ECONOMY AND ECOLOGY 13.10.2025 | Claudia Detsch

Driving in circles

While Europe is hesitating over its 2035 combustion engine ban, others are setting the rules for the electric future

So, the whole debate is back to square one? We had actually reached a consensus. From 2035, new cars and light commercial vehicles with internal combustion engines (ICE) were to be banned in the EU. People would still be allowed to carry on driving their existing petrol and diesel vehicles, though, as well as buy and sell them on the used car market. This is an important piece of information because the current debate is already raising the spectre of the infamous 'Heating Law'. We will not be prohibited from continuing to use our existing heating, I mean cars. No one will be forced to throw anything away that is still in working order. Only new cars will have to manage without an ICE.

Growing uncertainty

At least that is what was decided. But now the debate is raging because things are not going as planned: the ramp-up of e-mobility has been stalling for some time, and the car makers and suppliers are sounding the alarm. Opposition voices are getting louder: 2035 is too ambitious — the targets must be relaxed or reversed completely. No one really seems to care that this predicament is not the result of unrealistic goals but rather the inadequacy of the steps taken to get there. The half-hearted development of new models was as unhelpful as the sudden slashing of subsidy programmes or the hesitant expansion of the charging infrastructure. European firms and policymakers were too slow to act, and the competition not only caught up, but in some cases even overtook. Can the solution really be to decelerate even further?

When it comes to the exact form the transition should take, there is undoubtedly room for debate. It may very well be that the expansion of plug-in hybrids that is currently being called for is actually an effective way of making the transition easier for uncertain consumers. In view of the falling prices of clean electricity and the prospect of rising fuel prices, the current problem of the dominance of combustion engines will

probably have solved itself in 10 years. Today, charging a vehicle at home is generally already cheaper than refuelling — though to make sure this remains the case, we should not meddle with the expansion targets for renewable energies.

However, the recent uncertainty about the overall path of transition is likely to exacerbate the situation of the ailing car industry in the medium term. The current debate is therefore in danger of developing into an undignified lesson in political communication. Because it is convenient, Brussels is being made the scapegoat for this desperate state of affairs — a familiar pattern but a risky approach to take. Europe, the European Union, is certainly not an end in itself. However, especially these days, Europe is the only option we have to defend ourselves against the increasing attacks from the outside and to keep pace with other geoeconomic players. In this case, it will certainly not help to put spokes in the wheel either. This will not allow us to advance towards future technologies any faster. Indeed, it does not solve a single problem.

If the majority of industry, employees and politicians are fundamentally convinced that the future of the car is electric, then what good is uncertainty about the course of the transition?

Of course, it must be a priority for Europe to maintain its competitive position in the world and thus to protect jobs. You cannot reconfigure something and make it future-proof if it has ceased to exist. With this in mind, the call for better support and promotion of key technologies such as semiconductors, software or autonomous driving is the right approach, since here, too, we increasingly find ourselves lagging behind the Chinese competition. This is exactly where politicians, along with industry and trade unions, should step in — instead of causing additional uncertainty with debates about watering down targets.

Discussions on what is urgently needed now have been conspicuously absent recently. When it comes to talking about what can be delayed or abandoned, on the other hand, people seem to have a lot more to say. This is a risky imbalance that will not benefit all protagonists. All clean technology is a thorn in the side of the far right because the climate is supposed to be hyped up into a culture war. Here, the far right are entirely in step with the fossil lobby. Moscow's strong man, with his growing influence on public opinion, is also quite happy about this. Unlike other countries, in Europe, the focus is not on denying climate change per se. This is not something that has majority support. Instead, it is doubts about the instruments being used that are becoming the focus of public debate. Too unrealistic, too expensive, too much to ask of the

population. Sound familiar? This is no coincidence. The current debate is a textbook example of lobbying.

Now, some groups in the conservative camp are also warming up to the idea of 'abandoning the ban', though they are keen not to be seen as rejecting e-mobility. However, if the majority of industry, employees and politicians are fundamentally convinced that the future of the car is electric, then what good is uncertainty about the course of the transition? It deters investors, unsettles consumers and plays into the hands of the right-wing.

While Europe hesitates, the competition advances

Collateral damage to climate policy is not the only danger here. Uncertainty about the direction of transition is also an extremely delicate issue in terms of industrial policy. Even if the climate leaves you cold, are you really happy about all this flip-flopping? For this to work, we would have to be the only ones in the game and be setting the rules. But we are not. We are the ones being driven — especially by the People's Republic of China, which sees electrification not as a climate policy act, but as a strategic business model for the automotive sector. While we are embroiled in discussions, China is marching forward. Not only has the PRC secured a dominant position on the market, its companies also control key supply chains for batteries. Any country that slows down now is essentially leaving the markets of tomorrow to China. A sustainable economy must secure jobs and prosperity, open up new opportunities — and tackle the climate crisis. The one is inconceivable without the other. Anyone seeking to water down the climate targets is making a mistake on two fronts: both economic and environmental.

Of course, technological neutrality must apply. We must keep checking that we are on the right path in light of new developments. Anything else would be short-sighted. We should not, however, make the mistake of throwing the baby out with the bathwater: the technology debate is often focused on nothing more than the desire to carry on as before. But that is impossible because Europe does not determine this path alone. We must not be left behind — especially for the sake of the jobs.

We should stop watering down the targets and creating uncertainty and instead start implementing

Our biggest problem remains the political back and forth: first clear announcements, then doubts, then new debates and in the end a vague position. This, too, is reminiscent of the Heating Act. This does not create reliability.

them with a lot more vigour.

Consumers are waiting, and companies feel left in the lurch. Those who are investing billions need planning certainty. People buying new cars want to be sure of the operating costs and that they will be able to resell their vehicles. If this current bet on postponing the ban goes wrong, failure to meet climate targets in 2035 is as much of a risk as job losses. If we are sure that electromobility is the future, why are we slowing down the pace and unsettling the population? The competition is not asleep; they have been ahead for a long time. What is also striking is what is *not* being discussed at the moment. Involving workers who are worried about their jobs more closely in the entire transition process, enabling them to participate in forward planning, and guaranteeing they have a central role in maintaining and developing the industry by providing them with training — all this then immediately arouses suspicions of bureaucracy. Is this what sustainability looks like?

What is needed now is the smart alignment of industrial and climate policy: active raw materials policy, circular economy, promotion of European battery factories and a wide range of products that make the switch affordable — even for households with smaller budgets. And – something that is essential for electrification – lower and stable energy prices. The majority of Europe's industry, trade unions and policymakers are in agreement: the future is electric. Even beyond climate policy, this makes sense for a region that has no fossil reserves and finds itself in an increasingly uncomfortable position between authoritarian state leaders with a penchant for extortion. So, we should stop watering down the targets and creating uncertainty and instead start implementing them with a lot more vigour.



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