

ECIPE PRESS RELEASE — NEW POLICY BRIEF

## The EU Green Deal and its Industrial and Political Significance

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**Brussels, Belgium, 22nd February 2021** - A new ECIPE policy brief looks to the economic side of European Green Deal that aims to step up Europe's ambition to cut greenhouse gas (GHG) emissions from the current target of 40% (of 1990 levels) to 55% in 2030.

The author, Hosuk Lee-Makiyama, argues that Brussels is well-placed to deliver the interregional distribution or the minutiae of technical regulations that this challenge calls for. However, one concern is investments: As it takes decades to commercialise energy innovations, the gap between investments needed today – and what is available – is unprecedented. Lee-Makiyama says, "it is probably not a coincidence that China set its zero-emission target for 2060 rather than 2050".

The European Green Deal will push several policy changes. For example, it will redefine our autonomy vis-a-vis Russia. Fundamental changes will force Northern Europe to phase-out its export-led growth model, which is probably long overdue. Given the dependency on overseas markets, the EU needs to ensure that other countries meet their emission targets – but also that the world economy keeps going.

As the Green Deal will be translated into clear actions in the coming months, the EU must also reconcile that the EU approach may not fit all economies. We must also be open to debating any mismatches between our objectives and chosen strategies. The author says: "In the past, we've had a tendency to attribute our failures to just a lack of "political will" – in other words, just an insufficient belief in the EU gospel."

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