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GREEN DEAL IS A BAD DEAL?

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Climate change is an undeniable scientific fact with profound implications for ecosystems, economies, and societies. As nations grapple with this challenge, the European Union has positioned itself as a global leader through its ambitious European Green Deal. But is this vision sustainable in practice?

Understanding Climate Change: Trends and Data

A well-defined concept of climate must fulfill five essential conditions. It should be practical and measurable, allowing observational data to assess past, present, and future climate trends. It must also differentiate between distinct climatic periods, such as the ice age and modern times. Furthermore, the definition should be independent of human understanding, as the existence of climate is not tied to knowledge. To be comprehensive, it must apply universally across all timeframes—past, present, and future. Lastly, a valid definition should be mathematically clear and avoid relying on undefined or non-existent parameters[1].

Figure 1 illustrates how global average temperatures from 1880 to 2022 differ from the 1881-1910 baseline, with lighter colour indicating temperatures above and darker colour below this early industrial average. Observations of the climate system come from direct measurements, remote sensing via satellites and ground stations, and historical records from paleoclimate archives. Environmental markers like tree rings, coral skeletons, glaciers, and lake sediments help reconstruct past climates and identify their causes, extending our understanding from the instrumental era, starting in the mid-19th century, to millions of years into the past. Together, these data offer a broad view of atmospheric, oceanic, and surface changes over time[2]. This historical perspective underscores the magnitude of the challenge the European Green Deal seeks to address—achieving a climate-neutral Europe by 2050.

The Earth's climate is changing and will likely continue to do so in the years ahead. The scale of this transformation largely depends on the amount of greenhouse gases emitted into the atmosphere and the unpredictable ways the climate may react to these emissions.

1. Werndl, C. (2016). On defining climate and climate change. The British Journal for the Philosophy of Science, p. 341-342 [accessed 10.12.2024]
2. Climate Change Knowledge Portal, What is Climate Change? https://climateknowledgeportal.worldbank.org/overview [accessed 10.12.2024]

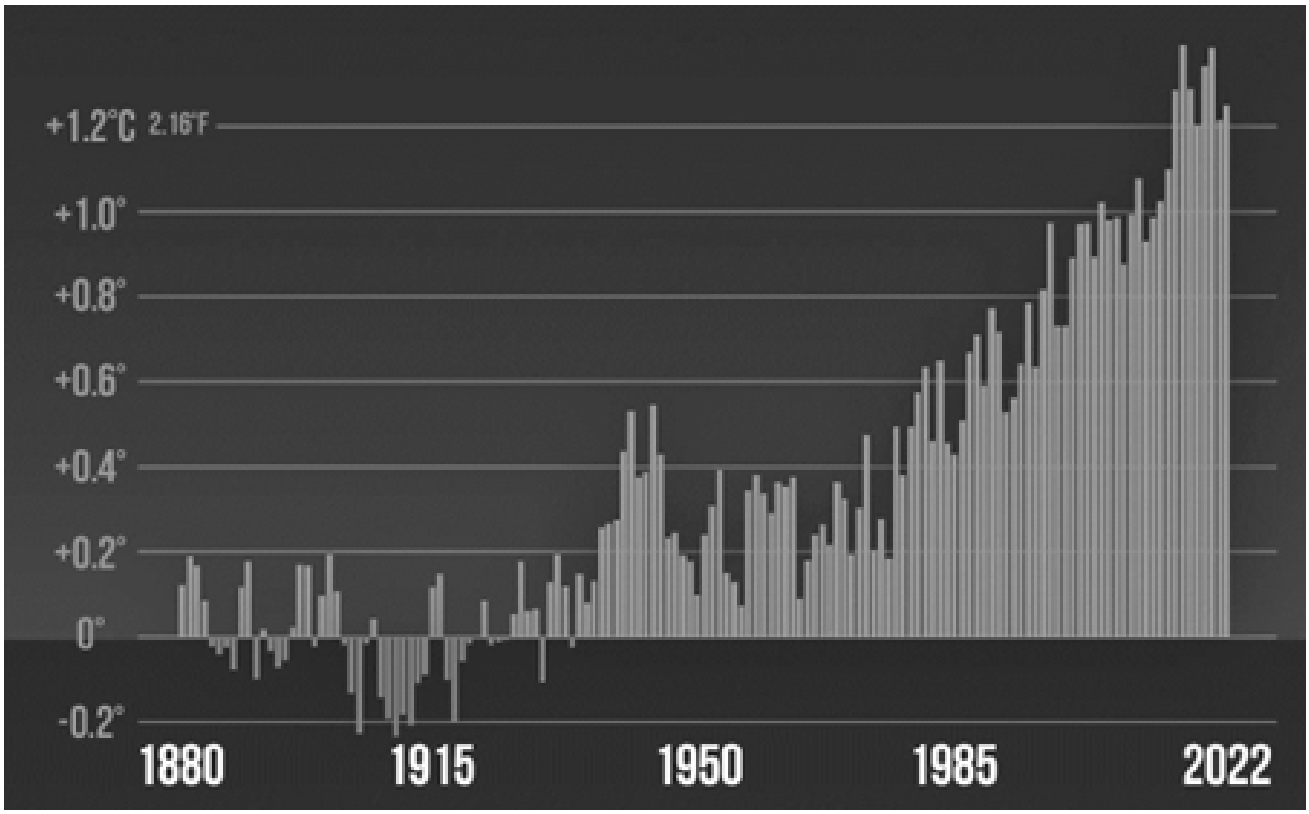

FIGURE 1 GLOBAL AVERAGE TEMPERATURE ANOMALIES, DEPARTURE FROM 1881-1910

SOURCE: CLIMATE CENTRAL; DATA: NASA GISS AND NOAA NCEI. GLOBAL TEMPERATURE ANOMALIES AVERAGED AND ADJUSTED TO EARLY INDUSTRIAL BASELINE (1881-1910) HTTPS://WWW.CLIMATECENTRAL.ORG/CLIMATE-MATTERS/2022-IN-REVIEW-GLOBAL-TEMPERATURE [ACCESSED 26.03.2023]

The Evolution of EU Climate Policies: Ambition Without Results?

The European Union's engagement with environmental protection has evolved over several decades, shaped by both scientific developments and shifting political priorities. Early in Europe's development, environmental concerns were largely sidelined, with economic growth and integration taking precedence. However, the growing awareness of environmental issues in the 1970s marked a turning point in policy development, as the EU began to recognize the importance of addressing environmental challenges while pursuing economic expansion.

In the early 1970s, the European Economic Community (EEC) was primarily focused on economic integration, but the rising environmental concerns led to a shift in priorities. The first major step was the adoption of the First Environmental Action Programme (EAP) for 1973–1976, which was followed by successive action programs throughout the 1970s and 1980s. These programs initially focused on pollution control and conservation efforts, setting the stage for more comprehensive environmental policies[3].

3. EUR-lex, Environment, https://eur-lex.europa.eu/EN/legal-content/summary/environment.html [accessed 10.12.2024]

The First EAP was particularly significant as it introduced the idea of an integrated environmental policy within the European Community, emphasizing the need to assess the environmental impacts of other sectors such as industry and agriculture. It highlighted the importance of establishing a framework for sustainable development, even before the term "sustainable development" became widely used.

Subsequent programs, such as the Second EAP (1977–1981) and the Third EAP (1982–1986), expanded the scope of environmental policy, including more direct efforts to address air and water pollution, waste management, and biodiversity conservation. The Third EAP particularly marked a shift towards harmonizing environmental regulations across Member States to prevent market distortions, reflecting the increasing recognition of the interconnectedness of environmental protection and economic policy[4].

By the 1980s, environmental protection was increasingly seen as a necessary part of the internal market, not just a peripheral issue. The Fourth Environmental Action Programme (EAP) (1987–1992) further solidified this approach, focusing on pollution control, resource efficiency, and the role of the market in driving environmental improvements.

The early 1990s saw a turning point in EU climate policy, spurred by growing scientific consensus on the human impact on the climate. The European Council's consideration of climate change in 1990 occurred shortly after the publication of the first summary report by the Intergovernmental Panel on Climate Change (IPCC)[5]. This report confirmed that emissions from human activities were contributing to a significant rise in greenhouse gases, notably carbon dioxide (CO2), methane, and nitrous oxide.

The Kyoto Protocol in 1997 marked a major international commitment by the EU and other developed nations to reduce greenhouse gas emissions. The EU was one of the key players in pushing for legally binding emissions reductions, agreeing to a target of reducing greenhouse gas emissions by 8% compared to 1990 levels by 2012. This agreement laid the groundwork for future EU climate policies and served as the EU's first formal commitment to reducing emissions[6].

The EU's European Climate Change Programme (ECCP), established in 2000, was a critical component of the EU's efforts to meet its Kyoto commitments. The program provided a roadmap for achieving the EU's emissions targets, focusing on a wide range of policy areas such as energy efficiency, renewable energy, and emissions trading[7].

The European Union Emissions Trading Scheme (EU ETS) was launched in 2005 with the ambition to create a market-based mechanism to reduce greenhouse gas emissions across Europe[8]. Its core idea was straightforward: by capping the total amount of CO2 emissions allowed and issuing emission allowances, the EU intended to encourage companies to reduce their emissions through market incentives. The hope was that the cap-and-trade system would drive innovation, boost green technologies, and reduce emissions in the most cost-effective way possible.

4. EU Environmental Policies: A short history of the policy strategies, C. Hey, 2007, http://aei.pitt.edu/98675/1/environ_policies...pdf [accessed 10.12.2024]
5. Climate Policy Info Hub, Andreas Prahl, Elena Hofmann, European Climate Policy - History and State of Play, 2014, http://climatepolicyinfohub.eu/european-climate-policy-history-and stateplay#:~:text=Climate%20policies%20in%20the%20EU,implemented%2C%20and%20revised%20over%20time [accessed 10.12.2024]
6. Eurostat, Glossary:Kyoto Protocol, 2019, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Kyoto_Protocol [accessed 11.12.2024]
7. European Commission, Climate Action, https://climate.ec.europa.eu/eu-action/european-climate-change-programme_en#documentation [accessed 11.12.2024]
8. European Commission, EU Emissions Trading System (EU ETS), https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets_en [accessed 11.12.2024]

However, over time, the EU ETS has strayed from its original purpose, transforming into a speculative financial instrument rather than the robust environmental policy tool it was intended to be. While carbon trading was supposed to help reduce emissions by setting a price on carbon, the system has allowed for excessive speculation and price volatility, undermining its effectiveness in addressing the climate crisis. As concerns over energy security and environmental sustainability grew, the EU began to focus more heavily on renewable energy sources.

Programs such as ALTENER (1993–1997), which aimed to promote renewable energy, were among the first steps toward developing a low-carbon energy system. In 2008, the EU adopted the 20-20-20 targets, which aimed to reduce greenhouse gas emissions by 20%, increase the share of renewable energy in final consumption to 20%, and improve energy efficiency by 20% by 2020. These targets were part of the EU's Climate and Energy Package and represented a major step toward a greener energy system.

The SAVE Program (1991)[9] and subsequent Energy Efficiency Directives (2006) targeted reductions in energy use and emissions by improving efficiency in sectors like transport, industry, and housing. While progress was made in certain areas, meeting these ambitious goals required extensive investment in infrastructure, technology, and regulatory frameworks across the EU.

As the EU approached the 2020 deadline for the 20-20-20 targets, policymakers began focusing on longer-term climate goals. In 2011, the EU's Energy Roadmap 2050[10] identified the need for deep decarbonization of the energy sector and set a goal of reducing carbon emissions by 80–95% by 2050. This roadmap laid the foundation for what would later become the European Green Deal.

In 2014, the EU committed to reducing emissions by 40% by 2030 compared to 1990 levels. This target was incorporated into the Clean Energy for All Europeans Package (2016)[11], which included legislative proposals to enhance renewable energy use, improve energy efficiency, and reform the EU ETS. The Winter Package (2018) built on these initiatives, setting out even more ambitious goals for 2030, including a 32% share of renewable energy and a 32.5% improvement in energy efficiency. These targets reflected Europe's growing commitment to achieving a climate-neutral economy, yet the challenges of transitioning from fossil fuels remained significant.

The European Green Deal (EDG) of 2019 continues the legacy of ambitious rhetoric but faces similar doubts regarding its feasibility, fairness, and ability to deliver tangible global results.

While understanding the science of climate change is crucial, addressing it requires practical, effective, and equitable policies. The European Union has positioned itself as a global leader in climate action, ambitiously aiming to become the first climate-neutral continent by 2050 through its flagship policy, the EDG. However, this sweeping initiative, while noble in intent, raises serious questions about its feasibility, fairness, and broader impact.

As the EU contributes only 7% of global greenhouse gas emissions[12], its unilateral push toward carbon neutrality risks undermining its economic

9. European Commission, Specific Actions for Vigorous Energy Efficiency, https://cordis.europa.eu/article/id/720-specific-actions-for-vigorous-energy-efficiency-save [accessed 10.12.2024]
10. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Energy Roadmap 2050 [accessed 10.12.2024]
11. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and The European Investment Bank, Clean Energy For All Europeans COM/2016/0860 final [accessed 10.12.2024]
12. Global Carbon Atlas. (2023). CO_2 emissions by region. https://www.globalcarbonatlas.org [accessed 10.12.2024]

stability without significantly influencing global climate trends. Moreover, the heavy reliance on ideological commitments rather than pragmatic solutions threatens to strain industries, burden citizens, and weaken Europe's competitiveness on the global stage.

The European Green Deal: Noble Aspirations, Complex Realities

On December 11, 2019, Ursula von der Leyen, the President of the European Commission, unveiled the European Green Deal, framing it as a landmark initiative that she compared to a "man on the moon" moment for Europe. Her vision positioned Europe as the global leader in the fight against climate change, proposing a model that could harmonize economic growth with environmental sustainability[13]. In von der Leyen's view, this approach would not only bolster Europe's global competitiveness but also imbue its geopolitical and trade policies with a moral dimension. While balancing these two aims — environmental protection and economic growth — presents inherent challenges, the proposal itself holds considerable merit. It is reasonable for European leaders to establish a bold vision to distinguish their continent in the global arena and guide future development. However, such a vision must be grounded in pragmatic and rational policies.

Von der Leyen herself acknowledged the uncertainty surrounding the Green Deal, remarking, "We do not have all the answers yet. Today is the start of a journey." Five years later, it is evident that we still do not have all the answers. Despite the Green Deal's ambitious goals, experts have consistently pointed out its lack of crucial details and comprehensive impact assessments. Critics argue that striving for climate neutrality by 2050 without a clear, actionable roadmap remains an unrealistic ambition. As many economists have noted, a transformative plan for Europe's economy cannot be built on overly optimistic assumptions.

Economic Competitiveness and Strategic Vulnerabilities

There is an increasing perception in Europe that the EU is falling behind in its competition with the US and China. This concern was highlighted in a report published in September by Mario Draghi, former President of the European Central Bank and former Prime Minister of Italy, who warned of a significant decline in the EU's competitiveness. Some critics argue that, although the EU's climate goals are well-intentioned, they may inadvertently harm its competitive edge. The Green Deal, by raising energy costs and introducing additional regulations, could put

13. European Commission, Press remarks by President von der Leyen on the occasion of the adoption of the European Green Deal Communication https://ec.europa.eu/commission/presscorner/detail/en/speech_19_6749 [accessed 10.12.2024]

European businesses at a disadvantage, ultimately weakening the EU's standing in the global economy.

The promise of energy independence under the European Green Deal faces growing scepticism. Rather than reducing external dependencies, the Green Deal appears to be reinforcing Europe's reliance on countries like China, particularly in key sectors essential for the green transition. A glaring example is Europe's dependence on China for the supply of heavy rare earth elements, which are crucial for the production of high-tech products, including electric vehicles (EVs) and renewable energy infrastructure. Currently, China provides 100% of the EU's supply of these critical materials, a situation that raises significant concerns over supply chain vulnerabilities.

Furthermore, China dominates the global production of polysilicon, a material essential for the manufacturing of solar panels. With Chinese companies controlling almost 90% of the world's polysilicon production capacity, this concentration of supply poses a direct threat to the EU's green energy ambitions. Not only does this create strategic risks related to supply shortages, but it also increases the geopolitical leverage that China holds over European energy markets.

In addition to materials, China is rapidly gaining ground in the electric vehicle market. In 2023, nearly one-third of electric vehicle batteries sold in France and Spain were produced in China, further embedding European economies into China's supply chain for green technologies. This is particularly concerning as the EU strives for greater sustainability and the scaling of electric mobility, only to find itself dependent on an external actor for the very technologies it aims to promote.

The paradox is clear: While the Green Deal aims to reduce Europe's carbon footprint and transition towards a greener economy, it inadvertently deepens its reliance on a non-European power. This dependence not only threatens Europe's energy security but also its strategic autonomy. The increasing control China exerts over the supply of critical materials and technologies undermines the very premise of the Green Deal's energy independence. Thus, any claims that these policies will lead to genuine energy independence ignore the underlying economic and geopolitical dynamics at play. It is imperative to reassess the Green Deal's potential unintended consequences and consider alternatives that prioritize true energy sovereignty and diversification of supply sources.

While the European Green Deal represents a bold and necessary vision for sustainability, its unintended consequences—including economic strain, reliance on external powers, and strategic vulnerabilities—must not be overlooked. To achieve its ambitious goals, the EU must prioritize the diversification of supply chains, implement balanced economic strategies, and ensure that its policies address the complexities of an interconnected world.

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