For Europe, Clarity is Strength

CLIMATE POLICY ECONOMIC STATECRAFT ENERGY EUROPE IN THE WORLD

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The European Union's power rests on the credibility of its commitments. By proposing to weaken the 2035 ban on new carbon-emitting cars before it had even come into force, the Commission has put that credibility at risk.

In the spring of 2023, EU lawmakers adopted a law that would ban new passenger cars from emitting any carbon from 2035. Manufacturers responded the way capital does when it believes a rule: they moved. Across the European Economic Area and Switzerland, close to €200 billion has been committed to the electric-vehicle economy, according to the research group New AutoMotive: some €110 billion in batteries and materials, €60 billion in new and retooled plants and tens of billions more in charging networks. Roughly four-fifths of it was pledged in the past four years. Then, in December 2025, before the ban had even taken effect, the Commission proposed to weaken it and allow some carbon-emitting cars to be sold after 2035.

> Here is an asymmetry of irreversibilities: a retooled factory is a bet on the future the law had promised. The factory is poured in concrete and cannot be undone, while the decision that justified it turns out to be perfectly reversible.

That inversion raises a larger question: how does the EU wield power? The Union has no army, no police force of its own and no budget large enough to move a continent by spending. Its power lies almost entirely in the reliability of its commitments. A law banning a certain type of car does not take effect only on a date in the future. It takes effect today, in long-term investment decisions. It works because people and companies believe it will last.

A law is believed only when three things are clear. The first is clarity on targets: where policy is heading and what the legal framework will look like in ten years or more. The second is clarity on prices: how legislation will affect market prices. The third is clarity on technology: which technologies can deliver the transition at scale and are worth supporting. A plant manager needs answers to these questions before the first euro is committed. Reliability means keeping all three clarities steady over time.

Climate policy is the clearest test of this kind of power, because it runs on long horizons and depends entirely on being believed. The European Green Deal was ambitious, even visionary. But its power to transform never lay in the target years written into its laws. It lay in the promise to keep them.

> Passing an ambitious law is only half of the work. The other half is the discipline to stick to it.

Of course, the 2035 law was never meant to be untouchable. It carried its own review clause, a promise about when, and on what evidence, it could be recalibrated. That is not a flaw in the law but part of what makes it reliable. In 2023, lawmakers could not know how technology, costs or infrastructure would develop. A scheduled review of the path to 2035 keeps faith with everyone who invested on the strength of it. The review was real, and it was empowered to weigh the target itself. But being empowered to weigh a target is not being licensed to lower it because the pressure to do so grew loudest. A review clause commits you to look with open eyes; it is not supposed to pre-authorise the conclusion. And in that case the conclusion ran ahead of the Commission's own finding and against the evidence it claimed to answer. Eventually, the Commission's new proposal replaces a 100% reduction target with 90%, lets carmakers offset the rest with EU-made low-carbon steel, e-fuels and biofuels, and allows combustion cars to be sold well past the date that was supposed to end them.

> This is political zigzag, the opposite of reliability, and it has concrete costs.

Beyond cutting emissions, electric cars reduce Europe's dependence on imported oil and its exposure to autocratic suppliers and price shocks. (Wind power does not have to pass through the Strait of Hormuz). Transport & Environment calculates that the further weakening now demanded by carmakers could cost the EU an extra €74 billion in oil imports between 2026 and 2035. The 2035 target was also an attempt to prepare Europe's car industry, for decades a symbol of ingenuity and an economic stronghold, for a global market that is slowly but surely turning away from combustion engines.

The retreat is hard to defend, and harder still because of who asked for it. It is tempting to tell this as a story of reliable companies and unreliable lawmakers. The reality is messier: the industry is divided against itself. The same sector that has invested heavily in electric vehicles also lobbied, through its associations, to loosen the rule that justified the spending. Meanwhile, more than 200 leaders of Europe's electric-car industry publicly urged Brussels to hold the line. Even the geography is telling: more than half of the investment New AutoMotive tracks is in Germany, Italy and Central and Eastern Europe, regions that formally opposed the 2035 framework.

> Reopening the target rewards the firms that bet the law would break and punishes those that believed it. It teaches everyone to hedge next time, which is exactly what a transition cannot afford.

Repeated often enough, the damage adds up, and it goes well beyond climate policy. Each retreat devalues not only the rule in question but the whole stock of European promises. It affects, first, sovereignty. A society that keeps its word can set its own course. A society that gives in to pressure, whether from industry lobbies, individual capitals or the latest headline, ends up having its course set by others. It affects, second, democracy: a law that can be revised at will belongs in the end not to the majority that passed it but to the best-organised interest. Of course, majorities change over time. Laws should be adaptable and revisible but with democratic expression in open debates and at the ballot box, not in opaque backrooms.

The EU sometimes lacks political vision. More often, it fails to stay faithful to the visions it has. In climate policy, what will change the continent is not a stream of new initiatives but the restraint to keep good laws in place. This does not mean freezing the status quo. Existing legislation is often more ambitious than reality on the ground, and simply applying it would bring radical change.

> Reliability is also Europe's rarest asset in a world of erratic great powers.

The United States is upending treaties, commitments and subsidy regimes overnight, while China's decision-making remains opaque. Europe can neither outshout nor outspend either of them. But as the place where rules hold, it becomes more attractive. The same credibility already allows its product standards and market rules to shape the global economy.

The decision on carbon emitting cars is not final. The Commission's retreat still needs the approval, with majorities in the European Parliament and from EU governments. Both legislative bodies are at odds on how to move ahead, with calls to further weaken the rules in the revision and calls to keep the original target in place. So, for the time being, the 2035 target is alive and the EU might still find a way to change the to reach the target, without changing the target itself. Predictability is not caution. It is a form of power, and Europe's strength will be measured less by the scale of its visions than by its reliability in keeping them.