

in collaboration with

A clean, just and competitive European Industry

Policy Conference 2025

Summary of the discussions

Background

The shift in priorities of the European Commission from the European Green Deal to competitiveness and economic security, in a context of international geopolitical tensions, requires broad and constructive multi-stakeholder discussions on European industrial policy. The **Policy Conference held in September 2025** brought together policymakers, trade unions, civil society organisations and academic experts to contribute to these discussions.

The conference first discussed **industrial decarbonisation**. The foundation provided by the Clean Industrial Deal has to be turned into reality, quickly and without losing its ambition. However, many challenges come with designing and implementing complex policies, especially in a context where forces on the right of the political spectrum have made deregulation and backtracking on environmental commitments their mantra. In addition, the Clean Industrial Deal must include just transition considerations to protect workers.

The conference then discussed the current European focus on **competitiveness**. Indeed, the definition of competitiveness is lacking, which opens the door for diverse opportunistic agendas. In the name of competitiveness, different initiatives are advanced, which often entail deregulation, environmental backtracking or channelling subsidies to large incumbent companies. It is therefore essential to clarify what we mean by competitiveness and what the goal of the European industrial policy should be beyond competitiveness.

Finally, the conference discussed the **EU's trade strategy**. Trade has been put under pressure since the beginning of the second Trump mandate. In an era of constant trade disruptions, the EU must clearly reflect upon and define the goals for its trade strategy, in coherence with industrial policy goals and a just transition towards climate neutrality. Such a strategy must also take into consideration trade partners and international dynamics.

The conference was organised by **FEPS** and **Friedrich-Ebert-Stiftung (FES)**, in collaboration with the **S&D Group in the European Parliament**, **PES Group in the European Committee of the Regions**, the **European Trade Union Confederation (ETUC)**, **IndustriAll Europe** and **SOLIDAR**.

Combining decarbonisation, justice and competitiveness – what are policy priorities and challenges for a win-win-win?

Industrial policy is back at the centre of European politics and needs to rise to the challenge of the just transition towards climate neutrality. While industrial policies have always been torn between different objectives, new European industrial policies must also now address the urgent need to reduce greenhouse gas emissions by supporting industrial transformation and protecting workers. Markets alone will not be able to deliver the profound and long-term changes necessary to reach net zero by 2050; **determined and coordinated political action** is essential to accelerate transformation, allocate resources, and ensure a fair distribution of costs and benefits.¹

Building on the European Green Deal, the **Clean Industrial Deal** (CID) announces the EU's "commitment to accelerate decarbonisation, reindustrialisation and innovation".² Discussing the CID, the panel explored **what the EU can do to intensify progress towards the decarbonisation of its industries in a way that is fair and that contributes to competitiveness**, while taking into consideration the EU's current fiscal context. Another key question related to how we define the imperatives of a just transition and how these can be integrated in EU policies. Overall, participants, coming from different backgrounds, **welcomed the CID as a positive step** in terms of decarbonisation and competitiveness. However, some participants also raised concerns regarding the high level of polarisation in discussions surrounding clean industrial policy, both between EU political groups and between EU member states. In addition, they considered that clean industrial policies are still inadequately accompanied by social measures to protect workers and vulnerable groups.

Investment was also a key topic of discussion for most participants. Indeed, the current level of investment in the EU is neither sufficient nor fast enough to achieve the necessary reduction of greenhouse gas emissions and to reach the 2050 net-zero target. Industrial jobs have been disappearing over the past 15 years, not because of green policies but because of a lack of investment in productive capacity (despite, in many cases, the increased profits of companies). So far, the Draghi report has been used to justify deregulation, which is not saving jobs. The "other side" of the Draghi report, investment, must be implemented. However, the current Multiannual Financial Framework proposal seems largely insufficient. The EU needs a **long-term public investment plan** with predictable and stable regulations and with complementary and coordinated action at the EU, national and regional levels of government. Investments also need to come from both the public and private sectors.

When it comes to industries, EU policies need to **nurture industrial ecosystems and the development of clean technology development**. Many participants highlighted the importance of **demand-side policies**, by working on lead markets and public procurement with "Made in Europe" and social standards. A European energy-intensive industry representative stressed that the European Green Deal should not be "paused" and that ambition to achieve carbon neutrality ahead of 2050, even by 2040, was necessary. However, they also highlighted the importance of guaranteeing a level playing field with other countries.

¹ Raza, W. (2024) "[Towards a progressive industrial policy for the Twin Transformation in the European Union: Synthesis Report](#)". Research report. Austrian Foundation for Development Research – ÖFSE, December.

² "The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation". COM(2025) 85 final. European Commission 26 February 2025.

Finally, a key message was that **decarbonisation will only succeed if it is fair**. Participants insisted on the need for inclusive policies that bring all levels of government on board and ensure that regions are not left behind during the transition. Different actors and stakeholders need to work together to protect the ambition of the Green Deal. A just transition must provide quality jobs in the EU and support workers' rights. Households also need to be included in the just transition. This will help build trust, counter the far right's exploitation of social anger and preserve our democratic models.

European competitiveness: Meanings and goals

Competitiveness has become a central economic policy goal of the EU in the second von der Leyen Commission. There is, however, quite a lot of **ambiguity** on what competitiveness means and what we are trying to achieve. Different forces use this fancy word to promote diverse policy initiatives. In this panel, we decided to dig a bit deeper and see what competitiveness means and what should be the priorities of the European industrial policy.

In his scene-setting remarks, Patrick Kaczmarczyk highlighted the risks of the EU's obsession with competitiveness. By its definition, competitiveness is a **relative concept** and therefore cannot serve as an absolute policy goal. If one country gains competitiveness, another one loses. The world as a whole cannot become more competitive; it is a zero-sum game. What applies to one country, cannot apply to the whole. Moreover, Europe has, for a long time, pursued competitiveness through austerity and wage restraint, which led to underinvestment and depressed wages and demand.

All participants agreed that **productivity** should be the target, which Mario Draghi also suggested in his report. The way to achieve higher productivity is to invest more in innovation, but also in good jobs and labour upskilling. Simplification, which the European Commission promotes as a means to improve competitiveness, should not lead to social and environmental dumping. The weakening of centralised wage bargaining may lead to companies choosing to achieve their competitiveness through wage suppression rather than innovation. In fact, the adoption of innovative technologies requires a highly skilled workforce, so investment in workers and quality jobs becomes a prerequisite for productivity growth. The EU should promote competition on innovation to avoid a race to the bottom.

The most important gap that Europe faces is not one of competitiveness but a **strategic gap**, as it lacks coordination and industrial policy strategy. Executive Vice-President Séjourné's new "industrial strategy" portfolio is a promising development, and the EU's collective response to the pandemic demonstrated the benefits of a coordinated investment strategy.

Europe now faces a global environment marked by unfair competition – Chinese industrial overcapacity flooding EU markets and US tariffs. Economic resilience, open strategic autonomy and a **"Made in Europe" approach** must therefore play a central role. This shift also explains why the Commission has moved away from the "competitive sustainability" framework of the previous mandate.

Europe remains a leader in innovation, yet its **fragmented single market** continues to hold back its adoption at scale. The technology sector illustrates this clearly: barriers within the single market prevent firms from scaling and achieving valuations comparable to their US counterparts. To close this gap, Europe urgently needs policies that expand access to venture capital and unlock the full potential of its internal market.

Going beyond a neo-liberal trade paradigm

The world order is shifting amid geopolitical rivalry, climate disasters, rising inequalities and democratic backsliding. Globalisation is being reshaped by revived industrial policy, fragile supply chains and growing protectionism. These trends challenge the EU's economic security and global trade role but also offer a chance to redesign its trade policy. To stay credible and resilient, the EU must pursue **equitable, sustainability-focused partnerships** and defend a **rules-based multilateral trading system**.

in his opening remarks, Werner Raza outlined the EU's transition from stalled neoliberalism in the mid-2000s, when World Trade Organization (WTO) talks collapsed, to the 'new bilateralism' with bilateral free trade agreements and export of regulatory standards as the main vehicles; however, these yielded modest results. This was then followed by a neo-mercantilist, export-driven model. Since 2020, debates in the EU have mainly focused on strategic autonomy, economic security and competitiveness, particularly in the context of the war in Ukraine. In light of rising US protectionism under Trump and China's state-led strategy, Raza thinks that the **EU's reliance on raw materials, energy and exports is unsustainable**. He therefore urges the EU to strengthen the single market, foster realistic partnerships, and ensure that trade aligns with social and environmental goals.

Looking at the EU's trade agenda, participants agreed that trade agreements could play a key role in strengthening political and economic ties, as well as fostering cooperation in industrial policy and sustainable development. However, opinions differ on the EU's role. Some still see the EU as a reliable trade partner, offering regulatory stability and promoting sustainability standards in its trade agreements, though with limited bargaining power. Others believe that the EU should offer greater cooperation. As well as tariff concessions, they are calling for a **genuine partnership approach** centred on industrial development; regional value chains; and cooperation on energy, raw materials and technology to address development aspirations in the Global South. Furthermore, the panel emphasised that trade could function as both a defensive instrument to protect European industries and a lever to uphold labour, social and environmental standards, including climate commitments. At the same time, there is concern that instruments such as the Carbon Border Adjustment Mechanism (CBAM) risk being perceived as colonial if they impose high compliance costs without adequate support for adaptation, for example. Finally, the EU needs a **more integrated trade strategy**, aligning different policy fields.

In light of the disruptions caused by the current US administration, the discussion also emphasised the opportunity for progressives to reconsider global trade. To address common challenges, trade enforcement tools have to be modernised, and there should be greater international cooperation in industrial policy. Rather than a trade regime dominated by the lowest standards, we need a system that **aligns economic and industrial policy with climate policy** and rewards companies that adhere to high social and environmental standards. The WTO should also become more flexible to create political leeway for green development, integrating trade with tax, climate and industrial policy.

Agenda of the conference

Combining decarbonisation, justice and competitiveness – what are policy priorities and challenges for a win-win-win?

Political panel discussion with:

- **Thomas Pellerin-Carlin**, Member of the European Parliament, S&D Group, and Member of the Committee on Industry, Research and Energy
- **Lucie Studničná**, President of the Workers Group, European Economic and Social Committee (EESC)
- **Judith Kirton-Darling**, General Secretary, IndustriAll
- **Ludovic Voet**, Confederal Secretary, European Trade Union Confederation (ETUC)
- **Axel Eggert**, Director General, Eurofer

Moderated by:

- **Bart Vanhercke**, Director of the Research Department, European Trade Union Institute (ETUI)

Parallel sessions

Energy-intensive industries: Asking the tricky questions

Inputs from:

- **Sören Borghardt**, Senior Advisor, Stiftung Klimaneutralität
- **Benjamin Denis**, Head of Industrial Policy Coordination, IndustriAll
- **Kimmo Järvinen**, Head of European Governmental Affairs, Swedish Steel Cooperation (SSAB)
- **Anaïs Laporte**, Associate Director and Head of Sustainability, Fourtold Consultancy

Moderated by:

- **Stephan Thalhofer**, Policy Advisor, FES Just Climate

Delivering a just transition for workers in every sector and region

Inputs from:

- **Klara Dobrev**, Member of the European Parliament, S&D Group
- **Christophe Rouillon**, Mayor of Coulaines (France) and Member of the PES group at the European Committee of the Regions
- **Ben Lennon**, Advisor, European Trade Union Confederation (ETUC)

Moderated by:

- **Ludovic Voet**, Confederal Secretary, European Trade Union Confederation (ETUC)

Towards the Circular Economy Act: Priorities, policy coherence and product competitiveness

Inputs from:

- **Florian Flachenecker**, Taskforce Leader for the Circular Economy Act, DG Environment, European Commission

- **Marine Courmont Lelieur**, Head of European and International Affairs, Institut National de l'Economie Circulaire (INEC)
- **Marie-Jeanne Gaertner**, Environmental Policy Lead, RREUSE
- **Suparna Arora**, Public Affairs Director on Energy Policy, FTI Consulting

Moderated by:

- **Chiara Antonelli**, Head of Programme, Climate and Circular Economy, Institute for European Environmental Policy (IEEP)

European competitiveness: Meaning and goals

Scene setting by:

- **Patrick Kaczmarczyk**, Postdoctoral Researcher, University of Mannheim

Political panel discussion with:

- **Matthias Ecke**, Member of the European Parliament, S&D Group
- **Estelle Goenger**, Member of Cabinet, Executive Vice President Séjourné, European Commission
- **Isabelle Schömann**, Deputy General Secretary, European Trade Union Confederation (ETUC)
- **Lúcio Vinhas de Souza**, Chief Economist, Business Europe
- **Lorenzo Moretti**, Research Fellow, European University Institute (EUI), and Italy Lead and Head of Advisory, Luiss Hub for New Industrial Policy and Economic Governance (LUHNIP)

Moderated by:

- **Anna Kolesnichenko**, Economic Policy Analyst, FEPS, and **Marie Hasdenteufel**, Policy Officer for Economic, Social and Digital Policy, FES EU Office Brussels

Trade policy and competitiveness: Friends or foes?

Conversation with:

- **Elizabeth Baltzan**, Senior Fellow, Atlantic Council, and former Senior Advisor to the US Trade Representative
- **Bernd Lange**, Member of the European Parliament, S&D Group, and Chair of the Committee on International Trade

Moderated by:

- **László Andor**, Secretary General, FEPS

Going beyond a neoliberal trade paradigm

Scene setting by:

- **Werner Raza**, Director, Austrian Foundation for Development Research (ÖFSE)

Political panel discussion with:

- **Jörg Wojahn**, Head of Unit, Bilateral relations in Trade and Sustainable Development, European Commission

- **Ryan Mulholand**, Senior Fellow, Center for American Progress (CAP)
- **Marta Castilho**, Professor of Economy, University Rio de Janeiro

Moderated by:

- **Daniela Iller**, Policy Officer for Trade and International Cooperation, FES EU Office Brussels, and **Lavinia Mazzei**, International Cooperation Policy Officer, SOLIDAR

Reflections on the future of the transatlantic relationship with

- **Damian Murphy**, Senior Vice President, National Security and International Policy, Center for American Progress (CAP)



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