

Finding the tools to go beyond the talk

The Brussels beehive is coming back to life again after the summer break and aspiration is in the air. MEPs are settling into their new offices, portfolios are being distributed and priority-setting is the talk of the town. The hearings of the new European Commissioners are only a few weeks away and the Commission services are chewing on the Commission President-elect's outline for Europe.



Based on a summer of sounding out policy makers and Brussels watchers, it seems that the modus operandi for the upcoming legislative term will be about 'getting things done'. Ambitious targets have been set; now it's time to execute. This requires a change of approach: more coherence, more assertiveness, more realism. Finding the tools to go beyond the talk.

Europe is an industrial economy

If we look at Ms Von der Leyen's [agenda for Europe](#), she seems to hit all the right notes: a European Green Deal, an economy that works for people and is fit for the digital age, protecting the European way of life, a stronger Europe in the world, a new push for European democracy. Who wouldn't agree? Her language is clear and radiates confidence. She also makes an effort to capture what makes Europe 'Europe', defining identity, not shying away from stating the obvious to underline important values.

"Europe is an industrial economy", was one of the statements that struck as such.

Indeed, European policy makers would do well to prioritise Europe's industrial powerhouse to maintain the Union's competitive edge and achieve society's goals of a sustainable, inclusive and future-oriented economy. An industrial policy for the EU should put adequate emphasis on the target of increasing manufacturing to 20% of GDP.

A functioning, reliable and innovation-friendly legal framework across European borders will be more essential than ever, not least in light of global competition and tendencies to depart from open and rules-based access to global markets. European automotive suppliers deliver every day on their commitment to maintain and further strengthen Europe's technology leadership. Yet, European supplier companies can only be leaders in their field when their home market operates with as few internal barriers as possible. Technology neutrality, too, remains a key necessity. And zero-emission transport in particular needs a concerted, decisive market push to kick-start the demand that is currently still all but absent.

A focus on investments increases the chances of coherency

The region also needs a flexible and adaptable business environment that helps foster innovation. Public support and funding for research and innovation, for example in the framework of the Horizon Europe programme, has an important role to play in the competition with other world regions, such as the USA, China, Japan and Korea but requires equally strong budgets as well as unbureaucratic, technology-neutral procedures.

Coming back to policy, a clear buzzword these days is 'investment'. Investment in greening the economy, in retraining and reskilling workers, in digital infrastructure. It certainly sounds better than talking about 'costs'. The costs of a just transition, of mandating technologies, of fragmented regulation. A focus on investment brings as additional benefit that it increases the chances of coherency. For an investment decision, a comprehensive view is a natural prerequisite.

It will be interesting to see which new, inventive tools the EU institutions will come up with to enable the transformation towards a sustainable, competitive economy. What role can the EIB play? How accessible will the funding from a European carbon bank be? Will the existing rules allow the mixing of funding mechanisms, involving structural and cohesion funds?

Society demands innovative tools to deal with urgent questions

Industrial competitiveness is under pressure from global competition and protectionist tendencies which have already depressed economic activity, but also feels the strains from regulatory demands and deficiencies in the supportive framework at home in the European Union. New tools, both in terms of policy coherency and in terms of backing by financial means, can make a real difference.

Society demands innovative solutions to deal with emissions, urbanisation, globalisation and the many other urgent questions that are redefining the way in which industries operate as well as how policy makers approach their work. This is no mean feat, and working out how to get there in a politically and societally acceptable way without major damage to EU competitiveness will be a huge task for Brussels and national governments for years to come.

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