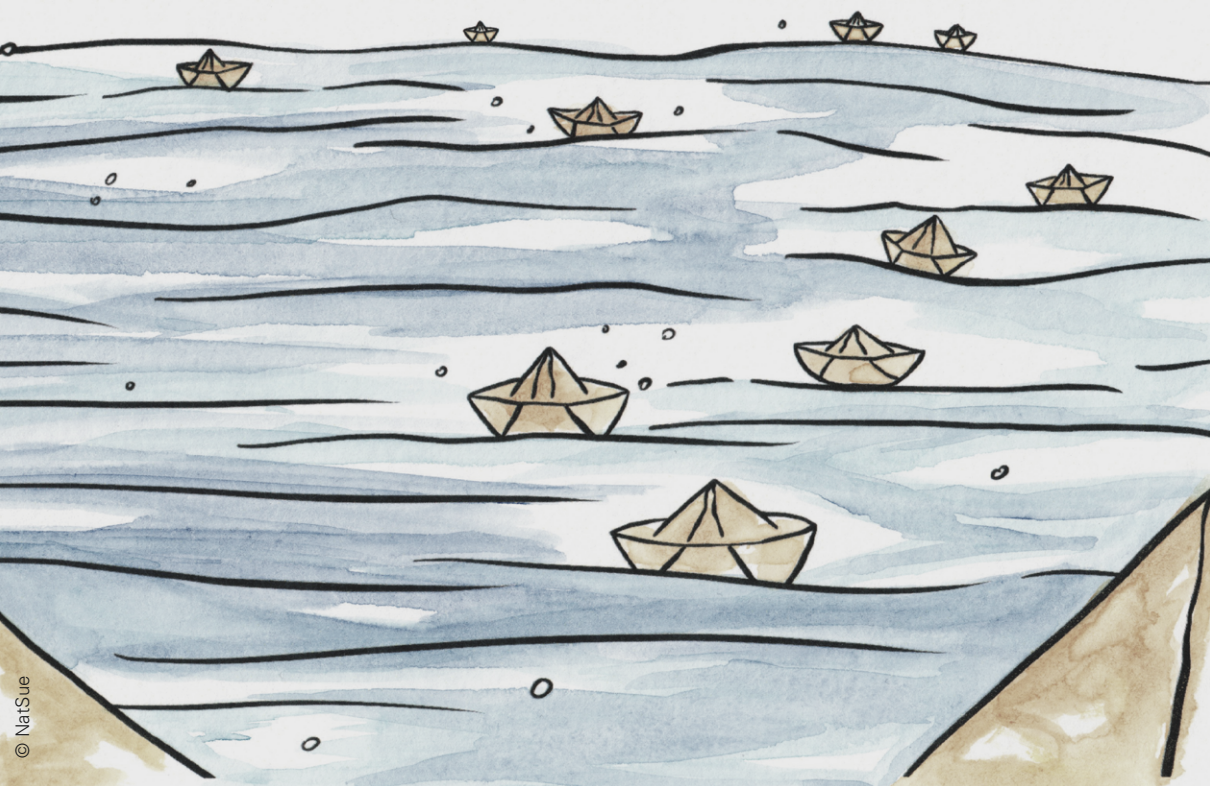


ROSA LUXEMBURG STIFTUNG
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A EUROPE OF CAPITAL

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POST-SCRIPT
2025



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POSTSCRIPT: THE EUROPEAN COMPETITION STATE 2024-2029

Since early 2024, when the English version of this book was completed, the EU has undergone dramatic developments. 2024 was a year that opened a new term, a new Commission and a new European Parliament. It was a year in which new long-term strategies were discussed, fought over and adopted.

The atmosphere was marked by alarmist predictions by corporate lobby groups. The EU – in their view – is losing out in competition over growth, investment and technology, and a new direction needs to be taken. In this atmosphere, the next Commission's radical programme for "competitiveness" was born, a programme that fits all too well with the analysis developed in this book.

The purpose of this postscript is to look at recent developments in light of the perspectives of this book, which analyses the EU as a competition state under construction, with a growing democratic deficit as a by-product. By doing this, we can make three enlightening observations about where the EU is headed in the coming years. The first is that the EU has increasingly ambitious plans to boost the competitiveness of European industry. This new industrial policy means an increasingly prominent role for the arms industry. The second is the deregulation programme, which goes much further than any earlier versions. The third is how these two interconnected programmes increase the sway corporate lobby groups hold over the EU, thus deepening the bloc's democratic deficit.

At the time of writing it is still early days. Some of the strategies are only vaguely described so far, and some of them will undoubtedly be met with resistance. But one thing is clear: the reign of competitiveness dogma has been taken to a new level, thanks in no small part to a concerted campaign waged by business groups.

A CLOSED MEETING IN ANTWERP

A meeting in Antwerp, held in February 2024, heralded this new phase in the EU's development. There, on the premises of chemicals corporation BASF, Commission President Ursula von der Leyen and the then chair of the European Council and Belgian Prime Minister Alexander de Croo met to discuss the EU's future with a large group of business leaders, predominantly from energy-intensive industries. While there was much media attention from the outside, the meeting took place behind closed doors.¹

The meeting had mainly been organised by the European Chemical Industry Council (CEFIC), the chemical industry's lobby organisation. They were riding a wave of protests – staged by big farmers and agro-industry against sustainable farming measures – that had led to the fall of the Commission's Farm to Fork agenda, and thwarted ambitions to overhaul the EU's chemical regulation (REACH). The main purpose of the meeting was to enable the chemical industry to be more aggressive in pushing their interests, and allow them to set the agenda for the new term.

To that effect, the organisers had prepared a common statement that entailed ten demands for the 2024-2029 term.² These included an overhaul of “all relevant existing EU regulations” in order to “elevate competitiveness as strategic priority”, close scrutiny of all new legislation and policy initiatives for their impact on companies, bringing a “new spirit of lawmaking” to let entrepreneurship thrive. They even envisaged state aid to finance new technology and energy infrastructure – an “Industrial Deal” designed to secure and safeguard competitiveness for some of the continent's largest companies.

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- 1 Fabiana Luca, “Von der Leyen opens European elections race, promises EU support for industries to transition”, eunews, 20 February 2024. Available at: www.eunews.it/en/2024/02/20/von-der-leyen-opens-european-elections-race-promises-eu-support-for-industries-to-transition (accessed: 27 May 2025).
 - 2 *The Antwerp Declaration for a European Industrial Deal*, 20 February 2024. Available at: <https://antwerp-declaration.eu> (accessed: 27 May 2025).

A NEW “DELORS MOMENT”

The Antwerp initiative was not a one-off, and it could be argued that it merely boosted a campaign that had been up and running for almost two years. Indeed, business groups across many sectors had been pushing the Council and the Commission to prioritise corporate needs since the summer of 2022, when energy prices began to surge as a consequence of Europe’s responses to Russia’s invasion of Ukraine. In light of this, businesses demanded that the EU halt its climate policies and environmental initiatives. It also pushed for radical new measures such as state aid for European businesses to level the global playing field with the US and China, who had both adopted such measures.

Businesses, led by the European Round Table for Industry (ERT), were not interested in small adjustments. They were looking for a new “Delors Moment”³ – a bold initiative like the one spearheaded by the Jacques Delors’ Commission in the 1980s, which had allowed the newly formed ERT to essentially write the script for the Single Act, as explained in Chapter 2. Such a move required the right political circumstances, and 2024 provided them. Both the Commission and the governments in the Council were in sync with the ideas put forward by business groups, and after the European elections of June 2024 the parliamentary majority – now shared among various far-right groupings and the centre-right European People’s Party (EPP) – was eager to put social, environmental and democratic concerns on the backburner, and provide backing for the kind of change big business was demanding.⁴

Once the ink had dried on the strategy papers in the months following the elections, the Antwerp Declaration had had all ten of its demands fulfilled, albeit some more literally than others. Lobbyists’ fingerprints were clearly

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- 3 ERT et al., *European business calls for deepening the EU Single Market and renewing the dynamic of European integration*, Joint statement, 24 February 2024. Available at: https://ert.eu/wp-content/uploads/2024/02/24_02_13-Single-Market-Coalition_Joint-Statement_with-quotes.pdf, (accessed: 27 May 2025).
 - 4 Corporate Europe Observatory, *‘Competitiveness’: inside the troubling corporate blueprint for the coming Commission*, 16 September 2024. Available at: <https://corporateeurope.org/en/2024/09/competitiveness-inside-troubling-corporate-blueprint-coming-commission> (accessed: 27 May 2025).

visible in the guidelines for the new Commission of July 2024, the mission letters to the Commissioners from September 2024, and the Competitiveness Compass from January 2025. Furthermore, Ursula von der Leyen presented one of the final strategy documents, the Clean Industrial Deal, in Antwerp in February 2025 in recognition of the key role played by the industry leaders who had convened the previous year's meeting.

These documents all overlap, and they all share the same core objectives: a bigger role for the EU in industrial policy, and a strong emphasis on deregulation. An overview of the core elements in these two areas gives a clear idea of where the EU's strategy is headed in the coming years.

AN INDUSTRIAL POLICY DEFINED BY COMPETITIVENESS DOGMAS

A large-scale industrial policy programme is central to the Commission's approach to implementing the strategies discussed above in its 2025-2029 mandate. It includes a strengthening of the Single Market, strategies to secure access to critical raw materials, infrastructure projects, and support for technology development. It is a multifaceted programme intended to boost global competitiveness, in particular by strengthening European companies in technological competition, and by bringing down energy costs.

Industrial policy is not a novelty in the EU. Industries have long received support for technology development, and EU institutions have been at the service of industrial development in many other ways as well. Still, some tools, not least state aid, have traditionally been scorned by industry and decision-makers alike as a method detrimental to the EU's ambitions to strengthen global supply chains within the rules set by neoliberal globalisation. But as the US and China intervene more directly in favour of their own industries, so too does the EU. Industrial policy has accordingly become central to the EU's quest for "strategic autonomy" and competitiveness.

Four observations can give us an idea of where the EU is heading in this regard. First, it is a policy defined and shaped by competitiveness dogmas. In other words, it is an industrial policy designed to benefit corporate interests. Second, funding it is set to be a drain on public funds, but will leave crucial decisions to financial institutions. Third, it puts the arms industry in a key position and establishes deep links between industrial policy and “strategic autonomy”. Fourth, it is closely linked to a programme of deregulation.

CLIMATE: FALSE SOLUTIONS AND HAPPY POLLUTERS

Infrastructure investments are closely linked to the EU’s energy transition. Funds will go, for example, towards pipelines that bring CO₂ underground or use it in the production of hydrogen. These types of investments follow the strategy outlined in the European Green Deal, which puts so-called “decarbonised gas” at the heart of its energy strategy. Further gas investments are to be expected, including in liquid natural gas (LNG) from outside Europe, complying with demands from both the oil and gas industry and industry as a whole. Renewables might benefit from investments too – if profitable – but the main emphasis seems to be on the false solutions described in Chapter 10. Far from marking a break in EU industrial policy, the energy programme is a continuation of plans made in 2019, when the European Green Deal was first presented. / 7

The main objective of these energy initiatives is to bring prices down, but as things currently stand any price drops remain hypothetical. What is certain is that vast sums will be spent on measures like CO₂ pipelines to store greenhouse gases underground. And that’s if it all goes according to plan.

This is good news for the oil and gas industry, but energy intensive industries also stand to gain massively. The programme includes big investments in “clean technology”, mainly to support the transformation (whether real or imagined) of energy intensive industries. These are the industries that have previously been showered with cash through the Emissions Trading Scheme, which was a complete failure if its purpose

was to cut emissions from the chemicals, steel, paper and cement industries.⁵ Failed or half-hearted attempts to regulate industry into meeting climate targets are now replaced by state aid to clean technologies, the nature and success of which remains to be seen. Far from following the principle of “polluter pays”, this is a plan to actually pay polluters.

MUCH MORE MONEY

One big question is where the money will come from, as what sets the EU apart from both the US and China is its crippling lack of financial firepower. The EU’s budget is approximately 1 percent of its GDP, and the 2025 budget of €199.4 billion leaves little space for further industry support measures. The plan to mobilise an additional 800 billion euros of investments annually cannot draw, at least in any significant way, on the EU’s current budget.

This means there are three possible sources: financial markets, EU loans, and member state budgets. The first is already firmly built in – as Angela Wigger points out, EU industrial policy is “increasingly being financed through the deployment of public guarantees and counter-guarantees that should seduce financial capital to invest”.⁶ This will leave key decisions to financial markets and the vagaries of financial companies. As for EU loans, this would essentially be a repetition of the loans taken out to protect economies from the impact of the COVID-19 pandemic. There is little appetite for doing this again so soon.

That leaves us with Member State budgets, and with them, the EU’s fiscal rules, which have kept Member States on a tight leash, constraining public spending since the euro-crisis. Back then, these rules were enforced with particular severity, pushing governments into deep austerity measures

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- 5 Sander de Bruyn, Daan Juijn, Ellen Schep, *Additional profits of sectors and firms from the EU ETS, 2008-2019*, (Delft: CE Delft, 2021). Available at: https://cedelft.eu/wp-content/uploads/sites/2/2021/06/CE_Delft_200402_Additional_Profits_EU_ETS_FINAL_3.pdf (accessed: 27 May 2025).
 - 6 Angela Wigger, “The New EU Industrial Policy: Opening Up New Frontiers for Financial Capital”, *Politics and Governance*, Volume 12, 2024. Available at: <https://doi.org/10.17645/pag.i383> (accessed: 27 May 2025).

that inflicted long-lasting harm on society and workers. Will the desire for purchasing power lead governments and the Commission to relax their fiscal discipline? As mentioned in Chapter 4, there has been extensive debate in the Council on the issue, with meagre results. While some flexibility for public investment was introduced, leaving some space for industrial policy, the underlying discipline remains intact.

If industrial investment must come from national budgets, the risk is that the burden will once again fall on social spending. Given that, at the time of writing, seven Member States (Belgium, France, Italy, Romania, Malta, Poland, and Slovakia) are currently subject to the Excessive Deficit Procedure, the outlook remains grim. Particularly in Member States in dire straits, the price to be paid could be even leaner welfare budgets. If we add increased military spending to the equation, the picture gets even more sombre.

TECHNOLOGICAL COMPETITION AND THE ARMS INDUSTRY

Increased military spending is now also exempted from fiscal scrutiny. Trump's belligerent second presidency has led the EU to announce ambitious plans to scale up defence spending, with the Council making headlines for its proposal of an extra 800 billion euros in investments in military capacity. This is not a mere expression of concern for the continent's security, as its plans far supersede any potential threat posed by Russia. The reason for this is that the proposal is tied to the grander global ambitions of EU competitiveness dogma: the arms industry is a powerhouse for technological competition. State aid is accessed on more of an "as needed" basis when it comes to weapons technology, and for that reason the EU's Defence Industry Technological Base (EDITB) carries a lot of weight in any internal deliberations on technological competition.

As explained in Chapter 8, militarisation of the EU and the fight for the competitiveness of the European arms industry go hand in hand. Current plans will take this to another level, with the defence industry now considered “an important driver of competitiveness” for industry as a whole.⁷ Heavily relying on exports, this step means watering down the continent’s approach vis-à-vis repressive regimes or recipient countries responsible for breaching international law. The arms industry is set to enjoy significant privileges in the coming years.

The master plan for European rearmament, “the European Defence Readiness 2030” white paper, highlights a strong EDITB as key to economic development. It states that “critical and foundational technologies like AI, quantum, biotech, robotics, and hypersonic are key inputs for both long term economic growth, and military pre-eminence. Boosting innovation is key for this.”⁸

These initial reflections on the costs of the industrial policy plans show that ambitions to spend generously on technology and infrastructure can become very costly to citizens. They also demonstrate that vested interests are very well placed to make sure that huge amounts of money are funnelled into projects that serve corporations, not necessarily society at large.

7 European Commission, *A Competitiveness Compass for the EU*, COM(2025) 30 final, page 15. Available at: https://commission.europa.eu/document/download/10017eb1-4722-4333-add2-e0ed18105a34_en (accessed: 27 May 2025).

8 European Commission, “Joint White Paper for European Defence Readiness 2030”, *JOIN*, (2025) 120 final, 19 March 2025, page 4. Available at: https://defence-industry-space.ec.europa.eu/document/download/30b50d2c-49aa-4250-9ca6-27a0347cf009_en?filename=White%20Paper.pdf (accessed: 27 May 2025).

INDUSTRIAL POLICY BACKED BY DEREGULATION

The new industrial policy is not just about state aid – in the EU’s strategy for the coming term it will also guide the approach to regulation. The scramble for technological dominance has the EU setting its sights firmly on industries deemed innovative, digital technology in particular. As explained in Chapter 7, this has led the EU’s institutions to search for political tools that allow them to contain the power of US Big Tech corporations, but without impinging on the continent’s own business models. Why? Because an underlying theme in the European approach is to enable European companies to match their US counterparts. This is one of the reasons for the EU’s headline-grabbing attempts to control the behaviour of Big Tech through the Digital Markets Act, as explained in Chapter 7.

Now it seems the time has come to add deregulation to the mix. To achieve the objective of enhanced competitiveness in innovation, moves are being made to deregulate in favour of the tech sector. Two measures in particular deserve a mention here, though both are currently at the planning phase.

First, the new Commission intends to change EU rules on data privacy “to improve and facilitate secure private and public data sharing, simplify the regulatory regime and its application, and accelerate the development of new systems or applications”. In other words, the much lauded European regulation on data privacy (GDPR) is set to be weakened so as to remove an impediment to European Big Tech’s competitiveness. This policy echoes earlier talks and lobbying documents from the previous legislative term, which led me to highlight these negative consequences as a potential risk in Chapter 7.

The second, equally important measure is the special regulatory model for the innovation sector favoured by the Commission and the Council: the so-called 28th regime. It would give companies that operate in more than one of the 27 Member States the option to choose an alternative – 28th, EU-wide – rulebook to abide by rather than following diverging national legal frameworks for different branches.

It is not difficult to understand the attraction for companies, but what kind of regulation would the alternative European regime entail? According to the Competitiveness Compass, such a regime would allow companies to sidestep “relevant aspects of corporate law, insolvency, labour and tax law” at the national level.⁹ The consequences of such a policy are clear: if companies can ignore national tax rules and labour laws, this opens the door to tax evasion and social dumping.

“SIMPLIFICATION” IS DEREGULATION IN DISGUISE

The 28th regime is a very dangerous path for the EU to follow, and indicates how far the Commission is willing to go in its pursuit of deregulation. Deregulation will not just be isolated to the tech sector either – it will be applied across the board to improve the competitiveness of European companies.

The Commission does not often refer to “deregulation” explicitly. They prefer the term “simplification”, and when the new Commissioner for Simplification, Valdis Dombrovkis, sought the approval of the European Parliament at a hearing in November 2024 he repeatedly stressed that the Commission was not pursuing deregulation per se: “We need simpler rules that are easier to implement. But I want to be very clear: simplification does not mean deregulation. We will not compromise our policy goals or our high social and environmental standards.”¹⁰ However, such assurances had vanished just three months later, when the European Commission released several key strategic documents including the “Competitiveness Compass”. Now, simplification is about “a regulatory system based on trust and incentives rather than detailed control”.¹¹

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9 European Commission, *A Competitiveness Compass* op.cit.

10 Valdis Dombrovkis, *Confirmation hearing in the European Parliament*, 7 November 2024. Available at: https://hearings.elections.europa.eu/documents/dombrovkis/dombrovkis_verbatimreporthearing-original.pdf (accessed: 27 May 2025).

11 European Commission, *A Competitiveness Compass* op.cit., page 17.

In January 2025, Corporate Europe Observatory published an overview taking stock of the deregulatory measures to be introduced during the 2024-2029 term. These can be found in the Political Guidelines published by Ursula von der Leyen in July 2024, and in the mission letters from the President to the individual Commissioners.¹² We identified no fewer than 17 initiatives that aim to roll back current regulations and prevent new ones from being introduced. While I cannot cover all of them here, five deserve particular mention:

All EU Commissioners have been asked to review existing EU laws within their portfolios and consider changes. This can include the use of “omnibus laws” – as advocated by the Antwerp coalition – which allow multiple legislative changes to several EU laws in one go. Already in late April, eight omnibus proposals had been tabled or were under development by the Commissioners: sustainable reporting, sustainable energy, defence, the Common Agricultural Policy, AI & data privacy, deforestation, company law, and investment.

One central measure is the policy to reduce reporting requirements by 25 percent for companies, except for SMEs, which incidentally make up 99 percent of all companies. For SMEs there is to be a reduction of 35 percent. As an investigation by Follow the Money revealed, these kinds of changes invariably undermine the effectiveness of their related laws.¹³

New steps will be taken to ensure that Commission proposals do not impair “competitiveness”. This includes a rigorous “competitiveness test” as well as one on SME impact. Proposals that are deemed to impose a higher “regulatory burden” on SMEs, or that otherwise hamper competitiveness, can be blocked from moving forward.

12 Corporate Europe Observatory, *17 steps towards deregulation*, January 2025. Available at: <https://corporateeurope.org/sites/default/files/2025-01/17%20steps%20towards%20a%20deregulation%20-%20a%20guide.pdf> (accessed: 27 May 2025).

13 Peter Teffer, “Why is the EU failing to cut red tape (yet again)?”, *Follow the Money*, 12 December 2024. Available at: <https://www.ftm.eu/articles/why-the-eu-is-failing-to-cut-red-tape> (accessed: 27 May 2025).

The “one-in-one-out” principle will be revived. Under this approach, any new regulatory obligation imposed on companies must be offset by the removal of an existing one. While not a new idea, previous attempts to enforce it have fallen short. This time, it is likely to be applied more forcefully.

If a Member State is considered to overstep the boundaries of lawmaking – for instance, by introducing or maintaining stricter rules on hazardous chemicals or climate-related restrictions such as flight bans or reduction of airport capacity (as seen in the Netherlands or France) – the Commission can propose sanctions under the “Rule of Law Procedure”.

These 5 are just a selection of the 17 initiatives identified. While they all build on the tradition of “Better Regulation” (described in Chapter 2), they are set to take its core ideas to new levels in comparison to earlier years.

THE PRICE OF SHORTSIGHTEDNESS

Many environmental groups and commentators have highlighted the almost complete lack of climate policies in the strategy documents. Even though the European Green Deal (EGD) had many flaws, and even if its goal to align competitiveness and climate policies amounted to an attempt to square the circle, it did envision steps to protect the natural environment and human beings from toxins of all sorts – ambitions that now have all but vanished, with potentially far-reaching consequences.

The EU’s plans to promote sustainable agriculture (Farm to Fork), to reduce the use of synthetic pesticides, and to strengthen the EU’s chemicals regulation were all defeated between 2022 and 2024, and none of them are likely to resurface during the new term. On climate policies, the bundle of strategy papers for the coming five years presents no bold new initiatives. On chemicals, ambitions in the EGD to review EU law and strengthen regulation were replaced with the intention to review existing regulations in support of the chemical industry.¹⁴ Competitiveness will be the central focus, with many other issues either sidelined or overlooked.

14 European Commission, *A Competitiveness Compass* op.cit., page 10.

Even the few – and in some cases very small – advances in corporate sustainability made in recent years are under attack. A European law on deforestation, for instance, has been postponed. Moreover, the first “Omnibus law”, an initiative of the new Commission that took office in December 2024, has already rolled back recently adopted rules on the sustainability reporting of companies, weakening three separate EU laws in one fell swoop.

These first steps towards deregulation are a sign of what is to come. The push to reduce regulation will likely become systematic, affecting not just the laws so despised by corporations and conservative politicians (such as the three that were watered down by the Omnibus law), but also broader EU legislation. In the coming years, efforts will be made to streamline lawmaking and revise existing EU laws, as reflected in the Commission’s statements since July 2024. Lawmaking will be steered in a direction that prioritises “competitiveness” through a clear set of objectives and procedures. In short, it’s all about deregulation.

DEREGULATION AND THE DEMOCRATIC DEFICIT

This massive shift has implications for the EU’s democratic deficit, which has been defined throughout this book as a bureaucratisation of decision-making that business lobby groups thrive on. This applies to the direct involvement of corporate lobby groups and big companies in the planning and development of the European Commission’s work. As this book explains, the Commission has regularly included and involved sector-specific corporations and lobbying associations in the drafting of new laws relevant to them, and this practice in EU law-making has always been heavily biased. With its new strategy, however, the Commission is stepping up its game. It envisages new forums and procedures for lobby groups to directly co-develop and influence the activities of the Commission.

Three plans stand out in this regard:

The Commission plans to establish “implementation dialogues” with company representatives and lobby groups to “hear business concerns and identify opportunities for simplification and burden reduction”.¹⁵ This allows corporate lobbyists to help the Commission identify possible new Omnibus laws – currently the main lever for deregulation.

In parallel, the Commission plans to introduce “Reality Checks”, a procedure to “collect first-hand information from a selection of stakeholders in given areas to identify hurdles they face when implementing EU rules”.¹⁶

These dialogues and procedures are designed to feed into yet another new – and potentially far-reaching – EU strategy known as the “Competitiveness Coordination Tool”. Its purpose is to translate priorities decided at the EU level into action at the national level, even in areas that lie wholly or partly outside the EU’s formal mandate, such as taxation and labour laws. “Actions on joint competitiveness priorities in a given sector”, the Commission writes in the Competitiveness Compass, “will be identified in close collaboration with Member States and other key stakeholders.”¹⁷

Granted, “key stakeholders” can mean many things, but in this case it is hard to see it referring to anything other than the corporate lobby groups the Commission regularly invites into its decision-making processes – from shaping the broad agenda down to tweaking the smallest reporting rules and requirements. Additionally, the Commission shows itself to be increasingly keen on marginalising civil society organisations. A proposal from the Commission on “sustainable reporting” suggests that in cases where a corporation breaches the rules, only directly involved stakeholders are allowed to complain or take the issue to court. Furthermore, in the

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15 Ibid., page 17.

16 Ursula von der Leyen, *Mission letter to Valdis Dombrovskis*, 17 September 2024. Available at: https://commission.europa.eu/document/download/71c3190f-0886-4202-846e-5750f188f116_en?filename=Mission%20letter%20-%20DOMBROVSKIS.pdf (accessed: 27 May 2025).

17 European Commission, *A Competitiveness Compass* op.cit., page 25.

consultation on deregulation of arms production – the defence omnibus – only industrial players and governments are invited to participate.¹⁸

The more fundamental development at play here is that the EU's democratic deficit is about to grow even further. As lobbyists gain more and more access to platforms designed to steer the core initiatives of the EU in the coming years (as with the Implementation Dialogues), democracy suffers elsewhere. Power is already centralised in the EU, but corporate lobby groups are going beyond anything seen before. Not only are they setting the agenda for the coming term, but they are also stepping in to develop deeper strategies even further, and in more detail.

CONFLICTS AND CONTRADICTIONS: HOW TO CHALLENGE THE COMPETITIVENESS AGENDA

With all these measures taking shape, the new term is set to bring the EU significantly closer to becoming a fully-fledged competition state. With the further build-up of its military capacity, the push to build financial fire-power through large-scale borrowing, and major industrial programmes the EU is on the exact course the ERT helped chart back in the 1990s, only now at a faster pace than before. If the plans unfold as they appear to be doing we will end up with a very focused EU. It will operate under a one-dimensional guiding principle of “competitiveness”, and will be cheered on (and to a large extent driven by) corporate lobbyists whose power will be even more entrenched in European institutions than in previous phases of the European project.

However, it might not play out this way. These are the strategies adopted by the Commission and the Council, with fingerprints all over from corporate lobby groups, but the project for the coming years is riddled with contradictions that are likely to generate conflict. Take state aid, for example. If used more freely, it will almost certainly benefit some Member

18 European Commission, *Consultation to contribute to the Defence Omnibus Simplification Proposal*, 25 March 2025. Available at: https://defence-industry-space.ec.europa.eu/newsroom/consultations/consultation-contribute-defence-omnibus-simplification-proposal_en (accessed: 27 May 2025).

States and regions more than others. Wealthier regions – already better positioned to support their industries – will emerge as frontrunners, while others will be denied the same opportunities to compete.

Then there is the climate and broader environmental agenda. On PFAS, carcinogenic substances and endocrine disruptors, for example, industry might argue that a comprehensive ban on these chemicals would be too great a burden. Yet the long-term costs of not acting now could be far greater¹⁹ – not to mention the costs for Europe and the planet if it becomes clear that the EU, so keen on presenting itself as the global leader in the fight against climate change, ultimately prioritises the competitiveness of European industry over environmental responsibility.

Finally, a point about the social agenda. In recent months, it has become painfully clear that any talk of a Social Europe does not match reality. There are no tangible projects on the European agenda right now to strengthen social rights, despite the fact that industrial policy can be a valuable tool for securing jobs, steering industry towards sustainable production and scaling down harmful practices.

At the Antwerp meeting in February 2024, major trade union organisations, including IndustriAll (which organises workers in the manufacturing, energy and mining sectors), saw the emergence of a more interventionist industrial policy as an opportunity to secure “quality jobs”. Whether trade unions will push successfully for such demands remains to be seen. The problem is that the reality of the new European industrial policy is short-sighted and business-driven, leaving little room for anything that is not immediately profitable or focused on competitiveness. That is why quality

19 Corporate Europe Observatory, *Chemical reaction - Inside the corporate fight against the EU's PFAS restriction*, 14 January 2025. Available at: <https://corporateeurope.org/en/chemical-reaction> (accessed: 27 May 2025).

jobs, despite Ursula von der Leyen's pledge to make them central to the Clean Industrial Deal, made little appearance in the final plan.²⁰

In the same vein, the European Commission hinted it might use the Public Procurement Directive as an instrument to strengthen collective bargaining and improve working conditions. However, the final reforms focused almost entirely on industry interests. It is hard to imagine that the near-total absence of any meaningful commitment to social rights and welfare will not lead to conflicts, though it is difficult to say what form these might take or what outcome they might produce.

Taken alongside the myriad plans and visions of a confident new Commission, the power and assertiveness of Brussels' corporate lobbyists may feel overpowering. However, they do not operate in a vacuum, and perhaps, even if it seems like a distant hope today, the conflicts that will emerge over the coming years may lead more people to realise not just how to win the next battle over EU regulation, but how the system itself is rigged and how urgently we need to change the way European integration works altogether.

20 European Commission/Ursula von der Leyen, *Europe's Choice – Political guidelines for the next European Commission 2024-2029*, 18 July 2024, page 8. Available at: https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf (accessed: 27 May 2025).

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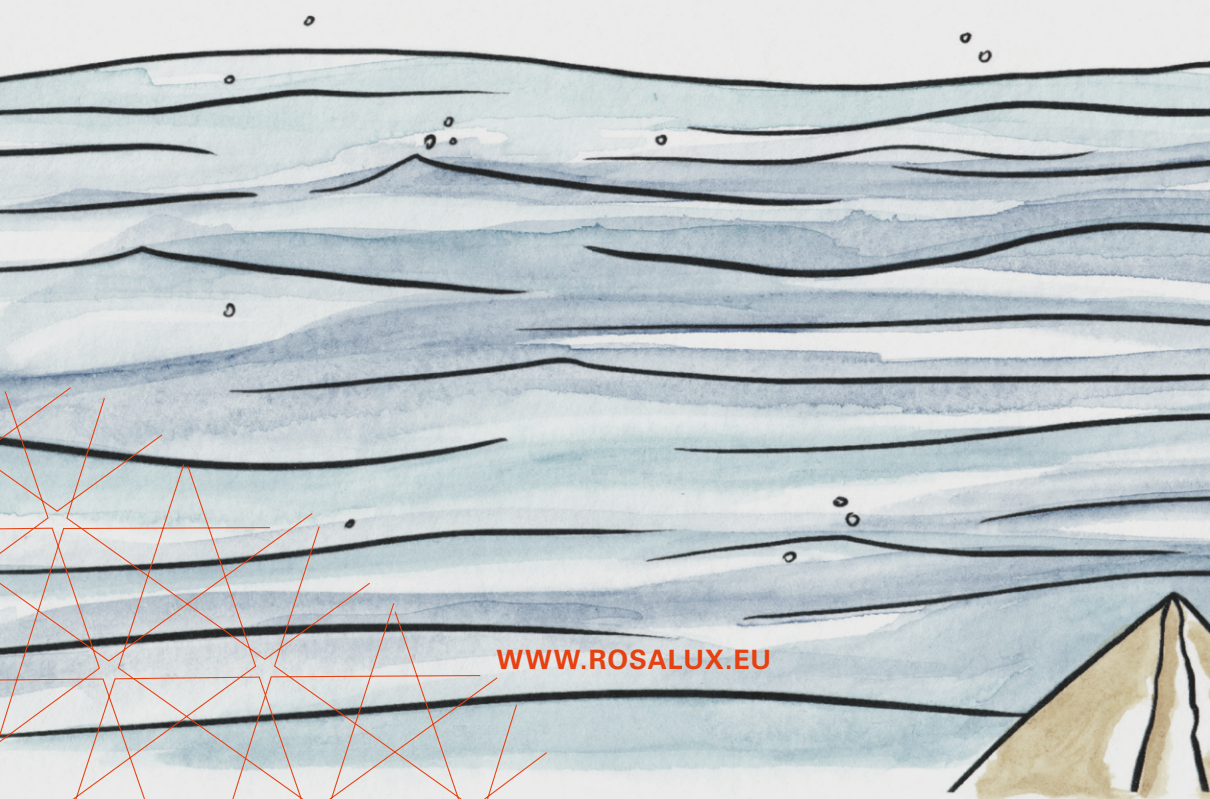
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