



The external dimensions of the European Green Deal

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1 Introduction

In 2019, the European Commission announced the ‘European Green Deal’ (EGD) (European Commission, 2019). Fundamentally, this broad policy package saw European Union (EU) institutions bolster their climate change mitigation commitments by agreeing to make the EU climate-neutral by 2050 with an interim target of reducing GHG emissions by at least 55% by 2030 compared to 1990 levels. In 2021, both targets were enshrined in the European climate law, which makes them binding for EU countries (European Commission: Directorate General for Communication, 2021). To meet these targets, the EU has planned a series of reforms across various sectors of the economy. Many of these reforms target greenhouse gas (GHG) emissions occurring beyond EU Member States’ borders and include provisions that seek to incentivize other countries and United Nations (UN) regulatory bodies to implement more ambitious climate policies. EU trade partners and scholars alike have expressed concerns about the impacts of these reforms on trade opportunities and cooperation on climate change, and have questioned their effectiveness in driving emission reductions and their alignment with equity-related principles of the international climate change regime (Böhringer et al., 2022; Dominioni & Esty, 2023; Kotzampasakis, 2023).

While the EGD posits a just transition as a core tenet, it is unclear what precisely a just transition means and which areas of the planet it includes. Ultimately, achieving a just transition will largely depend on how different EGD policies are designed, implemented, and enforced — both from a distributional and a procedural justice perspective. In this context, many questions remain around the power differentials in EU actions, the effectiveness and direction of diffusion of norms and policies, and where and how possible spaces for cooperation exist, amongst other things.

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Work on the EGD has largely been undertaken amid significant socio-economic pressures and shifts in the international context, such as the Russian invasion of Ukraine, the energy crisis and subsequent high inflation, and the re-election of Trump to the White House. These have prompted additional action from the EU and its Member States to diversify energy sources, restructure global supply chains, and re-think the balance between climate action and competitiveness. As the EU works to navigate this new reality, the external dimensions of the EGD become even more relevant, as they provide new risks and opportunities to reshape diplomatic and trade relations between the EU and non-EU member states. In this context, this special issue contributes to the ongoing scholarly debate about the EGD and its external dimensions by building on three broad themes: power dynamics between the EU and third countries, policy diffusion, and international cooperation on climate change.

2 The external dimensions of the European Green Deal in a turbulent world

Three articles in this special issue focus on the “Brussels Effect” within the global climate policy arena, i.e., the idea that the EU can shape climate policy outside its borders by implementing domestic policies (Bradford, 2012, 2020).

Two articles analyze the Brussels Effect regarding the EU Carbon Border Adjustment Mechanism, one of the key new policies the EU adopted as part of the Fit for 55 package (European Parliament, 2023). The article by Simon Otto, *The External Impact of EU Climate Policy: Political Responses to the EU's Carbon Border Adjustment Mechanism*, provides a systematic analysis of the political responses to CBAM in 32 countries between 2019 and 2024. The article distinguishes three potential types of political responses: opposition (e.g., political opposition or retaliation), cooperation (e.g., request support to implement CBAM or achieve bilateral agreements), and policy adoption (e.g., implement GHG pricing policies or other GHG mitigation measures). The analysis shows that CBAM has sparked significant political reactions from non-EU countries, as each of the 32 countries analyzed shows at least one type of political response. Reactions have shifted over time; initial reactions after the announcement of CBAM in 2019 focused primarily on opposition, while after the publication of the proposal for CBAM by the European Commission in 2021, cooperation and policy adoption have emerged. The analysis finds that the EU CBAM might have been a driver for adopting climate policies in non-EU countries in 15 of the countries analyzed, suggesting the presence of a Brussels Effect regarding CBAM. This is a significant finding as the question of whether and under what conditions CBAM would trigger climate action in third countries has been debated in academic and policy circles for many years (Dominioni & Esty, 2023; Keen et al., 2022). Alongside this finding, the article also contributes to the understanding of what other types of political reactions can be expected from trading partners and highlights how these reactions may differ across countries.

This broad analysis is complemented by the article by Kasturi Das and Kaushik Ranjan Bandyopadhyay, *Impact of Carbon Border Adjustment Mechanism (CBAM) on Steel Decarbonization in India: A Multi-Stakeholder Perspective on Ambition vs. Equity*, which discusses the Brussels Effect of CBAM via a deep and granular analysis of its effect on the steel sector in India. The article distinguishes three levels of impact: (i) on the decarbonization pathway of larger steel manufacturers, (ii) on the decarbonization of small and medium

enterprises in the steel sector, and (iii) on policy responses from the Indian government. The qualitative analysis combines secondary data from various literature streams and primary data collected via interviews and focused group discussions with over 40 stakeholders. The article finds that the CBAM Brussels Effect seems to be present for large steel producers, but only partially. In particular, CBAM may ramp up decarbonization efforts for steel destined for the EU but not for output for the Indian domestic market or non-EU countries. In addition, smaller steel producers are likely to struggle to comply with CBAM and to adopt responses that may reduce its impacts, for instance, due to knowledge gaps and lower access to finance. This is likely to result in lower profits and reduced market share, raising equity concerns related to this instrument. In addition, the article does not find evidence that CBAM has triggered a policy response from the Indian government regarding more stringent domestic decarbonization policies being implemented. The article concludes by providing policy recommendations for the EU and other governments considering implementing border carbon adjustment mechanisms to adequately address distributional and procedural justice concerns.

The article by Joseph Earsom complements these studies on the Brussels Effect and the EU CBAM with an insightful analysis of the Brussels Effect's existence within negotiations on shipping decarbonization at the International Maritime Organization (IMO). In particular, the article focuses on whether EU legislation adopted as part of the Fit for 55 package to decarbonize international shipping influenced the negotiations on adopting the 2023 IMO GHG Strategy (See Bilgili & Ölçer, 2024; Friedman, 2024; Dominiononi & Romera, 2025). The article — *Making Waves or Ripples? The Influence of the European Green Deal on the Revised IMO GHG Strategy* — discusses two potential ways in which this influence could take place. On the one hand, since the EU and its Member States are Members of the IMO, ideas and knowledge developed in adopting EU legislation may shape the views taken in negotiations at the IMO (cognitive interplay). On the other hand, to the extent that EU legislation streamlines the interests of EU Member States, it can catalyze the formation of a coalition within the IMO (interplay by commitment). The article unpacks how the EU shipping decarbonization legislation influenced IMO negotiations. It does so by triangulating three sources of data: direct observation at the negotiations, semi-structured interviews, and EU and IMO official documents. The article finds that the introduction of the shipping decarbonization legislation by the EU created conditions for EU Member States and the EU Commission to work collectively within IMO negotiations. The resulting bloc of EU Member States acting together was better able to push for its objectives within the IMO, i.e., the EU's influence on negotiations comes from its ability to act as a bloc. This finding supports the “interplay by commitment” view on the EU's influence at the IMO. The influence is found to be modest overall and, therefore, does not provide strong support for the existence of a ‘Brussels effect.’

Beginning from work around EU external action and this Brussels effect as a basis to develop a finer-grained approach to policy and norm diffusion, Ferré, Weller, and Buzogány advance this debate by shedding light on how EU action on renewable energy in its neighbourhood actually unfolds and is implemented over time, thus moving beyond the question of how norms are adopted at a more official or discursive level to look at actual practice. The authors build a configurational approach to understand the complexities of the EU's work to promote renewable energy in its neighbourhood, arguing that to gain a full picture that includes the realities of the implementation of EU policies and norms requires us to decen-

tre the EU, understanding it instead as just one complex actor among many, and therefore to move beyond a view of third countries as receptacles for EU policies. They apply their configurational approach, which draws on ecosystems approaches to international organisations, on work that seeks to overcome false dichotomies between the domestic and the international, and on French traditions of state anthropology, to the cases of EU action on renewable energy in Georgia and Tunisia. The differential effects of the EU's work in these cases is more complex than an explanation based on chances of accession alone. The article makes a significant contribution to opening up the 'black box' of how change unfolds, showing the differentiated roles of EU actors, other international organisations, business, media, national governments and more. The article also unpacks contestation as a crucial element for understanding how EU norms and policies are taken up, used strategically, and contested.

The themes of international cooperation and power relationships, and how attention to these is crucial for any successful policy diffusion, are central to the article by Alina Averchenkova, Lara Lazaro and Gonzalo Escribano. They discuss the EU's climate leadership ambitions and how these translate into the EGD, exploring cooperation with the LAC region with a focus on Brazil, Mexico, and Chile. The EU's climate leadership unfolds through different approaches that are on one hand more ideational, including more diplomacy-based approaches, and structural, including through legislation with coercive elements. While more ideational approaches suggest more possibilities for cooperation with LAC countries, many of which are clear leaders and innovators in international environmental governance, structural approaches carry the risk of being perceived as green colonialism and protectionism. Central legislation of importance for the LAC in this last vein includes the CBAM and the Regulation on Deforestation Free Products (EUDR). Exploring perspectives from a range of actors in Brazil, Mexico, and Chile on these instruments and on the EGD more broadly, the authors make clear recommendations: ideational approaches must be complemented with practical coalition building and compensation for coercive mechanisms through serious assistance measures. Without this balance, space for cooperation is at risk since the EU will increasingly be seen as guilty of green colonialism. Specific cooperation should include information strategies, learning around governance best practices, including citizen participation and scientific input, and work to accelerate the energy transition including a halt to deforestation.

In their contribution to the special issue, Sara de Simone, Marco Nicolò and Louisa Parks delve into the themes of power and cooperation through a focus on how the just transition is reflected in the environmental and social principles of the European Investment Bank (EIB). They build on a conceptual framework rooted in work on Environmental Justice, building an approach to just transition through the central tenets of recognition, procedural, and redistributive justice, and linking these to problems commonly diagnosed in the environmental and social impact assessment processes that underpin investment decisions. Are these tenets of Environmental Justice, and thus the just transition, sufficiently accounted for by the EIB when it decides to fund green projects outside the EU's borders? Since the EIB is a major funder that describes itself as a climate bank this is an important question. The authors illustrate how questions of Environmental Justice play out in environmental and social impact assessments (ESIAs) through the case of the Gibe III hydroelectric dam inaugurated in 2016 in Ethiopia. They then analyze the EIB's environmental and social statements over time, finding that these rules, which determine the Bank's funding decisions, pay increasing atten-

tion to critical issues over content, inclusion, timing, and trust. However, they also find that attention to justice issues through social impact assessments is less well developed, and that the EIB could become a stronger actor for a just transition at the level of project funding by taking on shared responsibility for impact assessments alongside funding applicants, ensuring their independence, and by including rules about the co-design of assessments to bolster real and equal participation by a range of affected actors. This kind of bottom-up approach to environmental and social issues would also build future innovation by developing shared norms amongst funders and thus a more universal adoption of ESIAAs, which would avoid recourse to funds with no environmental justice ‘strings attached’ as happened in the Gibe III case, as well as by building expertise through strengthening grassroots networks.

Reinhilde Bouckaert and Claire Dupont also focus on the relationship of the EU – and especially two of its economic powerhouses, Germany and Italy – with African countries, namely the fossil fuel exporters Egypt and Algeria. The authors’ paper, *Assessing the alignment of EU and member states external energy strategies with the European Green Deal: 2019–2024*, employs a timeframe divided in half by the seismic geopolitical shift due to Russia’s full-scale invasion of Ukraine in February 2022. This challenged the alignment of the EU and member states’ external energy security strategies with the European Green Deal (EGD). The authors find that Germany became more active in aligning with the EGD after the invasion, focusing on green hydrogen in Algeria and Egypt. This is contrasted with Italy, which became less aligned and concluded agreements to invest in the two countries’ fossil gas infrastructure, while maintaining a focus on clean energy. Bouckaert and Dupont conclude that Russia’s invasion of Ukraine marks a critical juncture, resulting in changes in alignment with the EGD. They find that the EU’s rhetoric in external energy relations appears contradictory and places the EU’s unity in doubt. They infer that the perception of the EU as a trustworthy or reliable actor can be questioned. However, the authors concede that it is difficult to judge a critical juncture so shortly after it has occurred – its sustainability impact will only become clearer in the mid to long-term.

Moving from the EU’s neighbourhood, India, Latin America and Africa to Central Asia, Morena Skalamera analyzes *The Distributional Effects of the EU’s and China’s Climate Diplomacy in Central Asia*. Drawing on in-depth interviews with local stakeholders and the analysis of policy, business and media documents, the article examines the effects of EGD policies, particularly CBAM, on cross-border as well as national environmental initiatives. Focusing on Kazakhstan and Uzbekistan, it concludes that China has emerged as a counterweight to the EU and what is perceived as its ‘overly extreme climate agenda’. Skalamera emphasizes the role of the Shanghai Cooperation Organization (SCO)–established by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan in 2001, and later joined by India, Pakistan, Iran and Belarus–and its attempt to reshape global climate governance narratives, not least under the banner of a fairer, multipolar world order. Based on her analyses of the roles and interactions in clean energy policy of several powerful actors from outside and within Kazakhstan and Uzbekistan and local communities, Skalamera argues that the EU needs to address the distributional problems generated by its EGD by developing more meaningful socio-economic development partnerships, including but not limited to capacity-building and climate change resilience. The author argues this is necessary to improve the EU’s legitimacy through fostering shared responsibilities with local communities and to counter accusations of ‘green protectionism’, or even ‘climate colonialism.’

3 Outlook — external dimensions: from the European Green Deal to the clean industrial deal

After the re-election of Ursula von der Leyen as its President, the European Commission reaffirmed its commitment to achieving the goals of the European Green Deal (EGD). The emphasis has however shifted to a greater focus on competitiveness. This strategic shift is both discursive and substantive: it includes the revision of some of the policies implemented as part of the EGD and new approaches to secure imports of energy sources from trade partners. These changes are undoubtedly linked to rapid shifts in global geopolitics which are understood as threats that are more tangible and immediate than those represented by climate change and environmental degradation. These new and difficult realities faced by the EU may represent an opportunity for EU countries and institutions to build environmentally sound ties with trade partners on a new basis of cooperation. They may equally see the EU retreat or continue to focus on competitiveness and security issues to the exclusion of cooperative and green relations with third countries affected by EU policies. It remains to be seen whether the new EU leadership will be able to balance EU interests with those of third countries and international institutions.

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