



# THE 'DRAGHI PLAN' - WE'RE NOT THERE

An X Ray of its diagnosis, objective and remedies

## EXECUTIVE SUMMARY



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*Forum on Inequality and Diversity*  
*October 2024*

**THE 'DRAGHI PLAN'- WE'RE NOT THERE**  
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Executive summary<sup>1</sup>

*The 'Draghi Plan' is not good for Europe, does not enhance its strengths, and promotes the kind of growth that neglects social justice. This assessment emerges from the extensive critical analysis of the 'Draghi Plan' strategy by Forum on Inequality and Diversity. As shown by the Mission Letters to the Commissioners-designate, the Plan has already deeply penetrated in the European agenda. ForumDD proposes instead to use it, before it is implemented, to promote a public, informed and open debate on the future of the Union*

The Forum on Inequality and Diversity has taken seriously the report **The Future of European Competitiveness, known as the Draghi Plan**, going one step further than its understandable appeal to a stalled Europe and specific interesting proposals. ForumDD analysis has examined the Plan's diagnosis, objective and remedies, producing a detailed document (["THE 'DRAGHI PLAN'- WE'RE NOT THERE. An X Ray of its diagnosis, objective and remedies"](#)). The conclusion is that **if the Plan were to really steer EU action in the coming months and years, the effects for Europe would be negative**. The urgency of the discussion is reinforced by the fact that **the contents of the Plan have already penetrated into the institutional, political and administrative machinery of the Commission, as can be seen from the Mission Letters to the Commissioners-designate by President Ursula von der Leyen.**

**The document is the collaborative result of a group of experts from the ForumDD** and reflects the ideas and proposals of the volume, *'Quale Europa'* (Donzelli, 2024), published by the ForumDD on the occasion of the last European elections and now available in e-book also in English (<https://donzelli.cantookboutique.com/it/opds/products/9788855226721>).

**The Draghi Plan's strategy is led astray both by the choice of the US as the recurring standard of reference, without grasping its weaknesses, economic instability and recent evolutions, and by the parallel neglect of EU's fundamental values and strengths. The Plan is also biased by not taking people's point of view, i.e. the preferences, insecurities, aspirations and needs of those who consume, work and live in Europe. Whereas industrial policy should search a balance between**

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<sup>1</sup> This text has been used as a press release on the 24<sup>th</sup> of October 2024.

people's points of view, technological opportunities and entrepreneurial spirit. An assessment of European opportunities in the current unstable geo-political scenario is also lacking. **Finally, there is an ancillary view of the social dimension.** In fact, the divide between economy and society is accentuated, as if we had learned nothing over the last decades.

**These weaknesses condition the Plan's proposals, which, without prejudice to the validity of specific ideas in various sectors, configure a strategy that would harm Europe:** by favouring a further concentration of economic and political power, consistent with the de-democratisation underway; **by increasing inequalities** and aggravating the distance of EU institutions from the needs and aspirations of its citizens; **by making defence a driver of growth, without attention to the dangerous effects of this choice;** by relegating the EU to a rigidly predetermined and not necessarily advantageous stance in international relations.

### **Distorted diagnosis**

**The Plan rightly emphasises the gap between the EU and the US in terms of research:** while the amount of public R&D expenditure is 0.7 percent of GDP in both the EU and the U.S., in the EU 90 percent of that public R&D spending is carried out at the national level, so it is fragmented among the Member States and private research accounts for 1.2% of GDP compared to 2.3% in the US, with a strong gap in the field of digital transition. **But then the Plan goes astray in pointing out the primary causes of this gap:** European companies would be held back by regulation in the digital field and by an overly strict competition policy; universities and research centres would not sufficiently commercialise their results. This is a value judgement that is not supported by analysis and overlooks Europe's strengths as well as the recent evolution of US government authorities, which are attentive precisely to EU regulatory models.

**The Plan dwells on three issues that challenge Europe's development** - international trade, energy and the geo-political context - **but neglects three others that are decisive** for the direction of innovation and European industrial policy: **the demographic dynamic and the related challenge/opportunity of migration;** the extraordinary **climate adaptation** effort needed in vast territories of the continent; and **the strong growth that has already occurred in inequalities** and barriers to accessing the welfare system.

### **Objective not consistent with Europe's interest**

The Plan's overall objective of accelerating growth positively incorporates the current and reconfirmed EU objective of **rapid decarbonisation, but does not fully explore the potential for higher productivity and neglects the improvements in quality of life that can result from energy transition and other environmental transformations.** The limitations of the objective are even more evident on the security and social fronts. **Security** is part of the goal but is interpreted as independence from 'strategically non-aligned' countries, taking this category as given and immediately translating this independence into defence strengthening.

Social inclusion, to use the expression prevailing in the EU, **becomes a constraint in the Plan rather than an objective.** It must be 'ensure[d] – argues the Plan - that the state is seen as on the side of citizens', which translates into 'preserving' - not improving - social inclusion. **By not taking people's point of view, the Plan neglects the social effects of its own proposals and when it is aware of them, it places on welfare the burden of making up for it.** It also fails to grasp the multiple aspects of life and work where the acceleration of technological innovation can increase Europe's 'competitiveness' in terms of both economic and social productivity.

### **The remedies: serious risks and the need for public debate**

The Plan presents many proposals. Some of them, the ForumDD argues, deserve careful consideration, especially in the field of **decarbonisation and energy transition**. But, in general, the proposals reflect the serious limits of the diagnosis and the objective.

On the central question of **how to accelerate research and innovation processes**, the Plan's primary proposal is to create, following the US model, large **'European champions' mainly through less antitrust, less regulation and more subsidies**. **First of all, this proposal is not analytically justified**. Furthermore, it does not take into account that, given the unlimited mobility of capital, the 'European' origin of these champions is no guarantee that they will stay rooted in Europe; and it is blind to the many negative consequences that rising market powers can have in terms of prices and restriction of opportunities for small, medium and medium-large enterprises, which are so important for the European innovation processes, as well as for the functioning of democracy. These negative consequences explain why the US public authorities have been rethinking their own model. As for the proposal to **privatise the knowledge produced by public research institutes and universities, it clashes with the mission of European universities** to implement their mandate by using the public resources with which they are funded to produce 'open science' in the collective interest.

The **view on the regulation of Big Data, digital transition and artificial intelligence is far removed from European values and approach**, just as the US authorities are looking at it. **Regulation is treated as an 'obstacle'**, rather than as an original way, in between the US and China, to put people's rights and wellbeing at the centre of the digital transition. ForumDD has proposed that those rules should be reformed, but to better achieve that goal, not to set it aside.

The Plan then dwells on **European public research infrastructures**, but it is unclear whether the target is to create a favourable wind for big oligopolies, with the associated social and political costs, or, on the contrary, for small, medium and large enterprises and citizens wellbeing. The latter is the path proposed by the ForumDD and incorporated into the proposal to create a **'supranational technological hub' for health research and development**, that has been endorsed by the European Parliament in the post-Covid Recommendations and then discussed and voted for by a strong minority of MEPs during the process of approving the Report on the review of pharmaceutical legislation.

The risks of the Plan become even bigger with regard to **defence**. Defence is the Plan's leading sector, where to promote the 'European champions' and relax antitrust - as it is already written in the Mission Letters for the new Commission -, and where to boost digital technological innovation. **No attention is paid in the Plan to the risks inherent in the interaction between military secrets and intellectual property**, to the alternatives for guaranteeing security, and to the very real threat of the 'disastrous rise of misplaced power' - as US President Dwight Eisenhower defined it in 1961 - that may arise from the growth of a 'military-industrial complex'.

**All references to the social sphere are marked by the limits in the diagnosis and the objective**. The Plan, as a whole, does not address the consequences on inequality of its own proposals, as in the case of the concentration of knowledge. Nor does it raise the issue that, if 'European champions' are to be aimed at, it would at least be appropriate to make them also champions of social and environmental responsibility. **Nor does the Plan consider how to support women's work**. Finally,

the issue of training in a rapidly changing society is reduced to the old slogan of **training skills to make them adequate to the new needs of the enterprise**: a logic that learns nothing from the experience of these years that has made increasingly clear that only a more general and critical training allows labour to cope with sudden and unpredictable changes and, in the medium-long term, gives the highest returns to enterprises. This is especially true for those working with the new digital technologies.

Finally, with regard to the **governance of the Union**, the Plan reasonably emphasises the need to shorten decision-making time. However, **the weapon of simplification invoked in the Plan has, as counterpart, the risk of reducing participation**, as it becomes clear in several proposals. And above all, the very adoption of the Plan and its implementation are entrusted to the dialogue between the Commission, based on the mandates already set by its President, its techno-structures and Member States. **The European Parliament and the European citizens who elected it have a marginal or no say in this process**, no matter if the issue is the future of the Union and people's lives. This is reminiscent of what happened, certainly in Italy, with the Next Generation EU and the NRRP implementing it.

**For all these reasons, discussing the Plan now, with honesty and frankness**, as ForumDD has begun to do, and bringing an informed discussion into the public arena, **is so urgently needed**.

The document **“THE ‘DRAGHI PLAN’- WE’RE NOT THERE. An X Ray of its diagnosis, objective and remedies”** is downloadable here: [https://bit.ly/DraghiPlan\\_ForumDDAnalysis\\_ENG](https://bit.ly/DraghiPlan_ForumDDAnalysis_ENG)



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