

# Chapter 1

## Deficits and Dynamics of the Green Deal



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# What European Green Deal does not do

## Abstract

The European Green Deal (EGD) is the European Commission's answer to the climate crisis that is faced by the entire Earth. Under the aegis of the EGD, the European Union aims to be climate neutral by 2050 and aims to reduce carbon emissions by 55% in 2030. It should be noted that this 55% decrease is measured from the carbon emissions levels in 1990. Although the EGD makes progress in greening the industry it does not go far enough to tackle the multifaceted aspects of the climate crisis which go far beyond green economics. This article attempts to critically analyse the EGD, present its limitations and propose tangible improvements that could lead to better and more holistic results to our response to the climate crisis.

Keywords – European Green Deal, climate change, climate crisis, green economy, European Union, European Commission

## 1. Introduction

Antonio Guterres, the Secretary General of the United Nations, famously said at the Climate Action Summit 2019 that when it comes to climate change, it is a race that we are losing but it is a race that can be won. The European Green Deal (EGD) is the European Commission's response to the looming climate crisis that this generation is struggling with and the future generations will probably continue to struggle with if changes are not made right now in the way we deal with the crisis.

The EGD is definitely a step in the right direction. "And indeed, it seems that with this Commission, the period of reduced environmental ambition ended. In contrast to the development of the 1990s, the EU's environmental agenda was advanced with a clear and prominent strategy with the EGD."<sup>2</sup> Ursula von der Leyen, the president of the European Commission, called

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2 Jan Pollex and Andrea Lenschow, "When talk meets actions – return to Commission leadership in EU environmental policy-making with the European Green Deal", in *Journal of European Public Policy*, Open Access, 2024, pp. 1–26, p. 21.

EGD the ‘man on the moon’ moment. To a certain extent, she was right because it was the most significant achievement of the EU in the field of environment policy and sustainability. Europe has finally put the money and its policies where its mouth is.<sup>3</sup>

Some of the positive changes that the EGD has brought about are **firstly**; it concretises the European climate change mitigation strategy through an array of laws and regulations. Some of these laws and regulations were re-grouped in the EU’s Fit for 55<sup>4</sup> strategy; they are legally binding. The European Climate Law stipulates that, by 2050, the European Union will be climate neutral, and every five years the member states have to submit national energy and climate plans, which will be then published as a part of Climate Action Progress Report.<sup>5</sup> The Land Use, Land Use Change, and Forestry (LULUCF) Regulation legally requires EU member states to balance GHG emissions from land use with carbon removals from forestry and agriculture.

**Secondly**, it takes a bold leap into clean energy transition where the renewable energy directive (RED) sets a target of 32% renewable energy share by 2030 for all the EU member States. It is not just about clean energy expansion but also about energy efficiency aiming for 32,5% improvement in buildings, industry and transport through the energy efficiency directive (EED) and energy innovation where the EU Green Deal Investment Plan<sup>6</sup> is designed to mobilize €1 trillion in sustainable investments by 2030 to finance the innovation required for energy transition. Decarbonizing the transport sector and promoting electric vehicles plays an important role in the EU’s calculations. They even envisage carbon capture and storage.

**Thirdly**, the EGD attempts to invigorate sustainable and circular economy and tries to make it the rule and not the exception. The Circular Economy Action Plan,<sup>7</sup> which is unfortunately not an EU regulation or directive, aims to improve waste management of electronics, textiles, plastics and construction. Implementing legislation introduces legally binding targets for recycling and waste management of specific materials and setting standards for product design to facilitate reuse and recycling, for example the single use

3 Donald Blondin , et al., (2022) “The International dimension of the European Green Deal: How the EU can enable a fair transition for the whole planet”, in Policy Brief, European Policy Institute, Open Society Foundations.

4 Fit for 55 <https://www.consilium.europa.eu/en/policies/fit-for-55/>.

5 Climate Action Progress Report 2023, [https://climate.ec.europa.eu/eu-action/climate-strategies-targets/progress-climate-action\\_en](https://climate.ec.europa.eu/eu-action/climate-strategies-targets/progress-climate-action_en).

6 European Green Deal Investment Plan [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_24](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_24).

7 Circular Economy Action Plan, [https://environment.ec.europa.eu/strategy/circular-economy-action-plan\\_en](https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en).

plastics directive.<sup>8</sup> Through this directive, plastic waste can be reduced and recycling can be increased, helping to close the loop in the circular economy.

These steps are taken to make Europe the first climate neutral continent of the world and are an enormous effort towards decarbonisation of the economy. This looks like a rather rosy picture of a continent that is doing its best to counter the climate crisis and is spending a lot of money in the form of investments in green economy.

However, are these steps enough? In spite of the European Green Deal and the Fit for 55 goals, only a 41 per cent reduction will be achieved by 2030.<sup>9</sup> What does the EGD ignore? What does the EGD not do but needs to be done for a sustainable future, not just for Europe but also for the world?

### **What the European Green Deal does not do**

One of the most important deficiencies in the European Green Deal approach is the missing holistic dynamics to the environment. The EU is wearing blinkers and imagines that its transition to a green economy is happening in an isolated context. The framework continues to operate within the silo mentality, where the EU focuses primarily on its own internal issues without sufficiently addressing the **global context** of climate change, particularly the involvement of the Global South. Climate change cannot be tackled effectively without considering the international dimension, including the socio-economic challenges faced by countries outside of Europe. A case in point is its insistence on e mobility. In the future, it will increase Europe's footprint on resources like lithium, rare earths, aluminium and steel, which are often extracted and produced outside the EU, where the carbon footprint associated with their extraction and processing can be much higher. This oversight creates a contradiction in the Green Deal's environmental goals, as it focuses on the end-product but neglects the embedded carbon emissions associated with the materials and manufacturing processes needed to produce these vehicles.

The transition to decarbonisation and electrification also raises concerns about the potential for a new era of extractivism. While the EGD seeks to reduce emissions, it may inadvertently increase the demand for certain raw

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8 Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment, <https://eur-lex.europa.eu/eli/dir/2019/904/oj>.

9 European Environment Agency, Trends and Projections in Europe 2022 (Publications Office, 2022).

materials, thus driving further exploitation of resources in regions already vulnerable to environmental degradation. This shift could deepen extractive practices in countries outside Europe, raising ethical and environmental concerns about the global distribution of benefits and burdens.

On the global stage, the EU lacks the diplomatic tools needed to make the European Green Deal relevant in the future. The geopolitical instability, such as the Russian invasion of Ukraine, has created challenges in advancing European green policies and highlighted the need for a stronger, more cohesive international approach. Although the EU remains committed to being a global leader in green industries, its strategy for accelerating the global climate transition remains unclear.

The EGD's merger of industrial, green, and climate policies does show a commitment to integrating sustainability with industrial development. However, the EU still faces challenges in using its clean economy transformation to accelerate global climate action and strengthen resilient international partnerships.<sup>10</sup> As one key challenge, the EU faces a dilemma in designing a carbon pricing mechanism that promotes industrial decarbonization without undermining international competitiveness.<sup>11</sup>

Although mentioned in the EGD as one of the cornerstones of the European Union economy, **circular economy** is not the pivot on which the economic system stands. EGD is about greening its economic strategy.<sup>12</sup> "The main purpose in the EGD is the top-down management of the mitigation of climate consequences of free market economy"<sup>13</sup> The European Green Deal merged the European Industrial, green and climate policies.<sup>14</sup> Even though the EGD lays emphasis on a transition to cleaner industries, its focus on

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10 Ignacio Velasco, et al., "European Green Deal diplomacy toolbox: Partnerships to shape the global clean economy transition" in 2023, pp 1– 11, p 2.

11 Stuart Evans, et al., (2021) "Border carbon adjustments and industrial competitiveness in a European Green Deal, in *Climate Policy*, , 21:3, 307–317, DOI: 10.1080/14693062.2020.1856637.

12 Zainab Usman, et al., "The European Green Deal: A Vision to Combat Climate Change: What Does the European Green Deal Mean for Africa? Published by Carnegie Endowment for International Peace, 2021.

13 Katarzyna Molek-Kozakowska (2024) The hybrid discourse of the 'European Green Deal': road-mapping economic transition to environmental sustainability (almost) seamlessly, *Critical Discourse Studies*, 21:2, 182–199, DOI: 10.1080/17405904.2023.2197607.

14 Andrea Prontera, (2024 ) "The European Union The Would-Be Green Leader: From energy markets to climate leadership and technological sovereignty", in *Green Superpowers*, Oxford University Press, DOI: 10.1093/9780191987304.003.0004, p. 104.

growth and industrial production contradicts the principles of circular economy, which advocates for sharing, recycling, and reusing resources.<sup>15</sup>

These crucial elements of resource management do not receive the attention they deserve in the EGD framework, leading to an imbalance in how Europe manages its resource consumption and waste production. Waste management aspects of the Green Deal remain largely unaddressed, even though waste prevention is an essential component of climate change mitigation. The EGD's approach to waste management often leads to the outsourcing of waste-intensive activities to countries with less stringent environmental regulations, undermining global sustainability efforts and further perpetuating inequality.

Another area where the EGD is lacking is in the area of **democratic participation**. The EU's approach often prioritizes market-driven solutions over democratic participation, with citizens being treated more as consumers than active participants in the decision-making processes. "This approach falls short of the deliberative democratic governance needed for transformational change"; it is because EGD portrays climate change as a scientific or a political and economic phenomenon and removes the need for democratic participation in the policy-making.<sup>16</sup>

The Green Deal also lags behind in gender inclusivity in its climate policy. While **gender considerations** have gained prominence in climate change literature, the European Green Deal remains largely gender-neutral.<sup>17</sup> Climate change disproportionately affects marginalized communities, especially women, yet the EGD does not sufficiently address this disparity. The Green Deal's focus on enterprise-driven solutions overlooks the need for a more inclusive, equitable transformation that accounts for the needs and vulnerabilities of all sectors of society. "A just transition requires protecting and assisting communities most affected by the transition".<sup>18</sup>

In addition to that, the EGD falls short of **cohesion and integration** with other major EU policies such as European Agricultural Policy, European Trade Policy, and Intellectual Property Rights (IPR), among others. The Green

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15 Kalina Arabadjieva, Sanja Bogojevi, (2024) "The European Green Deal: climate action, social impacts and just transition safeguards", in *Yearbook of European Law*.

16 Feyyaz Barış Çelik (21 Jan 2025): Unpacking democratic participation in the European Green Deal: the case of Climate Pact, *Journal of European Integration*, DOI:10.1080/07036337.2025.2455688.

17 Joanne Flavel (2024) "From Gender-Blind to Gender Bind: Foregrounding Gender in the History of the UNFCCC." *Global Environmental Politics* 24 (1): 31–51. [https://doi.org/10.1162/glep\\_a\\_00717](https://doi.org/10.1162/glep_a_00717).

18 Francesca Colli, "A transition for the citizens? Ensuring public participation in the European Green Deal", in *European Policy Brief*, n. 68, Egmont Institute, 2021.

Deal, as a standalone framework, lacks the necessary synergies and vision with these key policy areas, which limits its ability to deliver on its broad ambitions and dilutes its potential impact across the world in general and in the EU in particular. For example, the lack of a clear connection between the EGD and CAP undermines efforts to promote sustainable farming practices. While the Farm to Fork Strategy under the Green Deal emphasizes the need to make food systems more sustainable, it does not provide enough coherent policy guidance to shift CAP away from practices that are resource-intensive and unsustainable.<sup>19</sup> In relation to trade policy, EU's trade agreements prioritize economic growth and market access over environmental protection and sustainability. As a result, green tariffs, carbon border adjustment mechanisms,<sup>20</sup> and other measures aimed at promoting sustainable trade are only now beginning to be explored and are not yet deeply integrated into EU's broader trade frameworks.<sup>21</sup> The lack of a cohesive strategy that links trade policy with the EGD means that the EU may not be using its trade negotiations to push for greener global standards and greener supply chains—two factors that can act as a catalyser for global transition toward sustainability.

Finally, while the EGD provides a foundation for a more sustainable future, its implementation reveals several critical gaps that need to be addressed. To ensure the EGD's success, Europe needs a more cohesive strategy for global climate leadership, stronger diplomatic engagement, a more inclusive and participatory governance model, democratic participation of its people and a greater focus on de-growth, circular economy principles, and social equity.

## What can be done

To improve the EGD and ensure that it comes closer to achieving its ambitious environmental and sustainability goals, several key actions could be taken: **Firstly**, an increase in the carbon price could be a crucial step in driving the decarbonization of industries across Europe.<sup>22</sup> A higher carbon price

19 Andrea Zappalaglio, (2023) "The law of geographical indicator at the centre of European Green Deal", in *Journal of Intellectual Property Law & Practice*, Vol. 18, No. 8, pp. 557–558.

20 Carbon border adjustment mechanism, [https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism\\_en](https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en).

21 Jennifer Tollmann, and Lea Pilsner, "Paris-Aligned EU External Action: European Green Deal Diplomacy for accelerating global action to achieve the Paris Agreement goals", in E3G, 2021.

22 Moritz Scherleitner, and Edoardo Traversa, "Will It Be FINE-for-EU? A Proposal for a Mechanism Funding Pan-European Green Investment to Promote the EU (Still) Meet-

would provide stronger incentives for businesses to reduce their emissions and invest in cleaner technologies, helping to accelerate the transition to a greener economy.

**Secondly**, the EGD could evolve into a platform for broader environmental discussions, rather than simply dictating EU priorities to the rest of the world. It can go beyond a top-down approach and become a forum where international collaboration and dialogue on environmental policies take place. The EU could engage more actively with other countries, take into account diverse viewpoints and present best-practices that support global sustainability goals. This would signal the EU's commitment not only to its own climate goals but also to fostering global cooperation on environmental issues. Europe could leverage its environmental leadership and diplomatic channels to set global environmental standards and strengthen international partnerships.

**Thirdly**, the EGD and the Corporate Sustainability Due Diligence Directive (CSDDD) should not be treated as separate policies. These frameworks are both critical for ensuring sustainability and addressing corporate accountability, and their integration would lead to a more cohesive and comprehensive approach. The Green Deal could provide the overarching framework for sustainable industry, while the CSDDD could ensure that businesses operating within the EU meet strict environmental and social responsibility standards.

**Fourthly**, the challenges posed by the Trump presidency could also be reframed as an opportunity for Europe to fuel its diplomacy and assert its global leadership. The EU could position itself as the leading proponent of global climate action, using this period of crisis to build stronger alliances and promote the EU's green agenda.

## Conclusions

There is no doubt that EGD represents a commendable step towards addressing the climate crisis. But it remains just that – a step in the right direction. If and when the lack of a holistic approach to global environmental dynamics, insufficient integration with other key EU policies, and absence of critical elements such as democratic participation and gender inclusivity are addressed and steps towards solving these issues are taken, it can go towards fulfilling its potential. The focus on industrial growth, carbon pricing, and

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ing Its Climate Goals”, in *Cambridge Yearbook of European Legal Studies*, 2025, pp. 1–23, p. 2.

clean energy transition is no doubt important but needs to be balanced with an emphasis on circular economy principles, resource management, and the social and environmental impacts of resource extraction globally.

To enhance the EGD's effectiveness, it is important for Europe to adopt a globally-oriented approach. This includes strengthening green diplomacy, ensuring that the EGD aligns with other critical EU policies such as agriculture, trade, and intellectual property, and integrating frameworks like the Corporate Sustainability Due Diligence Directive under its aegis. By building bridges with the Global South, ensuring equitable transitions for marginalized communities, and fostering democratic participation, the EU can reshape the Green Deal into a truly transformative force that not only addresses its internal climate goals but also sets the stage for global climate action.

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