

Pivotal Moment for Europe:

Recommendations from CEE before Commissioner's Hearings

1. Competitiveness in energy transition

More attention must be paid to how the Green Deal can strengthen European competitiveness and lead to lower energy prices at globally competitive levels.

The GLOBSEC Grid Transition Index ranks European countries based on their readiness to support renewable energy, and the findings raise concerns about the future stability of Europe's electricity grids.

The new Commissioner should prioritize investing in grid modernization as countries that are among the least prepared for the green transition are unlikely to cover the cost of the infrastructure projects, estimated by the Commission at 580bn EUR. Financial incentives in the form of an Energy Transition Fund would, therefore, alleviate potential economic shocks in Member States and further increases of energy prices for consumers.

2. Achieving competitiveness through public-private collaborations

Every Member State has untapped innovation potential, but public spending will never be sufficient

to achieve these ambitions. Private capital must be mobilized to close the investment gap.

To this end, the EU should create incentives and conducive conditions to nudge private capital to co-fund its objectives. The European Commission needs to realize the Capital Markets Union, as the fragmentation and shallowness of European capital markets remain a key challenge.

The dysfunctionality of European capital markets has also contributed to a negative feedback loop where Europeans invest their savings outside the continent. The EU needs a better, simpler, and more incentivizing financial infrastructure, which would, as a consequence, lead to more private capital staying in Europe.

3. Healthcare systems resilience

Member States' unpreparedness for health systems shocks, as demonstrated by COVID-19, has a significant impact on the EU's economic competitiveness.

There are serious discrepancies in the level of development of healthcare systems across the EU, and as the GLOBSEC's Health Readiness Index has demonstrated, Member States in Central and

Eastern Europe are among the least prepared to face any future healthcare system shocks.

Joint planning on the EU level and a cohesive investment strategy could lead to improvement as funding gaps have been identified as the root of many challenges. To prevent the deepening of the problem, the European Commission must coordinate an EU-wide approach to healthcare by facilitating joint procurement mechanisms, best-practice sharing, resource planning, and the preparation of strategies and other tools.

4. Building competitiveness through digital and innovative economy

The EU's digital economy lags behind global competitors, impacting Europe's competitiveness and innovation. To stay ahead, the EU must accelerate its Digital Single Market and unify capital flows, allowing startups and SMEs to scale efficiently and attract investment.

The European Commission should support digital skills training, infrastructure investments, and SME adoption of AI and cloud technologies. Strengthening cybersecurity and cross-border collaboration will enhance resilience and growth.

By embracing digital transformation, Europe can create a robust digital economy that drives global leadership, economic resilience, and sustainable competitiveness across all Member States.

