, less affluent societies would want to possess. In this sense, the destruction of infrastructure metaphorically mirrors the ancient practice of bending and burying valuable swords.<sup>25</sup>

Returning to the boys who smash functioning mobile phones and purposely destroy them to receive a new one from their parents, equipped with newer technology and features, the behavior of society in Germany is not much different. When irreversibly devaluing, abandoning, or destroying an existing functional energy infrastructure, society will certainly adopt a new, but different, energy infrastructure. This new infrastructure will align more with climate requirements, but likely also

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<sup>23</sup> Climate Change Performance Index [<https://ccpi.org>].

<sup>24</sup> Block, S., Emerson, J., Esty, D., de Sherbinin, A., Wendling, Z., et al. (2024). *2024 Environmental Performance Index*. Yale Center for Environmental Law & Policy [<https://epi.yale.edu>].

<sup>25</sup> Cf. Lloyd, M. (2015). Death of a swordsman, death of a sword.

with the political zeitgeist. The costs are first to be borne by all individual and organizational taxpayers, and second by every member of society who consumes private and public goods. Since resources are required to dismantle the old and build the new energy infrastructure, opportunity costs arise because these resources cannot be used to produce other goods.

## 5. Concluding Remarks

In this short essay, I attempt to expand on the concept of conspicuous destruction, typically observed on a micro level, and apply it to decisions in a large and highly fragmented society. The case in point is the energy transition in Germany, carried out over the last quarter of a century. This case is remarkable because the structural change was not driven by market requirements or technological progress, but by a shift in preferences expressed through elections. Regarding the phase-out of nuclear energy, risk preferences within the population have changed, leading to the shutdown of functional nuclear power stations. In the ongoing decarbonization process, where fossil fuels are replaced by renewable energy, the changing awareness of the population about climate change is the driving force behind government decisions. The main drivers of this change are the political decisions of voters and their representatives, with seven consecutive governments involving four parties pursuing the same political agenda.

This essay does not address the cost of change, nor the opportunities and risks arising from the new energy strategy. It is also not an evaluation of the contributions of the energy transition to climate goals, nor an assessment of different ideological positions. Instead, I begin with the obvious: the noticeable devaluation and physical destruction of public and private assets in the energy sector as a consequence of legislation.

From an economic perspective, the chosen path is irrational in terms of efficient resource use, including prior investments. This raises the question of the motives behind these decisions. Some can be found in anthropological studies on rituals and acts of destruction. Possible motives include gaining status and demonstrating power and wealth. These are also explanations for non-rational, non-materialistic decisions in behavioral economics.<sup>26</sup> However, behavioral economics typically studies small groups with small samples, while the reference group here is a society of 83 million — or a majority of its voters.

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<sup>26</sup> Ball, S. and Eckel, C. (1998). The economic value of status. *The Journal of Socio-Economics*, 27(4): 495–514. See additional the literature on self-binding and commitment decisions.

There is considerable scope for further research to address some of the reductionism in this paper. Specifically, I treated two entities — governments and society/countries — as homogeneous. However, the interests of various parties within a government, as well as those in opposition, are different. Similarly, the role of individuals in shaping policy decisions (e.g., Chancellor Merkel's influence in phasing out nuclear power stations) warrants closer examination. In addition, society itself, along with its numerous subgroups, encompasses diverse and often conflicting ideological positions on the energy transition. The heterogeneity of strategies among actors within the energy sector also merits attention. For example, Germany's more than 900 municipal energy companies vary significantly in terms of market power and pursue a wide range of energy strategies.<sup>27</sup>

Finally, economic realities in Germany present a significant challenge to the energy transition. Wealth is not as abundant as some decision-makers had anticipated. Opportunity costs — particularly the forgone investments in other public goods such as education, healthcare, defense, and transport — are considerable and pose a serious threat to social cohesion. This challenge is further compounded by slowing economic growth, which is partly a consequence of the energy transition itself. As a result, not all individuals and organizations negatively affected by this process can be fully compensated. Ultimately, someone has to bear the cost.

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The author reports there are no competing interests to declare.

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<sup>27</sup> Schmid-Petri, H. and Elschner, S. (2024). Transitionalist, traditionalists or pioneers? How German municipal energy companies are responding to the national transition. *Energy Research & Social Science* 109: article 103431.