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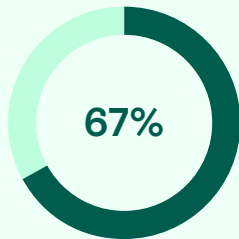
# 2022 EU Insights Report

Published September 2022

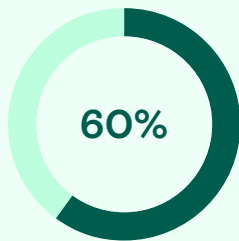


## Top 5 Issues in the EU

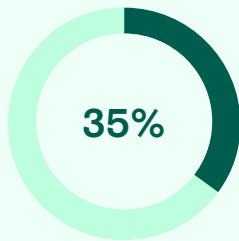
Which of the following do you view as the most pressing issues facing the EU? (Percentage of respondents who placed the issue in their top three). | n=411



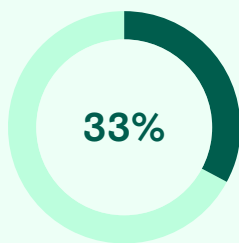
Geopolitical crisis arising from Russia's invasion of Ukraine



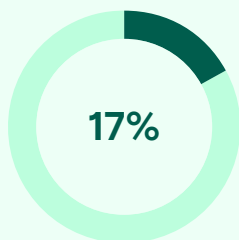
Environment/climate/sustainability (including the Green New Deal)



Economy



Unity of the EU



Digital transformation

## Introduction

From November 2021 to May 2022, we surveyed and spoke with over 400 policymakers within the European Union and its member states. Our goal was to understand the most pressing issues facing the European Union (EU) and how the public and private sectors can collaborate to address them.

Policymakers highlight the environment, the economy, and the unity of the EU as top priorities for 2022 and beyond. The Russian invasion of Ukraine and its global effects are counted as the foremost priority. As the qualitative portion of our study concluded in January 2022, it did not fully encompass the war in Ukraine. However, our quantitative study was conducted between March 2022 and May 2022, providing us with a clear picture of how the war is top of mind for EU policymakers.

This review examines three of EU policymakers' top policy priorities of (i) environmental issues and the European Green Deal (ii) the economy and (iii) the unity of the EU. Rather than address the war in Ukraine as a separate topic, we discuss its implication for each of the other key policy areas.

## Section One

# Environmental Issues

The environment appears as one of policymakers' top priorities for the EU. As the Union grapples with the effects of climate change, there is a particular focus on transitioning to low-carbon energy sources and the implementation of the European Green Deal.

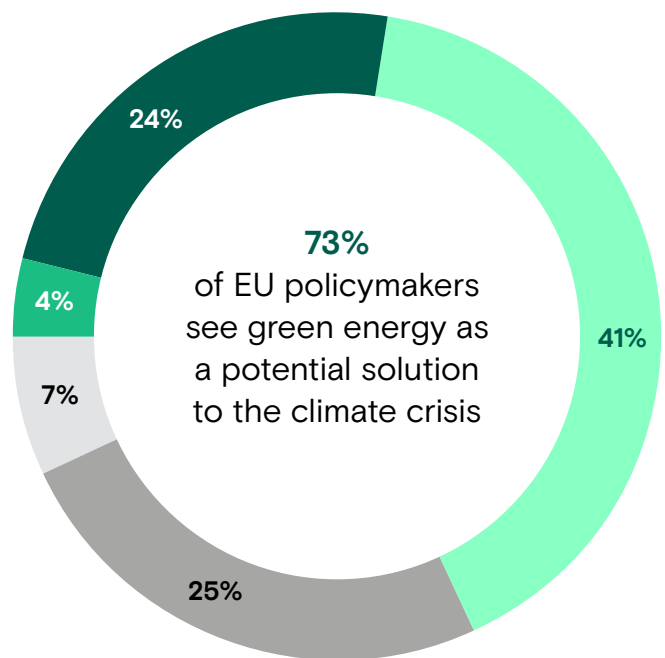


We have those targets for our future and not only the future of the EU but also the future of the whole planet... the most important thing is to invest in the future of the planet for our kids. We have carbon taxing. It is not for profiting out of climate, it is for the climate. We will invest in climate related causes and practices with that revenue. So we must do our best to reach those targets and make countries and businesses work for those targets.

Member of European Parliament

### Green Energy Transition

To what extent do you view low carbon energy sources as a potential solution to the climate crisis? | n=325



● Not a solution ● Poor solution ● Reasonable solution  
● Good solution ● Excellent solution

A key element of the EU's response to climate change is a transition to green energy sources. Our research shows a shift in attention towards newer forms of green energy, such as nuclear and hydrogen. Such developments provide a wider range of opportunities for both the public and private sectors to improve their environmental impact.



The Green New taxonomy was recently published. So what is included? What is not included? All the different types of energy included in this taxonomy are big discussions, whether to include nuclear energy as a clean source.

**Project Manager, European Commission**

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One of the things that is being raised again is the question of nuclear energy...It has a dangerous side in terms of safety, protecting human life and environment. But, even now, we are again talking about building new nuclear power plants, which might be one of the ways in which we can go in the years ahead.

**Project Assistant, European Commission**

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There is a new hydrogen strategy. The EU launched a new hydrogen joint undertaking, an entity to deal with the development of clean hydrogen. So there are national strategies in place. Some countries are putting hydrogen in their national energy plants to have a climate neutral economy...Now, I think it's more or less the beginning. But I think there is an overview, there is a vision, there is a strategy where the Union wants to go.

**Project Manager, European Commission**

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## The Impact Of The War In Ukraine

Green energy and alternatives to fossil fuels have become especially important amidst the war in Ukraine. Policymakers emphasize the importance of Europe's energy becoming self-sufficient, instead of relying on Russian oil and gas. Self-sufficiency would provide political, economic, and environmental benefits.



Energy, or saving energy, or energy efficiency, will increasingly become topics... of course also with the Ukraine crisis... with the entire East situation, it is an important topic... A data center consumes massive energy and I think their companies have the chance to say that these centers will work with renewable and sustainable methods to manage this data.

**Industry Expert**

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The pressure is there, and now even more so with the war in the Ukraine. The goal is to become energy independent as soon as possible. We all want this. However, for this to happen, they will need to work with renewable energy sources while at the same time not destroying the [environment].

**International Environmental Policy Expert**

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## Section Two

# The Green Deal

### The European Green Deal

The European Green Deal is the Commission's main initiative to create a greener Europe and has been named a top priority for the EU. Its stated goal is to "transform the EU into a modern, resource-efficient and competitive economy." It includes measures centered around the elimination of pollution and greenhouse gas emissions, a "circular" and sustainable economy, and environmentally friendly infrastructure and building development. Private sector participation and investment is key to the success of the Deal.<sup>1</sup>



For the EU according to my experience [a priority] is the Green Deal and its ecological transition, which is totally something not so easy to put in place...[It's also] linked to the job recovery in a sense that if you have green transition you have more expertise arise in a certain point in a certain domain.

**Head of Unit, European Commission**



On the other hand, the Commission as you know have a big portfolio, big policy to implement - the Green Deal. The fight against climate change which will be of course the top priority probably for the year to come.

**Head of Unit, European Commission**



I would say that the priority that the lockdown showed us was that the Green Deal is not something that we need to wait on. It's something that needs to be urged to give back everything that we as the humans took.

**Policy Assistant, European Parliament**

## Balancing Environment And Economy

It is clear that the Green Deal has great positive potential for the environment. However, policymakers highlight the importance of also considering the economic effects of the Green Deal and its influence on European businesses and the daily lives of citizens.



In Europe, we have this major problem of transitioning from the old form of energy like coal and oil, and nuclear energy. So the transition will bring opportunities but it also will come with cost, and it is very important to not to bring any cost to people from the change.

**Senior Advisor, European Parliament**





Here in the European Parliament, I have seen many of the members actually having a relatively negative position towards some of the things that are within the Green Deal policy in general or the Green Deal framework in general. Why is that? Most of the members are concerned with the price of the changes that will have to be made in our way of life and our way of doing business.

**Project Assistant, Commission**

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There will be a lot of money available that the Commission will make available to tackle the objectives of the Green Deal, and companies probably can take advantage of these, to use these to create new solutions and new technologies but also new ways of living.

**Head of Unit, European Commission**

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## Expectations For The Private Sector

As the EU implements the Green Deal and pursues its environmental agenda as a whole, there are also expectations for how the private sector should contribute. Policymakers reason that there is a particular onus on large corporations to do their part for the environment and follow the example and standards being set by the EU.



I think [companies] adopted the Green Deal really badly...I think that there is still too much of a gap between what we are talking about and what is actually happening...I still think [factories are] the biggest killers of the environment, and I also think that, in a way, nobody is pressuring them to do it.

**Policy Assistant, European Parliament**

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I think all of [the industries] should work harder. I don't know who is the best in class, but there is a lot of effort being put into less carbon emission in so many industries. Obviously, more can be done because the big industries are the biggest polluters, so they have to actually make a serious effort, and they should share what they do with us.

**Project Manager, European Commission**

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I think it is important not to green wash in particular. The green transition is crucial and [the EU] are working on the green and digital [transitions] in particular. 30% of funds is spent on the green agenda so it is important that companies follow the lead.

**Policy Attache, European Council**

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## Section Three

# The Economy

The Union's economy, like the rest of the world, has been heavily affected by the pandemic. This has manifested itself most concretely in supply chain issues for products moving both into and within the EU. Complications arising from the war in Ukraine have exacerbated such issues through inflation, rising gas prices, and material shortages.<sup>1</sup> Furthermore, policymakers point out that workforce shortages and over-regulation in the EU are acting as barriers to economic growth and recovery.

## Disruptions In The Supply Chain

Europe's reliance on China<sup>2</sup> for manufacturing and imports became a major problem during the pandemic. Now, product shortages and transportation delays are still continuing. Policymakers emphasize that such difficulties have trickled down from the global supply chain to affect trade and transportation between member countries, as well.



So in Europe, according to my experience, the supply chain has been something very disruptive. At certain points, something very bad to cope with. In two senses: from Asia and to Asia.

**Senior Policy Advisor, European Parliament**

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The second [priority] was, of course, the supply chain. So for instance, most of the certain products, and especially all the basic materials are produced somewhere else. 99% in China, so the moment that the trade is restricted, we don't have the [products].

**Policy Officer, European Commission**

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COVID-19 really made a mess of the whole supply chain and I think it really showed us how vulnerable some of the supply chain has been in Europe...when we talk about that it is very important because, we are talking about the transportation of very crucial and critical supplies. You have medical supplies that were coming in last year, you have food that was in shortage.

**Policy Advisor, European Parliament**

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1. Citation #2- Economic models suggest that the cost of supply chain disruption in the Eurozone resulting from the war in Ukraine could cost up to €920 billion (7.7% of GDP), depending on the duration of the conflict.
2. Citation #3- In 2021, China was the largest partner for EU goods imports, providing 22.4% of the Union's imports.

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## Workforce Shortages

Policymakers also raise concerns about workforce shortages in the Union. Like the supply chain issues, such shortages have a ripple effect in Europe's economy, affecting population growth, production, and transportation.



Without immigration, the European Union would lose half a million people every year...This is the recipe for disaster, economically, that's a decline. So, there is just a simple need for a workforce...I think our job is to make sure that the legal pathways to attract skilled workers are there and that are used and also are financed and supported.

**Deputy Cabinet Head, European Commission**



So in the production process, when there is a very slight imbalance or someone putting some problems into the system such as a labor shortage in the farming or in the cultivation of the product, you have a major knock back like dominoes, where every single thing is exacerbated...so it is not easy to deal with so many things.

**Policy Advisor, European Parliament**

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## Over Regulation In The EU

In recent years, the EU has increased regulation across a range of sectors and policy areas. The Commission has implemented the Better Regulation agenda with the goal of "making simpler and better EU laws" and "involving citizens, businesses, and stakeholders in the decision-making process."<sup>4</sup> However, policymakers still have concerns about over-regulation working against economic growth and competition.



In the EU, basically, I really think that things are really over regulated. It is what it is famous for, right? So basically, we'd have to play the game.

**Expert Evaluator, European Commission**



The EU definitely has too much regulation, it is a problem the EU has to deal with. Your company should not be punished for being successful. But I think that is something that the Commission is very focused on, to rein in these companies and to make sure that they do not grow too big.

**Policy Advisor, European Parliament**

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## Section Four

# The Unity Of The EU

## Balancing National and Collective Identities

Finding a balance between states' national identities and a collective 'European' identity has been an ongoing venture for the EU. Individual elements such as economic competition and linguistic and political diversity exist in parallel with the overarching theme of European unity. While this is the goal of the EU's identity building, it can also act as a barrier to inter-state cooperation.



You see that there is a sizable amount of people thinking of the European Union as a whole, but you have to be aware that we are made of 27 member states with huge differences, with huge ideas, although we are cooperating together in the Union. So we still are competitors when it comes to certain things.

**Project Assistant, European Commission**



There is a huge worry about the brand of authoritarianism in some countries...we don't want to see Europe creep towards that sort of political operation.

**Former Government Advisor**



If you're a company, and you are in one country and you want to exchange data with different member states, you always have the language barriers. So until the systems are all aligned in the same way, and there are so called conversion tables behind that make them the linguistic translation for you, you always always risk having some sort of problems.

**Policy Officer, European Commission**

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### Eurobarometer Survey

A 2020 Eurobarometer survey found that an average of 73% of respondents identify with their nationality, with 34% saying they identify with their nationality "a lot." In comparison, 56% of respondents identified as being European. Characteristics such as age, education, and country of residence were all key differentiating factors.<sup>5</sup>

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## Power And Trust

Power and trust are also major issues policymakers believe to be acting against European unity. A lack of transparency and perceived misuse of power undermines the EU's ability to act as a unifying identity for all member states.

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One [priority] that comes to mind to me is the difficulties the union has with power. It's not via policy deployment, but it's rather an important one, since it's about the membership of the union and applying to buy into all the rules and the treaties. So I think that is one for sure, that will be marked as one of the big priorities of the European Union.

**Policy Advisor, European Parliament**

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I mean, it's one of the biggest issues now in Europe. In Europe, we are lacking trust on all levels in all policy areas, to make that quite clear.

**Project Assistant, European Commission**

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## The Importance Of Unity

European unity is a vital part of the Union's response to its most pressing issues. This is especially true for the war in Ukraine; with the EU contributing financial and humanitarian support, cooperation among member states is essential in order to present a united front and work towards a conclusion of the conflict.

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With the Ukrainian invasion, no one knows how the situation may end, but we can find a diplomatic way out of the situation...EU membership combined with a strong policy of national defense and compromise could provide a way out for Ukraine...EU unity is more important now because how we find a way out will depend on working together rather than being divided on cultural issues.

**Former Ambassador to an EU Nation**

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Businesses have to cooperate for economic reasons...countries have to better work with each other to understand their unique pain points.

**Former Government Advisor**

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## Conclusion

The policy areas that EU policymakers view as priorities go far beyond 2022 and are intrinsically intertwined with complicated international issues such as the war in Ukraine and the aftermath of the COVID-19 pandemic. Reaching solutions to these issues will require unity and cooperation, both between member states and between the public and private sectors. Policymakers emphasize the importance of the private sector following the example of the public sector and contributing to the environmental and economic plans the government has set forth for the sake of Europe as a whole. However, in order for this to be possible, it is also important that the public sector creates conditions in which the private sector can thrive.

## Penta Strategy

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Corporate Strategy

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Reputation & Brand  
Management / Tracking

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Product Strategy & Innovation

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Issue Management

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Customer Segmentation

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Executive Engagement & Positioning

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Messaging, Communications,  
& Go-To-Market

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Media Relations & Crisis Management

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Advertising & Digital Strategy

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## Penta Intelligence

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Momentum Measurement

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Reputational Analysis

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Policymaker Research

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Trend Forecasting: What's Next?

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Message Testing

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Media Monitoring & Analysis

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Risk Assessment

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ESG & DEI Analysis

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Custom Research & Predictive Analytics

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Public Opinion Polling

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Stakeholder Mapping & Research

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## Penta

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Penta provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

Penta comprises over 200 professionals in New York, London, Washington, D.C., and San Francisco working to bring data-driven, tailored solutions to a majority of the Fortune 50 Companies and their associations.



This deep-dive, customized research is invaluable for understanding what policymakers think of us and need from us. The insights are another important tool we can use to inform our thinking on how to engage, and the data illuminates where we can do better.

**Head of U.S. Communications, Fortune 10 Company**

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## Credits

### Research Strategist

Caroline Mulvaney

### Manager, EU

#### Policymaker Research

Ronald JL Chan

### Associate Director, Research Products

Natalie Bahmanyar

### Associate Director, Research

Sabiha Ozgur

### Associate Director, Quantitative Research

Mackai Tapleshay

### Chief Research Officer

Michael Griffin

### President

Michael Gottlieb

## Citations

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2. [https://www.accenture.com/\\_acnmedia/PDF-177/Accenture-Disruption-Reinvention.pdf#zoom=40](https://www.accenture.com/_acnmedia/PDF-177/Accenture-Disruption-Reinvention.pdf#zoom=40)
3. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=China-EU\\_-\\_international\\_trade\\_in\\_goods\\_statistics#:~:text=China%20was%20the%20largest%20exporter,in%20the%20world%20in%202020.&text=In%202021%2C%20China%20was%20the,of%20goods%20\(22.4%20%25\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=China-EU_-_international_trade_in_goods_statistics#:~:text=China%20was%20the%20largest%20exporter,in%20the%20world%20in%202020.&text=In%202021%2C%20China%20was%20the,of%20goods%20(22.4%20%25))
4. [https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how\\_en](https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en)
5. <https://europa.eu/eurobarometer/surveys/detail/2230>

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