

Executive summary

The European Union was built up in a geopolitical and economic environment that no longer has much in common with today. It has gradually adapted, increasing complexity and red tape as well.

This may be noticed, for example, in the European action on climate, and it is even more obvious in its work on carbon neutrality. First of all, it should be noticed that this target only makes sense at a global level, given that the European Union accounts for only 6 % of CO₂ emissions. In spite of this, European trajectories towards carbon neutrality are becoming increasingly ambitious, without going hand in hand with a knock-on effect on non-EU countries. Therefore, the efforts defined at the European level contribute but a little to overall global neutrality.

European carbon neutrality target does, however, create collateral damage by distorting competition between European and non-European industries, driving some of them – particularly energy-intensive ones – to relocate outside Europe. The policies put in place to compensate for this lack of competition, such as the Border Carbon Adjustment Mechanism (CBAM), play their part but imperfectly.

The present study shows why decarbonization targets within the European Union need to be rethought, and how they can be coupled with an ambitious, sovereign European industrial policy.

To this end, it also seems necessary to improve the European Commission actions, from several points of view:

- The specific characteristics of member states are but partially taken into account, only, for example, when it comes to the energy mix.
- Impact studies do not play their part because the genuine expertise of manufacturers is in the hands of lobbies promoting financial interests. What's more, they take too much time.

More specifically, France must be able to influence European decisions, by improving French representation.

Furthermore, the EU industry is often perceived as one of the major actors of global warming, while it does contribute to innovation and to the social model of European states.

Therefore, it must remain competitive with its international rivals in spite of three main hurdles over it:

- The disparity in energy prices between countries, with high prices in Europe putting our industries at a disadvantage, and low prices putting a brake on green investment,
- Europe's naiveté in implementing regulations and directives to industry, whereas industries outside Europe do not enforce WTO rules, for example,
- Standards accumulation.

The challenge for Europe is therefore to implement a political and economic favorable plan for our industry and its transition. Among public policies, the present study analyzes the Border Carbon Adjustment Mechanism, the stabilization of energy prices, electricity as an example, and the construction of its market.

Let's not fight the wrong battle: protecting European industry does not mean putting the brakes on the necessary climate transition but ensuring that this transition takes place without weakening it.

At last, carbon neutrality cannot be achieved only through technological developments. If we are to reduce our impact on climate considerably and quickly, we need to make major changes to our behavior. It's important to seize this opportunity to redefine the type of society we are looking for, and change our consumer habits, putting sobriety at the heart of the solutions.

We're not advocating declinism, but rational use of resources that takes climate concerns into account.

A second important behavioral change is about our vision of industry, since it is essential to redevelop local production of certain strategic technologies so as not to be completely dependent on other countries and thus continue to have a say (particularly concerning the ecological transition).

We campaign for a restored pride in European society towards local industrial fabrics. This doesn't mean industrializing all over the place, but at the very least, guaranteeing that industrial projects are part of a national planning process which consists of ecological transition and with the nine planetary limits.