



Geopolitical **Risk Index**

**Europe between the Green Deal
and Realpolitik: sustainability, geopolitics
and the challenge of strategic sovereignty**

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Introduction

The comparison between development models seems to have entered a new, perhaps decisive phase. The proposal recently floated by Donald Trump, namely lower tariffs in exchange for massive European purchases of US liquefied natural gas (worth around \$350 billion), is not just a trade issue, but a symbolic and substantial step in redefining relations between the United States and Europe in the areas of energy, competitiveness and sustainability. This 'offer' also has the not-so-veiled intention to slow down the implementation of the European Green Deal, the EU's plan to achieve climate neutrality by 2050, cut climate-changing emissions by at least 55% by 2030 (compared to 1990), and plan strategic growth for the entire European economy in response to the various economic and social crises we have been exposed to over the years.

In 2023, the trade balance of goods and services between the United States and the European Union showed a surplus for Europe of just 3%. This is therefore not a structural imbalance that justifies a profound renegotiation of trade agreements. However, a closer analysis reveals that over 50% of US exports to Europe are concentrated in sectors highly exposed to the ecological transition: fossil fuels, petroleum products, internal combustion engines and aviation.

These are industrial sectors that will inevitably see a contraction in demand in Europe in the medium term as European climate policies – in line with the Paris Agreement – come fully into force. It is therefore not surprising that the proposal to commit Europe to massive purchases of fossil gas for a long period is supported by the very industrial sectors that today fear losing market share in a world seeking to move towards decarbonisation.

Thanks to the Green Deal, the European Union has taken significant steps towards a new energy model. In 2023 alone, the share of electricity produced from renewable sources reached 44%, while that from fossil fuels fell by 19%. This process has made it possible to avoid importing fossil fuels

worth €59 billion. This is not only an environmental benefit, but also a strengthening of the continent's economic and geopolitical resilience. The US proposal therefore risks undermining this trajectory. Rather than a measure to rebalance trade relations, it appears to be a tool to influence Europe's decarbonisation path, binding Member States in the long term to fossil fuel supplies that would contradict climate objectives.

However, the challenge ahead is not just about energy. It is about Europe's ability to defend and strengthen its vision of sustainable development. A vision that recognises the centrality of clean technologies, energy efficiency, the circular economy and social cohesion as pillars of competitiveness. Accepting energy conditionality that slows down the transition would not only weaken climate ambition, but also renounce the leading role that Europe has assumed in transforming global production models. On the contrary, rejecting this proposal in favour of an energy foreign policy consistent with climate objectives can be an act of responsibility towards future generations and towards a stronger, more autonomous and innovative European economy.

Chapter 1 – The European framework: between environmental ambition and geopolitical constraints

1.1 The evolution of EU policies: from the Green Deal to the Clean Industrial Deal

The European Green Deal is an ambitious action plan by the European Union (EU) aimed at transforming the continent into a sustainable, economically viable, and environmentally responsible society. To fully understand the significance and importance of this initiative, it is essential to examine the historical context that preceded its creation and its development over the years.

In recent decades, the world has witnessed growing signs of an escalating climate crisis, with extreme events such as floods, droughts, forest fires, and rising sea levels highlighting the urgency of action. In December 2015, the Paris Agreement marked a crucial turning point, with the international community committing to limiting the global average temperature rise to below 2°C compared to pre-industrial levels.¹

At the same time, the adoption of the 2030 Agenda by the United Nations in September 2015 emphasized the importance of sustainable development worldwide. The Sustainable Development Goals (SDGs) set a series of ambitious targets, including the fight against poverty, hunger, gender equality, and environmental sustainability. The EU has signed up to this commitment.

In November 2019, the European Parliament officially declared a climate emergency, recognizing the seriousness of the situation and the need for decisive action. This declaration laid the foundations for a stronger response from the EU.

A few months later, in December 2019, the European Union presented its vision for a “European Green Deal.” This ambitious plan aims to transform the EU into a low-carbon, economically and environmentally sustainable entity. One of the key objectives is climate neutrality by 2050.

The European Green Deal is not only a bold response to the United Nations' 2030 Agenda; it goes further, setting even more ambitious targets. One of the highlights is the goal of reducing greenhouse gas emissions by 55% by 2030, compared to 1990 levels.

This ambitious initiative represents an extraordinary move to address global challenges and transform the European Union into a fair and prosperous

¹ Rivas, S., Urraca, R., Bertoldi, P., & Thiel, C. (2021). Towards the EU Green Deal: Local key factors to achieve ambitious 2030 climate targets. *Journal of cleaner production*, 320, 128878.

society. The main goal is to create a modern, resource-efficient, highly competitive, and, above all, completely net-zero greenhouse gas-emitting economy by 2050. This path is not only aimed at preserving and improving Europe's natural heritage, but also at protecting the health and well-being of citizens from environmental impacts.

However, this transition must be fair and inclusive, with a particular focus on the regions, industries, and workers that will face the most challenging challenges. Active citizen participation is a key element for the success of these policies, and trust in the transition is an essential requirement.

Achieving the European Green Deal will require significant public investment and greater involvement of the private sector in climate and environmental projects. This will require careful planning to avoid adopting unsustainable practices. The European Union must take a leading role in coordinating international efforts to create a financial system that supports sustainable solutions.

The European Green Deal accelerates the transition in all sectors, but it is important to remember that the EU's ambition cannot be achieved alone. Environmental challenges are global and require international cooperation. The EU will seek alliances with neighboring countries and partners to promote sustainability, even if others do not follow suit.²

This project is an integral part of the Commission's strategy to implement the United Nations 2030 Agenda and the Sustainable Development Goals, putting sustainability at the heart of economic policy and guiding the EU towards a more sustainable future.

However, it is clear that the current level of global ambition is not sufficient to effectively address the climate challenge. The EU is therefore constantly

² Prasad, M. N. V., Smol, M., & Freitas, H. (2023). Achieving sustainable development goals via green deal strategies. In *Sustainable and Circular Management of Resources and Waste Towards a Green Deal* (pp. 3-23). Elsevier.

seeking to intensify its dialogue with all its international partners with the aim of stepping up joint efforts and assisting other countries in reviewing and implementing their national commitments.

The EU intends to intensify its bilateral relations with other countries, adopting innovative approaches to cooperation where necessary. This underlines the importance of international cooperation in addressing climate challenges.

The European Union is committed to working with the G20 economies, which account for 80% of global greenhouse gas emissions. This commitment is crucial to addressing global emissions on a meaningful scale.³

It recognizes the need to adopt tailored strategies to address climate change, taking into account the different needs of countries and regions, including major emitters, less developed countries, and small island states.

The Union is working to strengthen global carbon markets, which are a key economic tool for incentivizing climate action.

Furthermore, it is believed that the ecological transition in Europe will only be successful if neighboring countries also take effective measures, which implies supporting neighboring countries in their transition to a sustainable economy.

In 2021, as part of its commitment to the Green Deal and climate neutrality by 2050, the European Commission introduced the "Fit for 55" package, consisting of twelve directives and regulations aimed at accelerating the decarbonization of the European economy to achieve the medium-term emission reduction target of at least 55% by 2030.

³ Keith, H., Kun, Z., Hugh, S., Svoboda, M., Mikoláš, M., Adam, D., ... & Mackey, B. (2024). Carbon carrying capacity in primary forests shows potential for mitigation achieving the European Green Deal 2030 target. *Communications Earth & Environment*, 5(1), 256.

To support these objectives, the Commission has committed to mobilizing at least €1 trillion in sustainable investments over the next decade, allocating 30% of the EU's multiannual budget (2021-2028) to green investments. In addition, EU countries are required to allocate at least 30% of the funds received under the NextGenerationEU instrument in response to the COVID-19 pandemic to investments and reforms in support of climate objectives.

Finally, the ambitious sustainable transition requires significant private investment. The EU is launching a package of regulations on sustainable finance to ensure the transparency, reliability, and comparability of ESG (Environmental, Social, Governance) information. Key initiatives include the identification of a European taxonomy, a common classification system defining the criteria for environmentally sustainable economic activities, and the introduction of a single European sustainability reporting standard, the ESRS, developed by the European Financial Reporting Advisory Group (EFRAG). In addition, a proposal for a directive on corporate sustainability due diligence complements the new rules introduced by the CSRD, adding a substantive obligation for certain companies to fulfill due diligence obligations to identify, prevent, mitigate, and account for external damage resulting from adverse impacts on human rights and the environment in their activities, affiliations, and value chains.

However, the emergence of the energy crisis triggered by the war in Ukraine in 2022 and growing global competition in the technological and industrial sectors, particularly with the United States and China, have prompted the EU to review, at least in part, its industrial and environmental policies. To this end, the Clean Industrial Deal was launched in 2023, a new phase of the European strategy whose main objective is to ensure the Union's energy and technological sovereignty while strengthening climate objectives.

The EU suffers from a serious gap with its trading partners in terms of the competitiveness of energy prices, which vary considerably between Member States. Price volatility is also a significant factor, hampering energy-intensive industries and the economy as a whole.

Retail and wholesale gas prices are currently three to five times higher than in the United States, while historically prices in the EU have been two to three times higher than in the United States. Retail electricity prices, particularly for industrial sectors, are currently two to three times higher than in the United States and China. Historically, retail electricity prices in the EU have been up to 80% higher than in the United States, while remaining at around the same level as in China.

The energy crisis has exacerbated price differences between EU Member States. While in the past retail electricity prices for industry in Europe converged over time, the energy crisis has reversed this trend. This is largely due to the heterogeneity of national measures implemented by Member States to address the crisis and the uneven impact of Russia's instrumentalisation of EU energy supplies. These factors have also had an impact on retail energy prices paid by consumers, which ranged from over 250 euro/MWh in some Member States to less than 100 euro/MWh in others. The gap between the highest and lowest energy prices in EU Member States doubled in 2022 and increased by a further 15% in 2023.⁴

Finally, the combination of a high import share and high prices puts a significant drag on EU resources compared to its competitors. According to the International Energy Agency (IEA), EU spending on fossil fuel imports is set to rise from €341 billion in 2019 to €416 billion in 2023 (around 2.7% of GDP). These funds could be better used by the EU to invest in

⁴ Cardinale, R., Cardinale, I., & Zupic, I. (2024). The EU's vulnerability to gas price and supply shocks: The role of mismatches between policy beliefs and changing international gas markets. *Energy Economics*, 131, 107383.

infrastructure, innovation, education and other sectors that are essential for developed economies to maintain their competitive advantage in global markets. In 2023, the EU's total expenditure on fossil fuel imports (coal, gas and oil) amounted to €390 billion. This is a 90% increase compared to the historical average for the period 2017-2021, mainly due to price increases, as volumes increased by only 7% on average. EU spending on Norwegian fossil fuels exceeded €50 billion in both 2022 and 2023, around three times more than the 2017-2021 average, mainly due to price increases, as volumes increased by only two-thirds. EU spending on Russian fossil fuels almost doubled in 2022 compared to previous levels, reaching over €120 billion, before falling back to less than €30 billion in 2023 (a 60% drop compared to the 2017-2021 average) as a result of unprecedented diversification efforts.

The Clean Industrial Deal (CID), published by the European Commission on February 26, outlines the EU's industrial strategy, based on an approach that combines growth and decarbonization. It also provides the missing piece of the Fit for 55 package: a focus on industrial decarbonization and its importance in the global race for clean technologies. The CID is intended to serve as a unifying framework within which the Commission will develop sectoral transition pathways.⁵

Overall, the document largely fulfills its purpose, identifying areas of work that can unlock the EU's industrial potential. These include: energy pricing; lead markets for green goods and technologies; the international and trade dimension; financing; labor; and skills.

⁵ Hermwille, L., Leipprand, A., Kiyar, D., Ruß, M., Hullmann, C., Elsner, C., ... & Fishedick, M. (2025). Rapid assessment of the Clean Industrial Deal: an initial assessment of the EU Commission's industrial policy work programme for 2025-2029. Wuppertal Institut für Klima, Umwelt, Energie.

However, while the document accurately identifies the barriers and bottlenecks to European competitiveness, its approach to solutions appears too broad, failing to identify the elements that would make interventions relevant to the industrial context. The result is a framework which, despite its breadth, risks being ineffective in providing direction for industry and Member States. Without guidance, they risk moving in different directions. The Draghi Report highlighted the need to overcome the lack of coordination between national industrial policies. In this sense, the CID does not seem to be making progress. The CID's broad strategy is necessary, but further efforts are needed to make it more granular in order to respond concretely to the demands of industry.

One of the CID's main areas of focus is energy prices, a key factor in competitiveness. In line with the Competitiveness Compass, the CID highlights that higher and more volatile energy prices in Europe are due to a combination of structural factors, such as dependence on fossil fuel imports and Russia's manipulation of this dependence.

The consequences of this statement are reflected in the substance of the document: shifting industrial energy consumption from fossil fuels to electricity can reduce energy costs and improve competitiveness, provided that the lower costs of energy production from renewable sources are effectively passed on to businesses and accompanied by energy efficiency measures.⁶

The Commission is addressing this issue with the Action Plan for Affordable Energy (APAE), published at the same time as the CID. The Commission's approach operates on two levels, consistent with REPowerEU: managing

⁶ Solský, P. (2025). Strategy of the New European Commission in the Area of Competitiveness, the Clean Industrial Deal Communication and a Draft of the Clean Industrial Deal State Aid Framework. Charles University in Prague Faculty of Law Research Paper No.

energy costs in the current situation, where gas prices are still a key factor in determining electricity prices, while facilitating the replacement of fossil fuels with renewables and energy efficiency in the long term. However, in doing so, the APAE does not go into sufficient detail on how this should be implemented in the industrial context. This makes it more difficult to identify the cross-sector synergies that the adoption of renewables and energy efficiency can offer, the possible obstacles and how to address them.

A key element in reducing Europe's dependence on fossil fuels is the electrification of industrial energy consumption. Electrification is the most cost-effective solution in many sectors, especially when combined with energy efficiency measures. This would be a factor in competitiveness, both by potentially reducing energy costs (shielding industry from sudden price spikes) and by ensuring greater access to green markets. The CID and APAE state that the EU must move towards electrification, but they do not clarify what this means in practice for industry. The Electrification Action Plan is not expected for another year, so the CID and APAE should partially fill the lack of direction that this delay implies by identifying broad categories of sectors where electrification faces common barriers. This would also help to direct the APAE's action towards creating the conditions under which some sectors can start the electrification process right away, without waiting for the Electrification Action Plan in 2026.

Although the CID does not explicitly mention it, if the EU's dependence on fossil fuel imports is a key factor in high energy prices, it follows that phasing out fossil fuels will be necessary to reduce prices. This is also inherent in the EU's push towards electrification and the acceleration of the deployment of renewables, its climate targets and its desire to reduce its geopolitical dependencies on countries that export these goods.

Fossil fuels will continue to play a significant role in the short term and a smaller role in some sectors in the long term. An important aspect of the

CID, in line with other EU legislation, is the confirmation that the EU fossil fuel industry will have to shrink significantly in the medium term. If this process is not anticipated and managed, it may have unpredictable and sudden impacts on both employment and investment.

The APAE also aims to increase the adoption of power purchase agreements (PPAs), contracts for difference (CfDs), and flexible retail contracts that shift industrial energy consumption away from peak hours. However, no details are provided on how businesses can reduce energy costs in the short term by using renewable capacity. All these developments reflect the European Union's growing concern about its strategic dependencies, particularly in certain key sectors such as clean energy technologies and critical raw materials. The shifting global balance of power is increasingly bringing China to the fore as a key player whose dominance in strategic sectors raises important questions for Europe's industrial sovereignty.

1.2 China's strategic weight and Europe's critical dependencies

In the end of 2024, relations between the European Union (EU) and China followed a trajectory in line with the dynamics that had already emerged following the EU-China summit held in Beijing in December 2023.⁷ Despite heightened political and economic tensions, diplomatic contacts remained frequent, although the EU adopted a more assertive stance on economic issues while expressing growing concern about Beijing's support for Russia. On the domestic front, Ursula von der Leyen was reappointed as head of the European Commission, ensuring a degree of strategic continuity. However, the ongoing institutional renewal will introduce new political

⁷ <https://www.consilium.europa.eu/it/meetings/international-summit/2023/12/07/> 'EU-China Summit, 7 December 2023', European Council, 7 December 2023.

priorities, as can be seen from the composition of the new college of commissioners proposed for the next five years.

The EU continues to seek to keep channels of dialogue open with Beijing, recognizing its economic importance and geopolitical weight. The goal is to bring China to the negotiating table to ensure a fair economic partnership, while at the same time urging it to reduce its support for Russia in the war in Ukraine. Brussels intends to make it clear to Beijing that bilateral relations cannot ignore China's position on its implicit or explicit support for Moscow. At the same time, the current strategy is to reduce strategic dependencies on China by implementing the "European Strategy for Economic Security."⁸ In particular, Brussels is determined to counter what it has called "overcapacity," China's excess production capacity in certain key sectors, which is considered a threat to the competitiveness and prosperity of European manufacturing. These issues have also emerged strongly in various international forums, such as the NATO summit in Washington and the G7 in Italy, amplifying European concerns.

Addressing economic interdependencies in light of new geopolitical challenges poses many obstacles for European leadership. Within the EU, differences between member states complicate the definition of a unified strategy. It is certainly not new that many EU countries often put their own economic interests before the broader European common interest, as emerged from Spanish Prime Minister Pedro Sánchez's speech in Shanghai,⁹ in which, in an unexpected about-turn, he urged Brussels to reconsider the proposed tariffs on Chinese battery electric vehicles (BEVs), highlighting the political cracks within the Union ahead of a decisive vote that could make the tariffs permanent for the next five years.

⁸ 'Joint Communication to the European Parliament, the European Council and the Council on the 'European Strategy for Economic Security'', European Commission, 20 June 2023.

⁹ Pedro Sánchez reaffirms Spain's commitment to building bridges and fair and balanced relations with China', La Moncloa, 11 September 2024.

One of the critical issues in relations between the EU and China is undoubtedly Beijing's position on the war in Ukraine.

During the Shangri-La Dialogue, the annual conference organized by the International Institute for Strategic Studies (IISS) think tank in Singapore, Ukrainian President Volodymyr Zelensky directly criticized China,¹⁰ accusing it of obstructing the peace summit planned for June in Switzerland, which Beijing has in fact decided not to attend. Although Ukraine is strengthening its diplomatic ties with the countries of the so-called 'Global South', the decision to express its discontent so openly towards a major player such as China stems from the latter's increasingly substantial support for Russia.¹¹ This is a message that European countries themselves continue to reiterate to China, stressing that aid to Russia's war effort has direct implications for the security of the European continent.¹² Nevertheless, the speech by the EU's High Representative for Foreign Affairs, Josep Borrell, at the same forum remained more conciliatory towards Beijing.¹³

China was also at the center of discussions at the G7 summit in Puglia under the Italian presidency. The final communiqué of the summit reiterated that the G7 will continue to take measures to counter actors providing material support to the Russian war machine, stating that Beijing's support for Moscow's military industrial base is "enabling Russia to continue its illegal war in Ukraine."¹⁴ Mentioned numerous times in the communiqué, China was also addressed from an economic perspective, with G7 leaders emphasizing that the intent is not to harm China or hinder its economic

¹⁰ 'Press Conference at IISS Shangri-La Dialogue 2024: Volodymyr Zelenskyy, President, Ukraine', 2 June 2024

¹¹ N. Sher, 'Behind the Scenes: China's Increasing Role in Russia's Defense Industry,' Carnegie Endowment for International Peace, 6 May 2024.

¹² N. Sabanadze, A. Vasselier and G. Wiegand, 'The China-Russia alignment: a threat to European security', *Merics*, 26 June 2024.

¹³ 'Shangri-La Dialogue: Speech by High Representative Josep Borrell on security in the Asia-Pacific region', EU External Action Service, 1 June 2024.

¹⁴ 'Statement by the G7 leaders in Puglia', 14 June 2024.

development, but rather to “continue to take action to protect workers and businesses from unfair practices, ensure reciprocal economic conditions, and remedy persistent harms.”

While geopolitical tensions between China and Russia are causing considerable concern in the West, economic relations between the EU and China remain no less complex.

The latest chapter in these tensions began on June 12, when the European Commission published the provisional conclusions¹⁵ of an investigation launched in October 2023 into Chinese exports of BEVs, introducing provisional countervailing duties on these vehicles, which are in addition to the existing 10% tariff. The additional duties vary according to the level of Chinese government subsidies to local industries and the degree of cooperation that companies have shown during the investigation. Provisionally effective since early July, the final decision is expected shortly and, if confirmed, will extend the duties for the next five years. The initial tariffs imposed duties of 38.1% on companies that did not cooperate with the investigation, such as Saic, and lower duties on those that did cooperate, such as Byd (17.4%) and Geely (20%).¹⁶

This move is not only aimed at partially rebalancing economic relations with China, forcing it into dialogue,¹⁷ but also at demonstrating that the EU is ready to defend its interests more assertively than in the past, especially in response to China's lack of transparency, unfair competition, and absence of reciprocity (level playing field). Elements which, according to the third plenum of the 20th Chinese Communist Party Congress, show little prospect of improvement.¹⁸ For its part, the Chinese Ministry of Commerce has

¹⁵ ‘Commission investigation provisionally concludes that electric vehicle value chains in China benefit from unfair subsidies’, European Commission, 12 June 2024.

¹⁶ K. Verhelst, A. Zimmermann and J. Klockner, ‘EU shocks China with tariffs on electric vehicles of up to 38%’, Politico, 12 June 2024.

¹⁷ ‘China proposes negotiations with the EU to resolve dispute over electric vehicle tariffs’, Reuters, 10 September 2024.

¹⁸ H. Tran, “Key takeaways from China's Third Plenum 2024”, Atlantic Council, 23 Aug 2024.

criticized the results of the investigation,¹⁹ threatening possible countermeasures, launching its own investigations into other European sectors, and finally resorting to the World Trade Organization. It should be noted that other countries have imposed tariffs on Chinese BEVs or are in the process of doing so (United States 100%, Turkey 40%, Canada 100%).

Opinions on tariffs continue to vary among member states, depending on their respective economic interests. The main concern is that of a possible trade war at such a delicate moment in international relations. In addition, multinationals such as Stellantis and organizations such as the German Association of the Automotive Industry (VDA), which represents brands such as Volkswagen and BMW, have taken a critical stance on the tariffs, arguing that the negative effects of the duties outweigh the benefits.²⁰

Although a trade war seems imminent or inevitable to many,²¹ both sides are opposed to a large-scale escalation. European politicians hope to find a mutually acceptable solution, as was the case with the EU's carbon border adjustment mechanism (CBAM), which was initially criticized by Beijing but then partially adopted by some Chinese companies. One immediate effect of the tariffs is already visible: China has come to the negotiating table, as time to reach an amicable solution is running out. Meanwhile, following negotiations with the parties concerned, the tariffs have been lowered, albeit slightly.²² On September 19, Chinese Minister of Commerce Wang Wentao met with European Trade Commissioner Valdis Dombrovskis in Brussels to discuss how to limit further trade tensions between the two

¹⁹ 'Spokesperson for the Ministry of Commerce responds to questions on the EU's preliminary investigation into Chinese electric vehicles', Ministry of Commerce of the People's Republic of China, 12 June 2024. (source in Chinese)

²⁰ 'European Commission anti-subsidy investigation', Vda, 3 July 2024.; See also K. Viner, 'Stellantis says it will "fight" for electric car sales rather than hide behind tariffs', The Guardian, 13 June 2024.

²¹ R. Sheperd, S. Lau and E. Bazail-Eimil, 'For Beijing, whether it's Harris or Trump, it's always America', Politico, 22 August 2024.

²² T. Moller-Nielsen, 'EU lowers tariffs on electric vehicles manufactured in China, signalling a softening of its trade stance', Euractiv, 23 August 2024.

players. Although the meeting did not yield concrete results, both sides agreed to continue negotiations to find a mutually acceptable agreement.²³

The tariff debate, while driven by concrete economic interests and legitimate concerns, must be viewed in a broader geopolitical context. For many countries, the issue goes beyond tariffs alone and has a systemic dimension. It is therefore essential to focus efforts on greater investment in technological innovation and on improving the long-term competitiveness of European products through the adoption of a new and more courageous industrial policy.

In relation to these growing asymmetries and dependencies, the EU has therefore been prompted to rethink its industrial and trade policy framework. In order to strengthen its strategic autonomy and protect its competitiveness in a rapidly changing geopolitical landscape, the Union has begun to develop new instruments and strategies to support its clean industrial base and reduce external vulnerabilities.

1.3 The Union's geopolitical lag: from the Lisbon Strategy to the new global competition

Europe's growing dependence on strategic factors – particularly in relation to China's dominant position in clean technologies and raw materials – has highlighted a deeper problem: the Union's long-standing geopolitical backwardness. Despite repeated declarations of intent, from the Lisbon Strategy of 2000 to recent industrial plans, the EU has struggled to translate its economic weight into coherent global influence. The current wave of global competition underscores the urgency of bridging this gap.

²³ https://policy.trade.ec.europa.eu/news/readout-meeting-between-evp-dombrovskis-and-chinese-commerce-minister-wang-2024-09-20_en

The EU is called upon to rethink its development policy in order to address internal and external challenges and compete with China and Russia in strategic global contexts.

European development policy is one of the key instruments through which the European Union seeks to promote stability, sustainable growth and the reduction of extreme poverty in developing countries. Born as an expression of European solidarity, this policy has taken on an increasingly strategic dimension over the years, evolving in response to a changing international context and increasingly complex internal political dynamics. An important turning point was the alignment with the Sustainable Development Goals (SDGs), which redefined the EU's priorities, shifting the focus to more integrated, sustainable and universal cooperation.

However, the current geopolitical landscape poses new challenges. Despite being the world's largest donor of development aid, the EU suffers from a serious lack of visibility and political influence. This limitation risks undermining the EU's role at a time when global players such as China, through initiatives such as the Belt and Road Initiative, are rapidly expanding their economic and political presence in the countries of the global South. In this context, the EU is at a crossroads: either it transforms its development policy into a key instrument of its geopolitical strategy, capable of generating impact and strengthening alliances, or it risks losing ground in areas that are crucial for its future, both economic and strategic.²⁴

One of the most significant challenges for European development policy concerns China's growing influence, exercised in particular through the Belt and Road Initiative (BRI). Launched in 2013, the BRI is a vast infrastructure project connecting Asia to Europe by developing a network of land and sea corridors across Eurasia and the southern Indian Ocean.

²⁴ Rolland, N. (2017). China's Belt and Road Initiative: Underwhelming or game-changer? *The Washington Quarterly*, 40(1), 127-142

Although China has promoted the BRI as a primarily economic initiative, its geopolitical implications are far from negligible. In fact, while the BRI aims to reduce dependence on critical transit points, such as maritime chokepoints, it also represents an attempt by China to reassert its political influence in Eurasia and the Indian Ocean. A further strategic objective for Beijing has been to counter US presence and influence in this key region, thereby creating direct competition with the geopolitical interests of other Western powers, and in particular with the European Union.

The European Union is now facing a complex situation in the Indo-Pacific region, an area that, until recently, had not been given significant priority in its foreign and trade policy. For a long time, the EU has focused on promoting normative values, such as democracy, respect for human rights and the rule of law, as tools to expand its international influence. However, the expansion of the BRI and China's increased presence have highlighted the need for a more pragmatic approach focused on European strategic interests.

The EU now finds itself having to review its priorities, given the growing challenge posed by a China that not only exerts economic influence but is also asserting an alternative international order that is more antagonistic than that proposed by the EU. In this context, it has become clear that the management of European foreign policy in the region can no longer be based solely on normative principles, but must integrate a more direct and targeted commitment to protecting the Union's geopolitical and commercial interests.

To respond to the challenges posed by the BRI and chart a more autonomous course in the region, the European Union has developed the Indo-Pacific Strategy and the Global Gateway Initiative, both introduced in 2021. The Indo-Pacific Strategy is a declaration of intent regarding the EU's

growing involvement in the Asia-Pacific region. The aim of this strategy is to diversify economic and political relations, promoting an alternative model to that proposed by China with the BRI.²⁵

Unlike the BRI, which focuses primarily on infrastructure investment, the Global Gateway Initiative and the Indo-Pacific Strategy aim to provide financing in a more responsible manner, integrating principles such as democratic governance, human rights and sustainability. In this sense, the EU presents itself as a partner that does not merely invest in physical infrastructure, but proposes a development model more oriented towards building a more stable Indo-Pacific region that respects international rules. However, although these initiatives may counter Chinese influence, their impact will depend on the EU's ability to translate its stated objectives into concrete results, avoiding becoming too anchored to normative values that may prove unattractive in a highly competitive geopolitical context.

However, geopolitical competition between the EU and China is not limited to Asia, but is also increasingly extending to the African continent, which is considered strategic for the global ambitions of both powers. In response to China's growing presence in Africa, consolidated through massive infrastructure investments under the BRI, the EU has launched a major €150 billion investment package under the Global Gateway initiative. This programme, which will run over the next six years, aims to finance the development of key infrastructure – such as 5G networks, fibre optic cables, railways, motorways, ports and airports – with the aim of promoting strong, inclusive, sustainable and digital economic growth in Africa. The EU also intends to strengthen climate resilience on the continent by supporting adaptation to climate change and improving disaster response capacity.

²⁵ European Commission. (2021). The Global Gateway. https://ec.europa.eu/info/strategy/priorities-2019-2024/stronger-europe-world/global-gateway_en

Through this strategy, Brussels aims to present itself as a credible and more sustainable alternative to Chinese finance, which is often accused of generating unsustainable debt that increases African governments' dependence on Beijing. In stark contrast to this model, the EU presents itself as a 'creator of bonds' rather than a 'creator of dependencies', promoting a more equitable and transparent approach to partnership with Africa. This stance reinforces the EU's image as a responsible global actor committed to promoting development that reflects its principles and, at the same time, its strategic interests.²⁶

However, one of the main obstacles to European development policy today is the rise of right-wing populist movements, both within Europe and globally. In several EU member states, governments are gradually reviewing – and often reducing – their development cooperation commitments. This phenomenon is fuelled by two converging pressures: on the one hand, the budgetary constraints imposed by European fiscal discipline; on the other, the growing influence of populist narratives that prioritise immediate electoral consensus over long-term goals, such as the fight against global poverty.

At the international level, the Trump administration's foreign policy has had a direct impact on European strategies. The implicit – and sometimes explicit – message to Europe to take charge of its own security and global responsibilities has prompted the EU to reconsider its budgets, but also to redefine its approach to development. At the same time, cuts to the USAID programme in the United States have marked a retreat from American

²⁶ EPRS – European Parliamentary Research Service. (2022). EU-Africa: Towards a balanced partnership? [https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2022\)698890](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2022)698890)

commitments to international cooperation, which may leave room for other powers to step in.

The US withdrawal may pave the way for an expansion of the geopolitical influence of authoritarian actors such as China and Russia. The Chinese BRI, in particular, may prove to be an effective tool for filling the gaps left by Western aid, especially in Africa and Eastern Europe, areas historically covered by USAID. In this context, the European Union risks losing its role as a leading actor in promoting sustainable development, seeing itself supplanted by models that do not prioritise democratic governance or respect for human rights.

Faced with this scenario, the EU is attempting to restructure its cooperation programmes, shifting the emphasis from traditional grants such as official development assistance (ODA) towards investment-based mechanisms, which offer more immediate returns to European actors, whether governments or financial institutions. However, this process is taking place in a context of growing uncertainty: several key countries such as France, Germany and the United Kingdom have already announced aid cuts for 2025, also putting at risk the multi-donor programmes on which much of European action is based.²⁷

The change underway risks translating into a slow dismantling of the founding principles of development cooperation, as enshrined in the United Nations SDGs. While the withdrawal in the United States has been more rapid and ideological, in Europe we are witnessing a more gradual but equally dangerous unravelling of a policy geared towards global solidarity. Without a shared strategic vision and real political will, the EU risks

²⁷ Keijzer, N., & Herrero, A. (2022). Geopolitics and EU development cooperation: Fit for purpose? Centre for Global Development. <https://www.cgdev.org/blog/geopolitics-and-eu-development-cooperation>

sacrificing its global influence in exchange for short-term solutions, thereby losing its identity as a promoter of international justice and prosperity.

European development policy is currently facing a number of challenges which, if not addressed with determination and strategic vision, risk undermining the Union's ambition to establish itself as a global geopolitical player. The vacuum left by USAID, particularly in Africa, where the United States had historically concentrated many of its interventions, represents a window of opportunity but also a danger: if the EU fails to fill it with concrete, rapid and effective proposals, this space will inevitably be occupied by powers such as China and Russia. It is precisely in Africa – as in Latin America – that one of the most decisive battles for Europe's future is being fought: the battle for control of rare earths, resources that are essential for the EU's ecological and digital transition. An intelligent, inclusive and non-predatory development strategy could be the main vehicle for accessing these resources in a sustainable and geopolitically advantageous manner.

However, the EU's current approach has serious limitations. The fragmentation of initiatives between the EU and national levels, excessive bureaucracy and an attitude perceived by many partners as paternalistic are undermining the effectiveness and legitimacy of European cooperation. Criticism from African officials that the EU is building bureaucracy while others are building infrastructure is a clear warning sign. To be truly competitive on the global stage, the EU must abandon its model based on complex procedures and embrace a more pragmatic paradigm of cooperation focused on concrete results and genuine respect for local priorities.

At the same time, another critical dimension concerns enlargement to the East, particularly in the Balkans, the Caucasus and Moldova. In these areas too, the EU's development policy cannot be limited to abstract promises,

but must translate into tangible investments, infrastructure, social programmes and economic growth. Without effective action, these countries could fall under Russian influence, especially in a context of growing global polarisation. The EU must therefore use its development policy not only as an instrument of solidarity, but also as a diplomatic and geopolitical lever to strengthen its presence and values in strategically sensitive regions.

Looking ahead, the arena of international development is likely to become increasingly a battleground between alternative models: the Western model, still searching for coherence and leadership, and the authoritarian model, embodied by China and Russia, which is faster but less attentive to rights and transparency. If the European Union wants to remain relevant, it will have to transform its development policy into a key tool for building alliances, protecting fundamental economic interests and promoting a world view based on justice, sustainability and democracy. At stake is not only the Union's international credibility, but also its ability to influence the geopolitical balance.

Review of the literature

In recent years, the European Green Deal has been presented as one of the most ambitious strategic frameworks of the European Union. Its goal was to shape not only environmental policies, but also economic, industrial, and geopolitical ones. At the same time, a broad strand of research has emerged investigating how European institutional discourse is actually contributing to constructing, legitimizing, and disseminating visions of the green transition and its implications for the European project (Schmidt & Zito, 2022; Adelle et al., 2019²⁸).

²⁸ Adelle, C., MacRae, R., & Scott, S. (2019). Governing the Green Economy: The European Union and the Politics of Sustainability. *Environmental Politics*, 28(2), 266–285

Critical Discourse Analysis (CDA) is a very effective methodology for exploring the links between language, power, and ideology in sustainability policies (Wodak & Meyer, 2016)²⁹. For Fairclough & Fairclough (2012³⁰), discourse analysis allows us to understand how institutional texts do not simply reflect reality, but actively participate in the construction of meanings, values, and political priorities. In this sense, the European Green Deal is in many ways a paradigmatic case of performative discourse, in which the European Commission takes on the role of 'entrepreneur of meaning' (Schmidt, 2021)³¹, attempting to steer public and institutional debate.

In recent times, a number of studies have highlighted how the discourse on sustainable development in Europe is characterized by an underlying tension between value universalism and political pragmatism (Dupont et al., 2020³²; Delors & Tagliapietra, 2021³³). While the European Commission continually refers to the principles of climate justice, social inclusion, and intergenerationality, the language of the green transition is strongly intertwined with the logic of economic competitiveness and industrial sovereignty. Adelle et al. (2019) have highlighted how concepts such as 'climate neutrality', 'just transition' and 'green growth' are used strategically to reconcile sustainability rhetoric with the goal of preserving the global competitiveness of European industry.

²⁹ Wodak, R., & Meyer, M. (2016). *Methods of Critical Discourse Studies* (3rd ed.). SAGE Publications.

³⁰ Fairclough, I., & Fairclough, N. (2012). *Political Discourse Analysis: A Method for Advanced Students*. Routledge.

³¹ Schmidt, V. A. (2021). Europe's Green Deal: A discursive analysis of the European Commission's leadership. *Journal of European Public Policy*, 28(10), 1469–1487.

³² Dupont, C., Oberthür, S., & von Homeyer, I. (2020). The COVID-19 crisis: Catalyst for a green European Union agenda? *Global Environmental Politics*, 20(3), 1–8.

³³ Delors, J., & Tagliapietra, S. (2021). *The European Green Deal: A Blueprint for the Transition*. Bruegel Policy Contribution.

Other contributions have analyzed the emerging geopolitical character of the Green Deal discourse. Leonard et al. (2023)³⁴, for example, emphasize how the war in Ukraine and growing systemic rivalries with China have accelerated a process of semantic redefinition of the European discourse on the green transition. Strategic autonomy, energy security, and industrial resilience have become central components of the institutional narrative, leading to a progressive hybridization between environmental and security discourse (Youngs, 2022).³⁵

This evolution seems to be confirmed by a series of recent studies in the field of International Political Economy (IPE), which highlight how sustainability is now also being mobilized as a tool for the EU's geopolitical positioning (Crespy & Menz, 2021)³⁶. Initiatives such as the Global Gateway or the Net-Zero Industry Act are illuminating examples of this approach, which aims to integrate climate goals with a more assertive strategy to defend European economic and technological interests.

At the same time, the literature also highlights the risk that this discursive redefinition may marginalize the more radical demands for climate justice. Dryzek (2013)³⁷ speaks of a “discursive drift” that pushes institutional discourse toward a managerial and technocratic vision of transition, in which market logic tends to prevail over social and redistributive dimensions. Similarly, Dupont et al. (2020) point out that the growing emphasis on security and autonomy risks reinforcing an elitist narrative of transition that is less attentive to distributional impacts on the most vulnerable segments of the population.

³⁴ Leonard, M., Pisani-Ferry, J., Shapiro, J., Tagliapietra, S., & Wolff, G. (2023). *The Geopolitics of the European Green Deal*. European Council on Foreign Relations.

³⁵ Youngs, R. (2022). *The Geopolitics of the European Green Deal*. Carnegie Europe.

³⁶ Crespy, A., & Menz, G. (2021). Green capitalism, sustainability transitions and the European Green Deal. *Comparative European Politics*, 19(4), 457–474.

³⁷ Dryzek, J. S. (2013). *The Politics of the Earth: Environmental Discourses* (3rd ed.). Oxford University Press.

Finally, an emerging strand of research focuses on analyzing the mechanisms of discursive legitimation of the Green Deal. In particular, Schmidt & Zito (2022)³⁸ observe how the European Commission adopts a multi-scalar narrative strategy, in which the discourse on the green transition is calibrated differently according to the target audience: European, national, international. The construction of a 'common green narrative' is thus used to strengthen the internal cohesion of the EU and, at the same time, to position the Union as a global leader in sustainability.

This literature review was designed following a systematic and critical approach aimed at identifying the main theoretical and interpretative strands that have addressed the evolution of the European discourse on ecological transition in recent years, with particular reference to the Green Deal. The selection of authors and sources followed a twofold criterion. On the one hand, priority was given to the most recent and relevant literature published in leading academic journals or authoritative volumes, with the aim of capturing the dynamic nature of the debate following the adoption of the European strategy for climate neutrality. On the other hand, contributions adopting different theoretical approaches (critical discourse analysis, environmental policy studies, strategic narrative analysis) have been included in order to ensure a comprehensive and multidimensional view of the phenomenon.

The review is therefore structured thematically, following a path that goes from the reconstruction of the discursive origins of the European Green Deal, to the analysis of its main semantic and political trajectories, to the most recent transformations imposed by the geopolitical context and concomitant crises. In this way, the aim is not only to systematize the

³⁸ Schmidt, V. A., & Zito, A. (2022). The politics of the European Green Deal: Policy discourses, leadership and legitimacy. *Journal of European Public Policy*, 29(1), 1–20.

contributions of the main authors, but also to highlight recurring conceptual issues and any fractures or tensions that have emerged in the debate.

Rather than simply summarizing existing studies, the approach adopted aims to offer a critical commentary that highlights, on the one hand, the richness and plurality of interpretations offered by the literature and, on the other, some of its possible shortcomings. In particular, it is noted that many analyses tend to focus on the symbolic and discursive dimensions of the green transition, without thoroughly investigating its concrete implications in terms of policy-making, institutional balances, and perceptions by economic and social actors.

This thesis aims to fill a twofold gap in the literature. Firstly, by offering an integrated analysis that takes into account not only the European institutional discourse, but also its recent transformations in response to external factors such as the war in Ukraine and growing geopolitical competition over green technologies. Secondly, by paying greater attention to the performative dimension of this discourse, i.e., its ability to guide concrete political, economic, and regulatory choices, beyond programmatic statements. In this perspective, particular attention will be paid to how the Green Deal discourse has shaped specific policy instruments such as the Net-Zero Industry Act, the Carbon Border Adjustment Mechanism, or the design of the EU taxonomy for sustainable finance.

Chapter 2 - Discourse Analysis and Semantic Transformations in the European Commission

2.1 Methodology: textual analysis of official EU documents

The European Green Deal was presented in December 2019 as an integrated plan to drive the European Union towards climate neutrality by 2050. It was an ambitious and far-reaching plan that aimed to combine economic growth

and environmental sustainability. In response to the economic crisis triggered by the COVID-19 pandemic, the EU launched the Next Generation EU (NGEU) programme, a EUR 750 billion economic stimulus package designed to support recovery and promote green investments. However, it is noted that only 37 per cent of these funds are earmarked for projects that are compatible with the objectives of the Green Deal, which could, on the contrary, leave ample room for investments that perpetuate unsustainable economic models.

In the years immediately following, a series of decisions by the European institutions raised many doubts about the coherence and effectiveness of the Green Deal. For example, the proposal for a regulation on the sustainable use of pesticides (SUR), an integral part of the Farm to Fork strategy, aimed to reduce the use and risk of chemical pesticides by 50 per cent by 2030. However, in November 2023, the European Parliament rejected the proposal, and in May 2024, the European Commission officially withdrew the text, which left the strategy in a stalemate.

Around the same time, the Commission renewed the authorisation for the use of glyphosate, a controversial herbicide, for another ten years, despite numerous concerns expressed by environmental organisations and some health authorities. It was a decision taken despite the absence of a qualified majority among the member states. A situation that once again highlighted the difficulties in reaching consensus on sensitive environmental issues.

Another example of a recent compromise concerned the revision of the directive on industrial emissions. Despite the inclusion of new categories of installations and the updating of environmental standards, cattle farms have been excluded from the scope of the directive; this has led to criticism from environmental organisations such as Greenpeace, which point out the significant impact of the livestock sector on greenhouse gas emissions.

Furthermore, the EU taxonomy, a tool designed to classify sustainable economic activities and thus guide investment, included natural gas and nuclear energy among the 'green' sources. This choice has drawn strong criticism from Greenpeace, which considers it an emblematic example of institutional greenwashing, as it risks directing resources towards technologies that do not contribute to the decarbonisation of the economy.

Greenpeace expressed concern about the overall effectiveness of the European Green Deal, calling it "too little too late" to effectively address the climate emergency. The organisation strongly reiterated the need for a quick and fair energy transition, which excludes support for fossil and nuclear sources and instead promotes renewables and energy efficiency. Furthermore, Greenpeace sharply criticised the decision to include gas and nuclear in the European taxonomy, considering it a 'label scam' that undermines the credibility of the EU institutions.

Together, these examples highlight several tensions and contradictions within the European Green Deal, which, although undoubtedly an important step towards sustainability, needs a commitment that many are calling for more coherent and ambitious in order to achieve its climate targets.

The aim of this part of the thesis is to reconstruct the evolution of the European Commission's policy language in the period 2019-2023. Particular attention is paid to the semantic transformation that has led the Union to integrate, and in some cases to tension, the green transition with the new demands of industrial security and strategic sovereignty in particular since the conflict between Russia and Ukraine. In fact, it must be kept in mind that Russia's invasion of Ukraine in February 2022 has radically changed the global energy balance and, in particular, has actually accelerated the process of reducing European dependence on Russian energy raw materials. before the conflict, about 45% of the European Union's gas imports came from Russia. As of 2025, the share of imports dropped to 13%, as a result

of supply diversification policies and the gradual reduction of contracts with Gazprom (El País, 2025).³⁹

A recent pivotal moment occurred on 1 January 2025, the day Ukraine officially ceased transit of Russian gas to Europe by not renewing its transit agreement with the Russian company. A decision that resulted in the loss of around 15 billion cubic metres of gas per year for the EU and definitely added to the pressure on the already unstable European markets as a result of sanctions and trade restrictions (Energy Beyond, 2025). The urgent need for alternative supplies has led to significant increases in energy prices. In Italy, for example, electricity and gas bills are projected to increase by up to 30% by 2025 compared to pre-Russian-Ukrainian conflict levels (Energia Oltre, 2025).⁴⁰

To cope with this real energy emergency, the EU has intensified imports of liquefied natural gas (LNG) from the US, Norway and Algeria. However, this diversification strategy has proven to be particularly costly in economic terms and is exposing the EU to increased competition in global LNG markets, with possible instability effects on international prices (PricePedia, 2025).⁴¹

At the same time, the war is having devastating consequences for Ukraine's energy sector. According to recent estimates, more than 60 per cent of Ukraine's power generation capacity has been destroyed, with energy

³⁹ El País. (2025, 6 May). Bruselas plantea que la UE prescinda de todo el gas ruso a finales de 2027. El País. <https://elpais.com/internacional/2025-05-06/bruselas-plantea-que-la-ue-prescinda-de-todo-el-gas-ruso-a-finales-de-2027.html>

⁴⁰ Energy Beyond. (2025, 9 May). Electricity and gas price rises, Europe grapples with Russian gas stop in Ukraine. Energy Beyond. <https://energiaoltre.it/nel-2025-rincari-suluce-e-gas-leuropa-alle-prese-con-lo-stop-al-gas-russo-in-ucraina-le-proposte-per-salvare-il-settore-automotive-europeo/>

⁴¹ PricePedia. (2025, 25 March). Energy market awaiting geopolitical developments. PricePedia. <https://www.pricepedia.it/it/magazine/article/2025/03/25/mercato-energetico-in-attesa-degli-sviluppi-geopolitici/>

infrastructure sustaining more than \$1 billion in damage. Repeated Russian offensives against power plants, distribution networks and processing facilities are literally bringing the country's energy system to its knees, a condition that aggravates the humanitarian crisis and slows economic recovery (El País, 2025).

This situation clearly highlights how geopolitical dynamics and armed conflicts can alter European energy strategies, increasingly pushing the EU to seek a difficult balance between security of supply, sustainability and economic competitiveness in a global scenario of increasing uncertainty.

Our choice to adopt a political discourse analysis approach stems primarily from the realisation that words do not merely describe the real, but can to some extent contribute to the construction of the meaning of policies themselves and thus orient public perceptions by giving legitimacy to certain choices (Fairclough, 1995⁴² ; Wodak, 2001) .⁴³

In the European context, the construction of major political narratives - such as those relating to the green transition or technological sovereignty - takes the form of a veritable act of communicative power, through which the European Commission not only wants to explain its strategies, but seeks to mobilise consensus and position the Union in a global context that appears more and more competitive and fragmented every day (Schmidt, 2020).⁴⁴

The literature on political narratives emphasises how leaders and institutions construct 'interpretive frames' with the aim of simplifying a complex reality. To do so, they select priorities and influence the behaviour of citizens, businesses and other institutional actors (Hajer, 1995; Snow &

⁴² Fairclough, N. (1995). *Critical Discourse Analysis: The Critical Study of Language*. London: Longman.

⁴³ Wodak, R. (2001). *The Discourse-Historical Approach*. In R. Wodak & M. Meyer (Eds.), *Methods of Critical Discourse Analysis* (pp. 63-94). London: SAGE Publications.

⁴⁴ Schmidt, V. A. (2020). *Europe's Crisis of Legitimacy: Governing by Rules and Ruling by Numbers in the Eurozone*. Oxford: Oxford University Press.

Benford, 1988). In this perspective, the evolution of the language of the European Commission can be considered as a privileged observatory to conduct an in-depth analysis of the paradigm shifts and related political legitimisation dynamics that are increasingly characterising EU action in recent years.

In order to analyse these transformative processes, we chose to adopt the method of Critical Discourse Analysis (CDA). This is a well-established method, developed by Norman Fairclough (1995) and later enriched by other authors such as Wodak and van Dijk.

CDA is based on the intuition that discourse represents a social and political practice, reflecting and at the same time orienting power relations within a society. On closer inspection, it is an approach that differs from purely descriptive linguistic analysis in that it aims to capture and uncover the rhetorical strategies and ideological implications of the texts analysed.

Our analysis therefore followed three levels of observation:

- Lexical, so as to identify keywords and prevailing semantic fields.
- Narrative, to obtain a reconstruction of the stories and representations that the Commission has constructed within its documents.
- Rhetoric, to investigate what persuasion and legitimisation techniques were actually used in the texts.

This analysis was developed by taking as reference a corpus of six official documents of the European Commission published between 2019 and 2023. A selection intended to privilege the main strategic and communicative acts that defined the von der Leyen Commission's policy agenda, in particular:

- 1) The European Green Deal (2019)
- 2) A New Industrial Strategy for Europe (2020)
- 3) 2023 Strategic Foresight Report

- 4) A Green Deal Industrial Plan for the Net-Zero Age (2023)
- 5) REPowerEU Plan (2022)
- 6) State of the Union Address 2023

It was decided to select these documents as it was felt that they could represent key stages in the evolution of the European discourse, from the launch of the Green Deal to the response to the most recent geopolitical and industrial crises.

To guide this analysis, a grid of keywords was prepared. This grid was divided into two semantic fields:

- Green transition: climate neutrality, sustainability, green transition, renewable energy, circular economy, net-zero.
- Strategic sovereignty: strategic autonomy, resilience, industrial competitiveness, supply chain security, technological sovereignty.

Such a classification makes it possible to observe how and when these concepts emerge in the texts, and how they have been combined or contrasted at different historical moments.

However, some methodological limitations must be borne in mind. Firstly, our analysis focuses only on the European Commission and therefore excludes the other two most important bodies of the Union, namely the Parliament and the Council. This choice stems from the aim of analysing the language of the executive body, i.e. a body actually responsible for defining the Union's political strategies.

Secondly, the selection of six documents, although reasonably representative, certainly does not exhaust the complexity of the EU's legislative and communicative production. However, it was felt to be a choice that would maintain a balance between depth and manageability of the analysis, as it focuses on the most strategically and temporally relevant texts.

Finally, it is specified that this analysis focused on the English language versions of the documents, the official language and international standard for communication of the European institutions. This approach aims to ensure linguistic consistency and facilitates the comparability of texts.

From a technical point of view, in order to give our qualitative analysis quantitative feedback, it was decided to develop a simple automated keyword extraction and counting procedure using a Python script (see appendix). This textual pre-processing phase makes it possible to objectively identify and quantify the frequency of relevant expressions in the six documents subject to our selection.

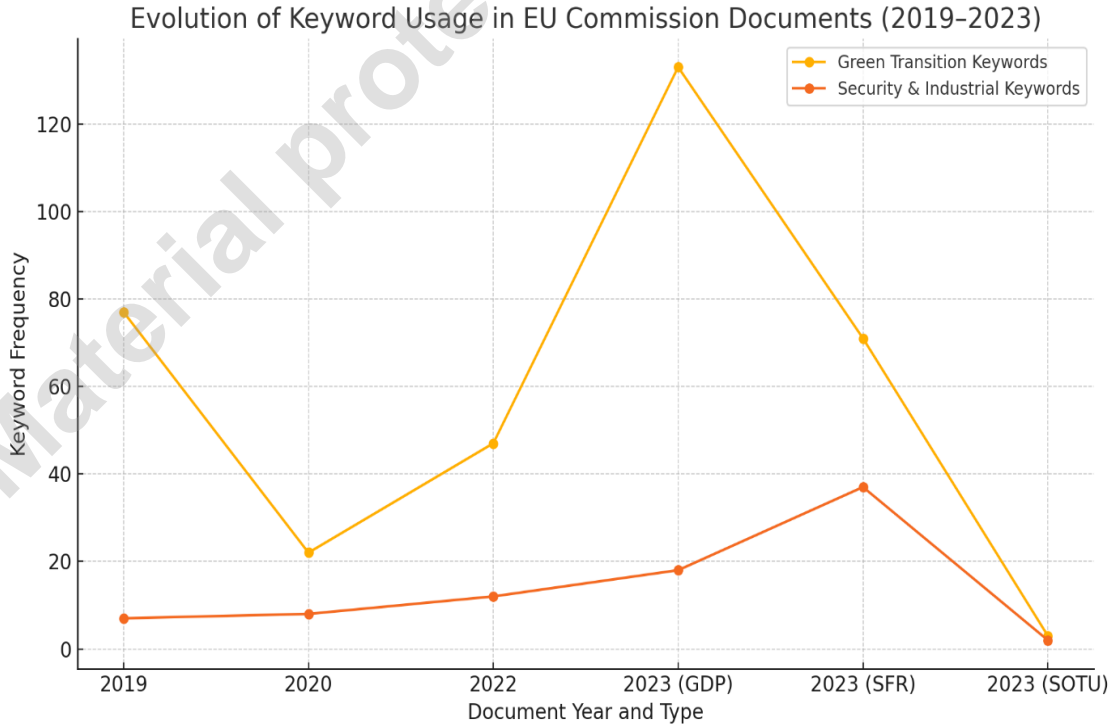
This script is designed to read the full texts of documents and normalise the language by removing punctuation and empty words (stopwords). It also calculates the number of occurrences of the keywords, divided into the two identified semantic fields: that of green transition and that of industrial safety.

Below is a table with the results of the occurrences per keyword

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Keyword Frequency in Selected European Commission Documents (2019-2023)

Document Title	Green Transition Keywords	Security and Industrial Keywords
2023 State of the Union Address by President von der Leyen	3	2
A New Industrial Strategy for Europe (2020)	22	8
Green Deal Industrial Plan for the Net-Zero Age (2023)	133	18
The European Green Deal (2019)	77	7
REPowerEU Plan (2022)	47	12
Strategic Foresight Report 2023	71	37



Below is a table with percentage weights

Document	Green (%)	Security (%)
2019	91.7	8.3
2020	73.3	26.7
2022	79.7	20.3
2023 (GDP)	88.1	11.9
2023 (SFR)	65.7	34.3
2023 (SOTU)	60.0	40.0

The data collected (see Table) show that in the documents published between 2019 and 2023, the frequency of keywords related to the ecological transition remained higher overall than that of words related to economic security. However, the graph showing the temporal trend of the two curves clearly reveals a progressive strengthening of the latter, which tends to come closer to the former, especially in more recent documents.

The percentage results shown in the second table seem to confirm this dynamic. Indeed, the 2019 Green Deal indicates a clear prevalence of the green narrative, accounting for over ninety per cent of the recurrences, while the economic security component is marginal. In subsequent years,

starting in 2020, the weight of security and industrial competitiveness increases, reaching forty per cent in the 2023 State of the Union Address. This rebalancing is particularly evident in the Strategic Foresight Report of the same year, where the green narrative drops to sixty-five per cent, thus leaving room for an industrial component that comes to account for more than a third of the occurrences detected.

In addition to the qualitative analysis, which is set out in the following paragraphs, the selected documents were subjected to an initial quantitative count of the keywords falling within the two identified semantic fields: that of green transition and that of industrial security and competitiveness. The results show a trend consistent with the qualitative observations: the older documents, such as the Green Deal of 2019, are characterised by a clear predominance of the environmental lexicon, while the more recent ones, especially the two strategic plans of 2022 and 2023, show a progressive increase in references to industrial security and economic resilience. This phenomenon appears very pronounced in the Green Deal Industrial Plan and the 2023 Strategic Foresight Report, in which the language of ecological transition and that of industrial security are more evenly distributed, which is indicative of a narrative strategy increasingly oriented towards holding together two priorities that risk entering into competition. The quantitative analysis thus seems to confirm that the lexical evolution observed in the official texts is not episodic but rather the result of a structural change in the political and communicative priorities of the European Commission over the period examined.

The trend of the curves and the percentage distribution of occurrences therefore reinforce the hypothesis already discussed in the following paragraphs, according to which the European Commission has progressively

accompanied, and in some cases almost overlapped, the language of economic security with that of green transition. This shift does not appear to have been sudden or dictated by individual events, but rather the result of a communication strategy that has adapted over time to new geopolitical and industrial priorities. The data collected show that the Green Deal, while remaining central to official rhetoric, has been progressively integrated into a narrative that focuses on the need to protect value chains, strengthen industrial competitiveness, and ensure Europe's strategic autonomy in an increasingly unstable global context.

2.2 The evolution of language: from green transition to industrial security

The textual analysis of the official documents of the European Commission between 2019 and 2023 has thus highlighted a significant transformation of policy and strategy language, which we can argue reflects the changing context and priorities of the Union. This transformation does not seem to occur by chance, but rather appears to be the result of a process of narrative construction that allows institutions to redefine the framework of meaning of their policies in order to adapt them to new geopolitical and economic challenges.

As the literature on discourse analysis highlights, political institutions do not merely describe the real, but attempt to construct narrative frames that orient public perception and above all aim to build consensus around certain strategic objectives (Fairclough, 1995⁴⁵ ; Hajer, 1995)⁴⁶ . The European Commission, in particular, has over the years constructed grand narratives of meaning, typically that of 'sustainable growth' or 'strategic autonomy',

⁴⁵ Fairclough, N. (1995). *Critical Discourse Analysis: The Critical Study of Language*. London: Longman.

⁴⁶ Hajer, M. A. (1995). *The Politics of Environmental Discourse: Ecological Modernization and the Policy Process*. Oxford: Oxford University Press.

whose role is to be authentic rhetorical compasses to guide political action by legitimising its choices in the public.

These narratives are typically articulated around key words, metaphors and communicative formulas that not only intend to explain policies, but also create their legitimacy framework, so as to attempt to mobilise citizens, businesses and Member States around shared goals.

We have recorded three evolutionary stages in language:

1. 2019-2020: The centrality of the green transition

The European Green Deal (European Commission, 2019) represents the first stage of a narrative strongly focused on the fight against climate change and the sustainable transformation of the European economy. Expressions such as climate neutrality, green transition and net-zero emissions dominate the discourse where the so-called green transition is emphatically presented as an opportunity for growth and innovation, capable of transforming Europe into the first climate-neutral continent by 2050.

This vision is reinforced by the evocative reference to the European 'man on the moon moment', which gives the project an almost epic and mobilising dimension (European Commission, 2019, p. 2). The lexicon is characterised in particular by a remarkable performative optimism, which aims to present the transition as an ambitious but achievable challenge, one capable of combining sustainability, inclusion and competitiveness.

2. 2021-2022: The Emergence of Economic and Industrial Security

The pandemic emergency with its double crisis (health and economic) and the growing international instability represented an initial moment of

discontinuity. The strategic documents of 2021 and 2022, such as the Strategic Foresight Report and the REPowerEU Plan, begin to incorporate several new priorities related to economic and industrial security into the official lexicon.

Terms such as resilience, strategic autonomy and supply chain security appear alongside environmental expressions, indicating the emergence of a kind of dual narrative.

The REPowerEU Plan (European Commission, 2022) represents a paradigmatic case, so to speak: the document introduces the goal of reducing energy dependency on Russia, although it maintains in the narrative the ambition to accelerate the transition to renewable energies. However, the fact that expressions such as energy independence and the reference to the need to exploit transitional sources such as natural gas are present in the text opens a potential fracture in the coherence of the green narrative.

3. 2023: The Co-existence of the Two Narratives in the Industrial Green Deal

In 2023, the Commission probably attempted to synthesise the two narratives, launching the Green Deal Industrial Plan (European Commission, 2023b) and updating its strategic vision in the 2023 Strategic Foresight Report (European Commission, 2023a).

The lexicon used in the two documents is enriched by terms such as industrial competitiveness, critical raw materials, net-zero technologies and open strategic autonomy, which seems to have been used to define a new agenda aimed at strengthening European industry in the context of ecological transition and global competition.

The State of the Union address 2023 (European Commission, 2023c) confirms and to some extent reinforces this dual trajectory, with Ursula von der Leyen alternating between references to Europe's climate leadership and calls for the need to protect European industry from unfair competition from other global economic and political actors. Official rhetoric presents the two dimensions as complementary and interdependent, but analysis of the key words and priorities indicated seems to suggest a progressive redefinition of hierarchies, with industrial security becoming increasingly central to the discourse.

The trend of the curves and the percentage distribution of recurrences thus reinforce the hypothesis already discussed in the previous paragraphs, according to which the European Commission would have progressively flanked, and in some cases almost overlapped, the language of economic security with that of green transition. This shift does not seem to have been sudden or dictated by individual events, but appears as the result of a communication strategy that has adapted over time to new geopolitical and industrial priorities. The evidence shows that the Green Deal, while remaining central to official rhetoric, has been progressively complemented by a narrative that focuses on the need to protect value chains, strengthen industrial competitiveness and ensure Europe's strategic autonomy in an increasingly unstable global context.

This lexical evolution does not appear to be merely a reflection of external changes, but may rather represent a conscious communication strategy on the part of the Commission.

The official language seems to be designed to mobilise consensus and reassure the various stakeholders, where an attempt is made to maintain the balance between environmental ambitions and economic needs.

The figure of Ursula von der Leyen appears as a central rhetorical agent in the context of this narrative construction. Through her annual speeches and public statements, the President of the Commission assumes the posture of a leader capable of holding together the two souls of the Union, where she intends to present Europe as an entity capable of leading the green transition without being willing to sacrifice its economic and industrial sovereignty.

In a nutshell, this analysis seems to confirm how the language of the European Commission has undergone a profound transformation as it has moved from an optimistic and performative vision of green transition to a more pragmatic and complex narrative, a public narrative that attempts a difficult balancing act between sustainability and economic security.

This lexical transformation thus does not appear neutral, but can be interpreted as a reflection of political and strategic choices designed to respond quickly but effectively to a rapidly changing international context and to domestic consensus requirements that cannot but require legitimising complex and sometimes contradictory policies.

2.3 Semantic conflict: environmental sustainability versus economic protection

The analysis conducted on the official documents of the European Commission has also highlighted an increasingly evident semantic conflict between two political narratives that have emerged in the course of the von der Leyen mandate: on the one hand, the green transition narrative, which dominates the discussion between 2019 and 2020; on the other hand, the economic and industrial protection narrative, which emerges from 2021 and becomes stronger in the two-year period 2022-2023. Although in the documents that have investigated the two dimensions are often presented

as complementary, their coexistence cannot but raise legitimate questions about the real coherence and priority of European strategies.

From a purely rhetorical point of view, the European Commission has continued to insist that green transition and industrial competitiveness are interdependent and mutually reinforcing goals. In official documents, such as in the Green Deal Industrial Plan (European Commission, 2023b), it is indeed emphasised how Europe can become a global leader in the production of clean technologies by combining climate neutrality and sustainable economic growth.

However, an analysis of the key words and priorities indicated in the texts seems to indicate a progressive redefinition of the hierarchies, in which the protection of industrial competitiveness and economic security gradually acquire increasing weight, even at the cost of compromising consistency with environmental objectives.

A very interesting example for the identification of this tension is the REPowerEU Plan (European Commission, 2022), which, although promoting the acceleration of renewable energies, also justifies the use of transitional fossil sources, such as natural gas and nuclear, to ensure energy security in the short term. Here we have a new choice of field that has been strongly criticised by environmental organisations and some Member States, which have accused the Commission of betraying the spirit of the Green Deal (Migliorini, 2022).⁴⁷

This dual narrative opens the way to the hypothesis of possible greenwashing, understood as the instrumental use of environmental terms

⁴⁷ Bowen, F. (2014). *After greenwashing: Symbolic corporate environmentalism and society*. Cambridge: Cambridge University Press.

and objectives for political or economic marketing purposes, without any real substantive commitment to sustainability behind it (Bowen, 2014).⁴⁸

Similarly, one can speak of securitywashing, i.e. that tendency to justify protectionist or industrial policies under the rhetoric of 'strategic security', even when these policies might favour partisan interests or slow down the green transition.

Indeed, we find frequent reference to concepts such as strategic autonomy and supply chain security in the most recent documents, which raises an at least partly legitimate doubt that the Commission is using economic security as the new dominant framework, and in this way relegating environmental sustainability to a secondary or merely instrumental role.

For instance, the Green Deal Industrial Plan is placing great emphasis on the protection of European industries and the reshoring of value chains, but seems to devote less attention to the environmental impacts of these policies, which, according to critics, risks legitimising industrial practices that are not fully sustainable (European Commission, 2023b).

In attempting to maintain a balance between the two narratives, the Commission thus seems to have constructed an inclusive yet ambiguous language that allows it to speak simultaneously of climate leadership and industrial protection.

This communication strategy seems to emphasise an objective of meeting the expectations of a variety of stakeholders, including:

- Environmental movements and citizens increasingly concerned about climate change

⁴⁸ Migliorini, L. (2022, 20 May). REPowerEU: the new EU energy plan between ambitions and contradictions. *Values.co.uk*. <https://valori.it/repowereu-nuovo-piano-energetico-ue-ambizioni-contraddizioni/>

- Companies and industrial sectors fearing loss of competitiveness
- Member States increasingly concerned about energy and industrial security

However, this strategic ambiguity carries with it the risk of generating frustration and mistrust among the various actors involved, particularly when environmental promises should not be translated into concrete and consistent action.

Several observers have already pointed out how this tension risks weakening the Commission's credibility by opening new conflicts between Member States with diverging priorities (Beattie, 2020⁴⁹ ; Wodak, 2001).⁵⁰

In essence, this analysis seems to suggest that the coexistence of the two narratives is neither neutral nor without political cost. The European Commission is now faced with the challenge of balancing climate ambitions and economic imperatives, while avoiding that the rhetoric of security can be a kind of justification for slowing down or distorting the green transition.

However, this semantic transition is not limited to a redefinition of the institutional discourse: it anticipates and legitimizes concrete changes in EU policies. The emergence of a lexicon much more focused on resilience, strategic autonomy, and industrial competitiveness coincides with a reorientation of political priorities, making compromises on climate goals that previously seemed non-negotiable more acceptable. Consider, for example, the introduction of the Green Deal Industrial Plan or the growing tolerance for the use of natural gas as a “transitional” source—measures that indicate a gradual shift from the paradigm of linear decarbonization to

⁴⁹ Beattie, A. (2020, December 9). Europe's green deal faces a geopolitical reality check. *Politico Europe*. <https://www.politico.eu/article/europe-green-deal-geopolitics-ursula-von-der-leyen/>

⁵⁰ Wodak, R. (2001). *The Discourse-Historical Approach*. In R. Wodak & M. Meyer (Eds.), *Methods of Critical Discourse Analysis* (pp. 63-94). London: SAGE Publications.

that of conditional sustainability (Tooze, 2022)⁵¹. There is a perceived evolution that could entail significant risks, including the possibility that climate goals will be subordinated to competitiveness requirements or that the rhetoric of 'security' could also legitimize protectionist or industrial practices that contradict the SDGs (Vihma & Tynkkynen, 2021).⁵²

In this sense, the Commission's language does not seem to be merely descriptive or strategic, but rather a discursive precursor to policy shifts, capable of 'preparing the ground' for concrete policy choices that redefine priorities, constraints, and benefits for different economic actors. The shift from a narrative focused exclusively on the green transition to one based on coexistence with strategic autonomy signals, in other words, a paradigm shift.

Chapter 3 - Rethinking Europe's role: strategic autonomy and a multipolar scenario

3.1 Europe as 'kingmaker': a strategy beyond the US-China dichotomy

"Europe is still a peace project," Ursula von der Leyen said in a wide-ranging interview with German daily Zeit, while the EU is living in a tense atmosphere due to the Trump administration's new trade policies and a potential thaw in relations with China.⁵³

"The West as we knew it no longer exists," said Ursula von der Leyen amid rapidly deteriorating relations with the United States under Donald Trump's administration, which has forced Europe to look elsewhere for allies and partners.

In the aftermath of the Trump-imposed tariffs, which Brussels called "not justified," the European Commission chairwoman spoke by phone with

⁵¹ Tooze, A. (2022). *Shutdown: How Covid Shook the World's Economy*. Penguin Books.

⁵² Vihma, A., & Tynkkynen, N. (2021). Climate policy in the geopolitical context: Interlinkages, tensions and transformations. *Geopolitics*, 26(3), 774–793

⁵³ Ladurner, U., & Ulrich, B. (2025, April 15). *Ursula von der Leyen: "Wir haben keine Bros und keine Oligarchen."* Die Zeit. <https://www.zeit.de/2025/16/ursula-von-der-leyen-eu-usa-donald-trump>

representatives from Norway, Iceland, Canada, New Zealand, Singapore and the United Arab Emirates. Von der Leyen also spoke with Chinese Premier Li Qiang, fueling speculation about an imminent thaw in EU-China ties after years of tensions.

"The world has also become globalized geopolitically, and today our friendship networks extend around the world, as can be seen in the debate over tariffs," von der Leyen told German daily Zeit in a wide-ranging interview. "Right now I could have these conversations 24 hours a day. Everyone is calling for more trade with Europe, and it's not just about economic ties. It's also about establishing common rules and predictability. Europe is known for its predictability and reliability, which is starting to be seen as something very valuable again," she said. "On the one hand, this is very gratifying; on the other hand, of course, there is also a huge responsibility that we have to live up to."

Describing herself as a "great friend" of America and a "staunch Atlanticist," von der Leyen insisted that the long-standing bond between the two sides of the Atlantic is still intact, despite the changes unleashed by Donald Trump, including his disruptive trade policies, disdain for the multilateral system, annexationist threats and relationship with Russia, which have alienated Washington's traditional allies.

When asked whether America was a friend, former friend or adversary, von der Leyen avoided "this kind of classification," admitting that the relationship is "complicated." Von der Leyen did not explicitly criticize Trump-in fact, his name was only mentioned by the reporter-but suggested the repudiation of the country Trump is trying to build through his series of executive orders. "Europe is still a peace project. We don't have brothers or oligarchs dictating the rules. We don't invade our neighbors and punish

them. On the contrary, there are 12 countries on the waiting list to become members of the European Union. That is about 150 million people," she said, referring to the accession process.

"In Europe, children can go to good schools, even if their parents are not rich. CO2 emissions are lower, life expectancy is higher. Controversial debates are allowed in our universities. This and more are all values that must be defended and show that Europe is more than a union. Europe is our home. And people know that."

As for the ongoing negotiations with the White House, she confirmed that both U.S. manufacturing products and digital services could be targeted in retaliation if the talks fail to find a solution. Brussels hopes that the 90-day pause introduced by Trump, and reciprocated by von der Leyen, will lead to a compromise that includes the abolition or significant reduction of tariffs.

However, targeting the valuable services offered by Silicon Valley risks triggering the wrath of the Trump administration, which has repeatedly and loudly complained about the regulations introduced by the EU in recent years to curb the power of Big Tech.

The Commission is believed to be in the final stages of Digital Markets Act investigations into Meta and Apple, a closely monitored process that could lead to hefty fines. The executive insists that the investigations are completely separate from the commercial negotiations, but the temporal coincidence of the two tracks has set the stage for a potentially explosive clash. "We are clearly stating our position and the Americans are doing the same. And this is the essence of any negotiation: nothing is agreed until everything is agreed. And I believe that whether we are trading industrial goods or digital goods, we have the right to present all aspects of the situation," von der Leyen said.

"For them (Big Tech companies), Europe is a very attractive and rich market. It has 450 million people who, compared to the rest of the world, have a high standard of living and leisure time. This means that there is huge business and huge profits in digital services in Europe. No company wants to lose access to this market."

While Europe faces a punitive "reciprocal duty" of 20 percent, China has been hit with a whopping 145 percent rate, triggering a full-blown trade confrontation with Beijing, which has responded by raising taxes to similar levels. The duties are so high that the two markets have become effectively closed to each other, fueling fears that China, seeking an alternative market, will massively redirect its low-cost exports to Europe.

The Commission will remain "very vigilant" to ensure that the flooding does not materialize, von der Leyen said. However, when asked whether Europe should "trust the Chinese," she did not deny growing speculation about a rapprochement.

"In principle, if market access conditions are made more difficult for a large trading partner like the United States, it is clear that we are looking for new trading partners to facilitate our companies' access to new markets," she replied.

The Commission chairwoman, who during her first term promoted a "de-risking" strategy for dealing with China, has softened her stance in recent weeks, speaking instead of a "transactional" foreign policy that can lead to "constructive" engagement with countries that do not necessarily share the bloc's core values, such as China.

However, the "no-holds-barred" partnership between Chinese President Xi Jinping and Russian President Vladimir Putin is bound to be an obstacle to

any attempts at thaw. In the interview, von der Leyen warned that Putin's "imperialistic ambitions" could lead him to attack a NATO or EU member state in the future. Several intelligence agencies estimate that the Kremlin could be ready for such an attack by 2030.

3.2 Place-based industrial policies for resilience and sustainable leadership

There is a consensus that the European Commission's Green Deal communication with climate neutrality for 2050 as its overriding goal marks a turning point in the shaping of many policies, despite difficulties and stumbling blocks in its implementation coming from within the Union as well as from outside. Within the framework of the transition emblematically drawn by the Green Deal, a pathway is outlined intended to design an alternative development model to the traditional economic paradigm, which is accompanied by a new and necessary public guidance for operators' choices as to the goals of decarbonization and a just transition. However, the definition of this new model requires an economic and social reform directed at downsizing the regulatory pretensions of private powers, particularly financial and digital, and recognizing the state's role in guiding and directing operators and economic activities toward purposes of general interest.

Indeed, the most recent years characterized by the climate emergency and the pandemic crisis have shown, for one thing, an important evolution in the ways in which institutions have intervened since the period immediately following the great financial crisis that began in 2008: from interventions to rescue businesses and stabilize markets to the assertion of a leadership role in economic activities. For another, how phenomena such as climate change, CO₂ emissions or the spread of pandemics, which would require global governance precisely because of their devastating effects across all

geographic boundaries, emerge in a world with limited and diminishing global cooperation .⁵⁴

This is a crucial step since over the past two centuries theorists and policymakers have argued that breaking down trade barriers was an essential factor in economic growth and social development. Suffice it to recall how most countries have been connected by trade both through agreements within the GATT (General Agreement on Tariffs and Trade), established in the aftermath of World War II, and the consequent reduction in trade tariffs, and later through activity within the WTO (World Trade Organization) and the development of complex global value chains.

Undeniably, globalization has enabled the lifting of some sections of the population out of poverty and significant improvements in living standards in many countries (particularly in China and other parts of Asia). Nevertheless, it has produced vulnerable situations and contradictory results. Indeed, after reaching its peak between the 1990s of last century and the first decade of this one (the so-called "hyper-globalization" phase), it began its downward phase in the aftermath of the financial crisis. Pandemics, populist movements and finally the war in Ukraine and the ensuing geopolitical tensions have reinforced this trend although, as is evident, we are not facing a real reversal but rather a phenomenon of fragmentation of trade and weakening of multilateral bodies including the WTO.

Precisely because of the growing realization that the development of global supply chains has produced conditions of extreme dependence on individual suppliers or particular geographic areas, the condition of global interdependence is increasingly perceived as a source of risks to national

⁵⁴ J.E. Stiglitz-D. Rodrik, *Rethinking Global Governance: Cooperation in a World of Power*, in *Research Papers Harvard University*, June, 2024

security, which is now a widely held notion, and to one's social and cultural identity.

Certainly, the phase of globalization experienced at the turn of the millennia intensified the perception that a nation's social and economic life was determined by what was happening in other parts of the world, thus creating a condition of homogenization and consequent loss of a sense of identity. The high rate of global interdependence was the result of the interaction of certain elements. These include both the phenomenon of relocation of enterprises or branches of enterprises and the associated increase in investment in these areas and the growth of exports of goods and services relative to world GDP⁵⁵, as well as the formation of value or supply chains characterized by high specialization and thus the concentration of production of certain products in certain areas of the world.

Returning to the discussion of the contradictory effects of globalization, we cannot forget the risks in terms of resilience especially of some Western countries related to dependence on global chains for products, components and raw materials that are indispensable for industry and technological innovation, such as semiconductors and in particular microchips, or minerals and rare metals crucial for the green technologies of the ecological and energy transition.⁵⁶

At the same time, the effects, in terms of decreasing social equity and inequality, produced on labor by relocations and by the strong asymmetry in the distribution of the benefits and costs of globalization, which has increased the number of losers ("losers of globalization")⁵⁷ and the growing

⁵⁵ C. Cottarelli, *Chimeras. Dreams and failures of the economy*, Feltrinelli, Milan, 2023, p. 88 ff.

⁵⁶ J.M. Bezat, *La grande illusion de la souveraineté minière*, and J. Bouissou-S. Leplatre, *Les minerais critiques attisent les rivalités entre puissances*, both in *Le Monde* of May 28 and 31, 2024

⁵⁷ C. Invernizzi-Accetti, *Twenty Years of Rage. How resentment took the place of politics*, Mondadori, Milan, 2024.

social unrest that in advanced countries is also reinforced by industrial reconversion strategies resulting from decarbonization policies .⁵⁸

Faced with the high level of "strategic interdependence" as a result of decades of globalization, all major economies seek to define and implement strategies directed at reducing their dependence and increasing the scope of independent economic activities in a context of renewed industrial policies⁵⁹ . However, we are not facing a true "reverse" in globalization. Indeed, it does not seem easy, even in view of the high economic and social costs, to radically redesign value chains through, for example, protectionist policies of imposing tariffs on imports of certain goods such as those implemented until the first Trump presidency.

Rather what is changing is "the geography of trade"⁶⁰ . Indeed, many Western countries from the United States to those in the European Union are implementing policies directed at shortening supply chains by encouraging re-shoring or near-shoring, i.e., the return of strategic production to home or nearby areas, as evident in the executive order signed by Biden as early as February 2021.⁶¹

Again with the aim of simplifying supply chains, policies directed at diversifying sources of supply or increasing imports from countries less exposed to geopolitical risks and from countries defined as friendly because they share the same democratic values and protection of individual rights have become widespread. In particular, the war in Ukraine has exploded geopolitical issues related to economic and trade relations with geopolitical

⁵⁸ D. Rodrik, *Has globalization gone too far?*, Peterson Institute for International Economics, Columbia University Press, 1997

⁵⁹ F. Panetta, *Beyond fragmentation: economic resilience in a shifting world* (Introductory speech by the Governor of the Bank of Italy at the seminar "A fragmenting trading system: where we stand and the implications for policy," Nov. 15, 2024), in *Astrid review*, 2024.

⁶⁰ F.P. Conteduca-S. Giglioli-C. Giordano-M. Mancini-L. Panon, 'Trade Fragmentation Unveiled: Five Facts on the Reconfiguration of Global, US and EU Trade', *Bank of Italy, Issues in Economics and Finance (Occasional Papers)*, 881, 2024.

⁶¹ J. Bouissou, *Le grand retour des Etats dans la mondialisation*, *Le Monde*, November 2, 2023

adversaries. It has thus reinforced the principle that it is vital to avoid dependence on countries with which geopolitical tensions exist and that international cooperation should be pursued with reliable countries according to the friend-shoring criterion affirmed a couple of years ago by U.S. Treasury Secretary Janet Yellen.⁶²

For its part, the European Union, in the name of economic security, has sought to implement risk reduction (de-risking) strategies predominantly directed at ensuring greater resilience in supply chains particularly with regard to critical minerals or strategic components and products⁶³. However, these policies are at risk of lacking effectiveness due to the lack of collaboration among member states and thus coordination between national industrial policies and between these and European policies.⁶⁴

The risks related to global supply chains together with policies to counter the climate emergency, certainly crucial among the various global challenges, have provided, in general, all states and also the EU with new reasons to design industrial policies directed in particular to a twofold objective, the strengthening of its competitiveness and the pursuit of "strategic autonomy." These goals are clearly highlighted in the package

⁶² B.S. Javorcik-L. Kitzmueller-H. Schweiger-M.A. Yildirim, Economic Costs of Friend-Shoring, in EBRD Working Paper, No. 274, 2022.

⁶³ See the joint paper of the European Commission and the High Representative, European Economic Security Strategy (June 20, 2023), which envisions strategies to minimize emerging risks predominantly in situations of rising geopolitical tensions with the intention of replacing Chinese suppliers.

⁶⁴ The first document is the Commission's communication A New Industrial Strategy for Europe of March 10, 2020 (COM(2020) 102 final) where there is a reference to the category of strategic autonomy, and it seems precisely that strengthening autonomy, in opposition to growing protectionism and global market distortions, goes through an industrial policy directed at increasing competitiveness and based on competition and single market integration. The theme was being taken up in the Commission's Communication on Updating the New Industrial Strategy 2020: Building a Stronger Single Market for Europe's Recovery of May 5, 2021 (COM(2021) 350 final) necessitated by the outbreak of the Covid-19 pandemic where new vulnerabilities and dependencies as well as social, economic and territorial inequalities resulting from the heavy interdependence of global value chains were highlighted and a number of actions were outlined as a function of increased resilience and the strengthening of an "open strategic autonomy" based on partnerships with industry and international partners sharing the same principles (p. 4).

with which the European Commission in early 2020 presented some proposals for action. First, a strategy is outlined to support the dual ecological and digital transition by enhancing competitiveness based on innovation, competition and strengthening the single market. Second, measures to pursue its "strategic autonomy" are indicated with a focus on interventions in critical sectors such as semiconductors or critical raw materials or high-tech such as green technologies or industrial data for artificial intelligence.

However, the new demand for industrial policy had preceded the crises of recent years, which further fueled it by helping to legitimize interventions potentially capable of reinforcing protectionist tendencies and growing rivalry between states and global economic powers. For its part, even the European Union, beyond the still optimistic expectations of the beginning of the decade, has implemented a series of defensive and risk management interventions to protect its economic security.⁶⁵

An interesting case is related to the strategic role of microchips and the industrial policies needed to reduce the imbalances in a highly concentrated market in the hands of companies established in a small number of countries such as the United States, Taiwan, Japan, South Korea and some European Union states. In fact, semiconductors represent, for a first side, necessary components of the technologies that enable the pursuit of the goals of the ecological and digital transition. For a second, political reasons and interests of states emerge in the race to ensure national security understood as a reduction of conditioning from outside, thus as a limitation

⁶⁵ The EU has then also prepared interventions aimed at protecting European companies, which are found, for example, in Regulation (EU) 2022/2560 of December 14, 2022 on foreign subsidies distorting the internal market; and again in Regulation (EU) 2019/452 of March 19, 2019, establishing a framework for monitoring foreign direct investment in the Union; as well as in the more recent Regulation (EU) 2023/956 of May 10, 2023, establishing a border carbon adjustment mechanism.

of globalization and reconfiguration of a production chain built on different geographical areas with high specialization in individual segments.

At this point, it seems important to analyze the role of states in the current technological competition, that is, their place in the ongoing "war" that mainly targets semiconductors, microchips, batteries and other critical technologies.

As mentioned earlier, during the first Trump presidency, tariffs had been imposed on steel and aluminum imports with the main goal of countering Chinese production. The Biden administration has confirmed these protectionist tendencies particularly with the Inflation Reduction Act of 2022, which provides \$360 billion over 10 years for interventions on the green transition front (subsidies to purchase electric cars; subsidies for manufacturers of clean technology components such as batteries; subsidies for emission-neutral energy, hydrogen and other clean fuel producers). A necessary condition is that the beneficiary companies are located within the United States or the NAFTA area (Mexico and Canada) and use components mostly made within the same territories. This is a case, though not the only one, of policies that condition the provision of public funding on firms making commitments to pursue certain public interest objectives.⁶⁶

The IRA primarily intervenes in the U.S.-China competition regarding the industrial supply chains of the ecological transition by trying to "force" a change in the supply chain with a limitation of Chinese influence and the promotion of a domestic manufacturing renaissance⁶⁷. However, this national security and strongly protectionist-driven operation is another step toward a more assertive industrial policy that heavily resorts to government

⁶⁶ On the topic of conditionality as a tool for creating "deals" between the public and private sectors, see M. Mazzucato-D. Rodrik, *Industrial Policy with Conditionalities: A Taxonomy and Sample Cases*, in Institute for Innovation and Public Purpose, September 2023 - Working paper WP 2023/07, which includes among the case studies the U.S. Chips Act aimed at strengthening the domestic semiconductor industry (p. 33 ff.).

⁶⁷ A. Aresu, *The state in technological competition*, in *Il Mulino*, Do we need more state?, no. 2, 2023, p. 88 ff.

subsidies to support its enterprises. Among other things, this operation may result in collateral damage toward European allies as the hefty subsidies may trigger the flight of firms and investments from the European market.

On the other hand, the relevance of the IRA can best be appreciated in the context of actions directed at further strengthening the U.S. industrial fabric. These are the Infrastructure Investment and Jobs Act enacted in November 2021 and the CHIPS and Science Act of August 2022. Under the former measure, 550 billion is allocated to modernize the infrastructure system and create new jobs. The Chips Act has as a priority objective to support the semiconductor supply chain with a view to fostering its manufacturing independence and gaining a competitive advantage over competitors and in particular China, which aspires to gain a position in this market from which it is currently absent. With an allocation of \$280 billion, the U.S. administration aims to increase production capacity in the sector so much so that a part of the companies involved in semiconductor manufacturing are already "repatriating" their plants from the Asian area.

Moreover, regarding the semiconductor production chain, these interventions (subsidies and tax credits) are aimed at gaining positions on the segments of the supply chain other than chip design that are already U.S.-dominated. What is more, the challenge with China in this market is also played out in the area of export restrictions on products deemed essential for microchip production or supporting the development of artificial intelligence and supercomputers. Incidentally, the U.S. strategy toward the Chinese rival consisting of the use of heavy export controls represents one of the most intrusive forms of state intervention in the market.

The elements just mentioned lead us to reflect not so much on the obvious abandonment of economic liberalism but rather on the need for state intervention, not just regulation, but industrial and trade policy on the front

of the great challenges of the moment: new technologies and the fight against climate change. And this in a context where the global economy is reconfigured as a space of competition between great powers where the game is played predominantly between the U.S. and China.

As Mario Draghi argued in one of his speeches in early 2024, the globalization model we refer to had a "fundamental weakness" in it in that the commitment of some of the major partners to abide by international rules has always been "ambiguous." A case in point is the case of China, which since its entry has shown little concern for the implementation of WTO rules without this behavior being detected in any way.⁶⁸

Returning to the significance of the IRA in the context of U.S. public interventions, it is clear that the pursuit of environmental and climate policy is completely reliant on the instruments of industrial strategy and intervenes in the industrial supply chains of the ecological transition by primarily targeting U.S.-China competition through a strong recovery of domestic high-value manufacturing enterprise. Moreover, this, like other protectionist interventions, aims to exclude competitors and reorient supply chains.

This approach has brought out the heavy limitations in the intervention by the European institutions. These, on the one hand, did not define with the Green Deal tools and industrial strategies to promote the green transition, and on the other hand, due to the very institutional structure of the Union that entrusts responsibility for industry to the member states, they did not have the opportunity to dictate a common industrial policy that could balance the interventions of the Biden administration.

⁶⁸ M. Draghi, *Economic Policy in a Changing World* (speech at the Nabe, Economic Policy Conference in Washington, during the presentation of the Paul A. Volcker Lifetime Achievement Award - February 15, 2024), in *Astrid reviews*, 3, 2024.

Moreover, the European Union has always behaved virtuously and relied, unlike other partners such as the U.S. and China, on a global level playing field regarding competition and trade rules. So it has not looked outward enough while it has had "the wrong focus" because it has been mainly turned inward and the mechanisms of the single market seeing our competitors among us and thus getting "caught off guard" at the time of rapid changes in the global world.

On the European side, the response to the U.S. IRA came in 2023 with the Green Deal Industrial Plan (GDIP), which aspired to give the Union "a leading role" in both technology and the fight against climate change and pollution. This communication aimed to formulate an outline for implementing a Green Deal Industrial Plan directed at, among other things, accelerating access to existing EU funds such as REPowerEU, InvestEU and the Innovation Fund, reviewing the state aid framework, and promoting the definition of resilient supply chains.

From the standpoint of priorities, instruments and the amount of public funding brought into play, IRA and GDIP seem compatible. What makes the difference is that the European plan does not discriminate against foreign firms and maintains the recognition of states as having a predominant role in the granting of funding, thanks in part to the greater flexibility granted in state aid. The European level is left with predominantly only supervisory and coordination tasks.

As widely argued, the EU's response to the IRA cannot be limited only to a loosening, albeit necessary, of state aid discipline with the new Temporary Crisis and Transition Framework. And this leads to important distorting effects and produces a heavy consequence with the accentuation of internal differences among member states in view of their economic availability. Moreover, leaving the initiative in industrial policy exclusively to the states

may result in an increasing threat to the efficient functioning of the internal market.

Complementing the path begun with the DGIP were other regulations on specific aspects such as the procurement of critical raw materials and the production of zero-emission technologies. Among the main elements of the latter measure we find the simplification of procurement procedures and the management of auctions for renewable energy sources. However, in continuity with the traditional division of roles, it is the states that retain the management of projects and related investments, while the Commission is given an assistance and supervision role also related to participation in the Net Zero Emission Europe platform.

To return to some of the points made above, it is clear that the Union has not underestimated the need to define an industrial policy that takes account of the challenges it faces, as demonstrated by the large number of regulations and documents produced in recent times. The Commission's attempt to take a leading role in pursuing the objectives of the ecological and digital transition by businesses and the industrial system as a whole is evidenced by the new Commission's 'Guidelines' presented by Ursula von der Leyen to Parliament in July 2024. On that occasion, among other initiatives, a 'Clean Industrial Deal' was announced, in line with the contents of the chapter on the 'new plan for Europe's sustainable prosperity and competitiveness' in support of the decarbonisation of the Union and the reduction of energy prices, which is also included among the priority objectives in Mario Draghi's report.

In any case, despite its efforts to take a proactive and leading role, the Commission does not seem to have all the necessary skills or resources to resolve the conflict between two different perspectives. In fact, with a view to establishing a common supranational industrial policy that goes beyond coordination and supervision, it faces, on the one hand, an obstacle that is

currently insurmountable and, on the other, it is forced to use the lever of state aid flexibility, which, as already mentioned, contributes to strengthening the power of some Member States to pursue their national policies at the expense of and in conflict with states with fewer resources.

However, as already mentioned, the European Union's moves to define industrial policy strategies focused on the instruments needed to respond to US protectionist policies and to maintain a position that is not entirely marginal in the field of global powers, and especially in the game between the US and China, should not be underestimated.

Equally interesting are the statements and proposals, once again very ambitious, made ahead of the new Commission's inauguration and aimed at strengthening the industrial dimension of the Green Deal. In this perspective, the priority objectives are to simplify a very complex regulatory framework and facilitate investment 'in clean and strategic technologies and energy-intensive industries'. Among other things, one of the instruments announced in the Clean Industrial Deal is the Competitiveness Fund, designed to provide financial resources to strategic sectors (such as renewable energy, green hydrogen, CO2 capture and storage technologies, and green steel).

The idea behind this project seems to be not only to strengthen Europe's role in the green transition but also, or rather, to respond more effectively to the policies adopted by other powers, particularly the United States. In any case, striking a balance between incentives and competitiveness may prove more complex for the EU, given the need to avoid distortions of the internal market and ensure a fair distribution of funding between Member States and sectors of intervention.

Furthermore, these elements converge in the pursuit of the complex objective of strategic autonomy, now a priority for Western economies, which requires the reconfiguration of supply chains, in particular the value

chains of clean energy and digital technologies, reducing dependence on global market fluctuations, geopolitical tensions and the associated economic and social repercussions.

Returning to the issue of the ineffectiveness of existing measures and the obstacles that still need to be removed, which the new proposals must also address, we need to consider possible paths 'towards the institutionalisation of a European industrial policy'. As is well known, the most significant of these obstacles concerns the TFEU's option to leave industrial policy within the competence of the Member States, leaving the door open to an intergovernmental dimension at most.

In general, a shift towards a model of centralised industrial policy capable of increasing the effectiveness and efficiency of European interventions would seem desirable. However, designing a revision of economic governance is considered a very complex, if not impossible, task, not least because a necessary condition for achieving such an objective is the possibility of reaching common political choices, which is unlikely given the growing mistrust and potential for conflict between Member States.

A first step would be to revise the treaties, although this cannot be considered simply one option among others. In fact, at present, this prospect has no concrete possibility and is unlikely to have any in the foreseeable future. However, in November 2023, following the conference on the future of Europe, the European Parliament adopted a resolution offering a renewed vision of the Union. In the opinion of MEPs, a profound change in primary law is necessary, not only to give new impetus to the democratic legitimacy of the institutions, but also to strengthen their capacity to act and respond more effectively to geopolitical challenges and, in the longer term, to adapt the institutional framework to possible future enlargements. Among other things, measures were proposed on the allocation of competences, with the introduction of exclusive competence

for the environment, biodiversity and climate change negotiations, while concurrent competence for industry was envisaged, which could be configured according to a model similar to that defined for the energy sector. In fact, for energy, a further extension of concurrent competence was envisaged as a corrective to the principle of parallel competences underlying Article 194 TFEU.

In any case, with a view to greater integration between Member States, other approaches may be considered, as the Draghi report itself highlighted. Among these, with a view to a gradual and non-disruptive path towards a generally supranational industrial policy, the model of enhanced cooperation built voluntarily on the initiative of the Member States concerned, with the involvement in various capacities of the Commission in the preparation of texts and of the Council under the control of the Parliament and the Court of Justice, comes to the fore. Enhanced cooperation allows for closer forms of cooperation and progress towards common objectives at a different pace from other countries, which can always join at a later stage. The model of a variable-geometry Europe has recently been proposed in the Unitary Patent System, which was launched in June 2023 and now involves 18 states, guaranteeing uniform protection with clear advantages in terms of costs and reduced administrative obligations. It also represents an important step in support of innovation, which finds a clear incentive in a non-fragmented market of a more appropriate size.

Ultimately, in order to pursue a higher level of integration, an intergovernmental cooperation approach can be used, but this falls outside the context of the treaties and therefore creates parallel legal systems that lack the democratic legitimacy offered by the intervention of Parliament.

One instrument based on the model of intergovernmental cooperation is the IPCEI (Important Project of Common European Interest), whereby a group

of countries decide to pool a share of their resources to finance joint strategic projects, also in collaboration with industry and research centres. As already mentioned, this instrument has grown significantly in recent years, thanks in part to the Commission's 2021 communication on the compatibility with the internal market of aid for projects in strategic sectors such as batteries, semiconductors and green hydrogen.

Indeed, as also argued in the Draghi report, IPCEIs represent a particular form of state aid to support innovation which, precisely because of its cross-border nature, can significantly strengthen cooperation between states and the competitiveness of the Union.

Although intergovernmental cooperation is only one condition for the construction of the IPCEI model, while the requirement that defines its nature is the decision to pool resources for a strategic objective, this model can nevertheless be seen as an essential tool for financing the first steps of shared industrial policy projects aligned with the Union's priority objectives.

3.3 Policy proposals: autonomy without isolation, sustainability without dependence

Since the latest global crises (pandemic and the Russia-Ukraine conflict), the European Union has become aware of the need to reduce its geopolitical and economic vulnerability today, without having to give up the principles of openness, dialogue and international cooperation that have characterized its history since its inception.

This is a new programmatic approach that has been officially defined by the European Commission as "open strategic autonomy" (European

Commission, 2021)⁶⁹ , a strategy whose underlying goal is to ensure Europe's ability to act independently, protecting its strategic interests while lying integrated into global trade, innovation and security networks.

As Ursula von der Leyen, president of the European Commission, put it in 2025, "In a world of systemic rivalries, Europe must be more assertive in defending its interests, without closing in on itself or giving up its values." This is a new vision intended to avoid the double risk of economic isolation on the one hand and dependence on non-European powers on the other. The energy crisis and trade tensions with the United States and China make it obvious how fragile an economy that is fundamentally based on unbalanced supply chains is such that it exposes the European market to systemic risks (European Commission, 2023).

As mentioned, during her first term, the President had promoted a de-risking approach toward China, different from the concept of decoupling advocated by the United States. However, as she has stated more recently, Europe has progressively corrected this strategy, speaking of "transactional foreign policy," in essence a position in which dialogue remains open even with those countries that do not share the bloc's democratic values (Ladurner & Ulrich, 2025).

The official position thus appears to be guided by an approach of strategic prudence, but Brussels has not entirely ruled out the possibility of consolidating trade relations with Beijing in non-sensitive sectors, but taking care not to replicate the critical dependencies that have characterized the past, as was the case, for example, with rare earths and batteries for the green transition.

⁶⁹ European Commission. (2021). *Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery*. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0350>

In terms of industrial policies designed in response to current challenges, in 2023 the Union launched the Net-Zero Industry Act, a measure aimed at strengthening European production capacities in green technologies, such as photovoltaics, wind and hydrogen. This intervention is complemented by the Critical Raw Materials Act, an act whose goal is to ensure secure supplies of critical raw materials to the Union through the development of mines and recycling supply chains within Europe's borders and through the development of partnerships with reliable third countries (European Commission, 2023).⁷⁰

Another initiative along these lines is the Global Gateway strategy; the latter is a kind of European response to China's Belt and Road Initiative. The strategy calls for investment of more than 300 billion euros by 2027. This strategy aims to strengthen digital, energy and transportation infrastructure in emerging countries. This is also intended to promote equal partnerships and high standards of sustainability (European Commission, 2021).

Europe comes from a decades-long history of transatlantic alliance, but tensions with the United States remain high at this stage. Protectionist measures recently introduced by the Trump administration and recent digital disputes are creating a climate of uncertainty that von der Leyen called "complicated." Ongoing trade negotiations involve key such as manufacturing products and digital services, with Brussels poised to hit Silicon Valley if a balanced agreement is not reached.

The motto recently revived by von der Leyen - "autonomy without isolation, sustainability without dependence" - thus summarizes a new model of balance that Europe is trying to develop by attempting a synthesis between economic interests, democratic values and geopolitical security.

⁷⁰ European Commission. (2023). *A Green Deal Industrial Plan for the Net-Zero Age*. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023DC0062>

Conclusions

Recent years have added increasing levels of complexity and challenge to global governance. These include the climate crisis, evolving trade dynamics, financial market volatility and a number of pressing security issues. The EU is at the centre of this complex web and, now more than ever, must determine its role in these evolving dynamics. The EU is called upon to rethink its development policy in order to address internal and external challenges and compete with China and Russia in strategic global contexts.

European development policy is one of the key instruments through which the European Union seeks to promote stability, sustainable growth and the reduction of extreme poverty in developing countries. Born as an expression of European solidarity, this policy has taken on an increasingly strategic dimension over the years, evolving in response to a changing international context and increasingly complex internal political dynamics. An important turning point was the alignment with the Sustainable Development Goals (SDGs), which redefined the EU's priorities, shifting the focus to more integrated, sustainable and universal cooperation.

However, the current geopolitical scenario poses new challenges. Despite being the world's largest donor of development aid, the EU suffers from a serious lack of visibility and political influence. This limitation risks undermining the EU's role at a time when global players such as China, through initiatives such as the Belt and Road Initiative, are rapidly expanding their economic and political presence in the countries of the global South. In this context, the EU is at a crossroads: either it transforms its development policy into a key instrument of its geopolitical strategy, capable of generating impact and strengthening alliances, or it risks losing ground in areas crucial to its economic and strategic future.

However, one of the main obstacles to European development policy today is the rise of right-wing populist movements, both within Europe and

globally. In several EU member states, governments are progressively reviewing – and often reducing – their development cooperation commitments. This phenomenon is fuelled by two converging pressures: on the one hand, the budgetary constraints imposed by European fiscal discipline; on the other, the growing influence of populist narratives that prioritise immediate electoral consensus over long-term goals, such as the fight against global poverty.

At the international level, the Trump administration's foreign policy has had a direct impact on European strategies. The implicit – and sometimes explicit – message to Europe to take charge of its own security and global responsibilities has prompted the EU to reconsider its budgets, but also to redefine its approach to development. At the same time, cuts to the USAID programme in the United States have marked a retreat from American commitments to international cooperation, which may leave room for other powers to step in.

The US withdrawal may pave the way for an expansion of the geopolitical influence of authoritarian actors such as China and Russia. The Chinese BRI, in particular, may prove to be an effective tool for filling the gaps left by Western aid, especially in Africa and Eastern Europe, areas historically covered by USAID. In this context, the European Union risks losing its role as a leading actor in promoting sustainable development, seeing itself supplanted by models that do not prioritise democratic governance or respect for human rights.

Faced with this scenario, the EU is attempting to restructure its cooperation programmes, shifting the emphasis from traditional grants such as official development assistance (ODA) towards investment-based mechanisms, which offer more immediate returns to European actors, whether governments or financial institutions. However, this process is taking place in a context of growing uncertainty: several key countries such as France,

Germany and the United Kingdom have already announced cuts in aid for 2025, putting at risk the multi-donor programmes on which much of European action is based.

The change underway risks translating into a slow dismantling of the founding principles of development cooperation, as enshrined in the United Nations SDGs. While the withdrawal in the United States has been more rapid and ideological, in Europe we are witnessing a more gradual but equally dangerous dismantling of a policy geared towards global solidarity. Without a shared strategic vision and real political will, the EU risks sacrificing its global influence in exchange for short-term solutions, thereby losing its identity as a promoter of international justice and prosperity.

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Appendix (python code)

```
import os

import re

from collections import Counter

# Define keywords in two semantic categories

green_keywords = [

    "climate neutrality", "sustainability", "green transition",

    "renewable energy", "energy efficiency", "circular economy",

    "biodiversity", "carbon neutrality", "net-zero"

]

security_keywords = [

    "strategic autonomy", "resilience", "industrial competitiveness",

    "critical raw materials", "supply chain security", "energy independence",

    "technological sovereignty", "economic security", "reshoring", "open

strategic autonomy"

]

# Function to clean and tokenize text

def preprocess_text(text):

    text = text.lower()

    text = re.sub(r'[\^\w\s]', "", text) # Remove punctuation

    tokens = text.split()
```

```
return tokens
```

```
# Function to count keyword occurrences in a document
```

```
def count_keywords(file_path, keywords):
```

```
    with open(file_path, 'r', encoding='utf-8') as file:
```

```
        content = file.read()
```

```
    tokens = preprocess_text(content)
```

```
    text_joined = " ".join(tokens)
```

```
    keyword_counts = {kw: text_joined.count(kw.lower()) for kw in  
keywords}
```

```
    return keyword_counts
```

```
# Example usage: analyze all .txt files in a folder named 'documents'
```

```
documents_folder = 'documents'
```

```
for filename in os.listdir(documents_folder):
```

```
    if filename.endswith('.txt'):
```

```
        file_path = os.path.join(documents_folder, filename)
```

```
        print(f"\nResults for {filename}:")
```

```
        green_counts = count_keywords(file_path, green_keywords)
```

```
        security_counts = count_keywords(file_path, security_keywords)
```

```
        print("Green Transition Keywords:", green_counts)
```

```
        print("Security and Industrial Keywords:", security_counts)
```