

# InvestEU: Neoliberal Lineages and Contradictions in the New EU Industrial Policy

Angela Wigger <sup>1</sup>  and Scott Lavery <sup>2</sup> 

<sup>1</sup> Institute of Management Research, Radboud University, The Netherlands

<sup>2</sup> Department of Political and International Studies, University of Glasgow, UK

**Correspondence:** Angela Wigger ([angela.wigger@ru.nl](mailto:angela.wigger@ru.nl))

**Submitted:** 31 August 2025 **Accepted:** 24 December 2025 **Published:** 25 February 2026

**Issue:** This article is part of the issue “Doing Industrial Policy in a Geotech World: Challenges and Opportunities” edited by Salih Işık Bora (Vrije Universiteit Brussel), Fabio Bulfone (Leiden University), and Timo Seidl (Technical University of Munich), fully open access at <https://doi.org/10.17645/pag.i482>

## Abstract

The notion of an industrial policy renaissance has become a defining theme in recent political economy scholarship. In the European Union (EU), scholars have identified the emergence of a “new EU industrial policy” aimed at strengthening EU leadership in key strategic sectors. A central debate concerns whether this embodies a substantive break from or a continuity with prior neoliberal frameworks. In this article, we argue that addressing this question requires moving beyond the macro-structural level of the new EU industrial policy “in general” towards examining its component elements “in particular.” Focussing on InvestEU—a flagship programme designed to mobilise public and private capital in support of strategic industrial policy goals—we demonstrate how the development, architecture, and implementation of this key initiative reveals significant continuities with past policy practices. Rather than treating this as conclusive evidence of neoliberal continuity, we argue that the case study illuminates important contradictions within the EU’s new industrial policy.

## Keywords

derisking; European Union; industrial policy; InvestEU; neoliberalism; political economy

## 1. Introduction

The resurgence of industrial policy has emerged as a defining feature of contemporary global capitalism. Within the European Union (EU), this has generated growing scholarly attention towards an emergent “new EU industrial policy,” encompassing a range of regulatory, trade, fiscal, and investment-based mechanisms designed to reposition the EU within an increasingly competitive and fragmented global economy (Bulfone, 2023; Kampourakis, 2025; Lavery, 2024; McNamara, 2024; Wigger, 2023). These developments have

provoked debates on whether the new EU industrial policy represents a paradigmatic shift from a “neoliberal” to a “post-neoliberal” political economy (Brockenhuus-Schack & Nedergaard, 2025; Feygin et al., 2023). Some scholars argue that it embodies a rupture with the neoliberal framework of the post-Maastricht era, with new geopolitical challenges giving rise to a more interventionist and “market-directing” ethos in EU economic governance (Bulfone et al., 2025; Lavery, 2024; McNamara, 2024; Seidl & Schmitz, 2024; van Apeldoorn & de Graaff, 2022, p. 322). Others contend that it perpetuates neoliberal logics, deepening the “market-making” but also “market-correcting” rationality that underpinned EU economic governance throughout the neoliberal era (Gabor, 2023; Porak, 2025; Wigger, 2023, 2024).

Both sides approach the “new EU industrial policy” as a relatively coherent and unified framework. Consequently, debates regarding its neoliberal or post-neoliberal character proceed at a macro-structural level, assessing the policy shift *in general*. Yet, the new EU industrial policy comprises a complex assemblage, often cross-cutting multiple European Commission Directorate-Generals (DGs) and industrial sectors and operating according to diverse strategic rationales and governing logics (Bora, 2024). Therefore, assessing whether the new EU industrial policy marks a rupture with prior policy frameworks requires a disaggregation into its constituent components. This enables a more precise periodisation than macro-structural analyses focused on global “shocks” as key drivers of paradigmatic change (DiCarlo & Schmitz, 2023) and helps to expose contradictory governing logics that may undermine the overall coherence and direction of EU industrial policy in general (Porak, 2025; Seidl & Lopes-Valença, 2025).

We analyse InvestEU, the EU’s flagship investment scheme established under the 2021–2027 Multiannual Financial Framework, which the influential Draghi Report identified as pivotal to financing the new EU industrial policy (Draghi, 2024, p. 60). InvestEU stimulates risk-taking by public and private investors in sectors identified as critical for competitiveness and sustainability, using EU budgetary guarantees combined with off-budget debt financing (European Commission, 2025a, p. 20). The programme’s core logic—leveraging limited public resources to catalyse private capital flows at a scale far beyond what public investment could achieve—aligns with post-neoliberal, state-led development arrangements, particularly through its market-directing mandate to finance the green and digital transitions and strengthen EU positioning in strategic value chains. Yet, InvestEU also appears to replicate prior regimes of economic governance (Gabor, 2023; Wigger, 2023), insofar as it extends and deepens the hybrid public–private financing architecture established during neoliberalism’s high tide in the late 1990s, entrenching supply-side rationalities and financialised policy-delivery mechanisms (Mertens & Thiemann, 2019).

We interrogate this tension at the heart of InvestEU through three analytical questions: How have InvestEU’s *historical origins* shaped its evolution during the shift toward new EU industrial policy? How does its *institutional architecture* relate to prior economic governance arrangements? What practices characterise its *implementation*—or, in the parlance of this thematic issue, the “doing” of the new EU industrial policy? Our argument is that while InvestEU exhibits significant *continuities* with neoliberal arrangements in its origins, architecture, and implementation, this continuity does not mean that the new industrial policy *in general* simply reproduces past practices. Rather, our analysis exposes differentiation across instruments, divergent trajectories, and conflicting implementation logics. The new EU industrial policy thus resists simple classification as “neoliberal” or “post-neoliberal”—it rather constitutes a contradictory hybrid assemblage generating distinctive opportunities and constraints wherein developmentalist ambitions collide with the chronically low propensity to invest in industrial upgrading.

Our analysis draws on process tracing to map InvestEU's temporal sequence and institutional evolution, making use of semi-structured interview material and policy documents from the Commission, Council, and Parliament, the Court of Auditors, as well as participant observation at various InvestEU promotional events from October 2024 to October 2025. We proceed as follows: First, we situate the debates over the new EU industrial policy within the literature on neoliberalism and post-neoliberalism, making the case for a disaggregated approach. Second, we outline the key features of InvestEU. Third, we explore the lineages of InvestEU, showing how it emerged out of a long expansion of similar instruments within the history of EU economic governance and crisis management. Fourth, we show InvestEU's institutional architecture has been imprinted by its neoliberal origins, prioritising “market-making” over “market-directing” components. Fifth, we argue that our disaggregated account of InvestEU reveals a series of wider contradictions with the new EU industrial policy in general.

## 2. The New EU Industrial Policy: A Post-Neoliberal Shift?

Over the past decade, there have been signs that the EU is pivoting towards a post-neoliberal political economy, exemplified by a more permissive enforcement of EU competition laws, and by national governments and the EU institutions embracing selective industrial policy interventions in key strategic sectors (DiCarlo & Schmitz, 2023; Lavery, 2024; McNamara, 2024; Schneider et al., 2023). Notable examples include the deployment of Important Projects of Common European Interest (IPCEIs) permitting unlimited state aid for selected cross-border initiatives, and flanking protective instruments, such as outbound investment controls, foreign direct investment (FDI) screening, export control coordination, and foreign subsidies regulation (Lavery, 2024). For some scholars, these developments signal that the EU is moving towards a “post-neoliberal” settlement in which selective forms of state intervention are not only tolerated but actively promoted (McNamara, 2024). According to this view, the emerging industrial policy architecture reflects a paradigmatic departure from the neoliberal *status quo ante* and a shift towards a “market-directing” ethos at EU level. For others, new EU industrial policy instruments deepen “market-making” and “market-correcting” dynamics by derisking private capital and opening new frontiers for accumulation (Kampourakis, 2025; Wigger, 2024).

Despite their diverging positions on the neoliberal or post-neoliberal character of contemporary EU economic governance, these approaches share a focus on identifying large-scale dynamics through assessments of industrial policy developments in general, while neglecting how specific instruments, discursive frames, and governance modalities operate at multiple scales with distinct logics (Lavery, 2024). Abstracting from complexity to identify overriding patterns is a legitimate strategy for assessing claims of a purported shift from a neoliberal to a post-neoliberal paradigm, but it also risks bending the stick too far in one direction. Disaggregating the new EU industrial policy into its component parts remains essential for two reasons.

First, it can support a more sophisticated periodisation. The development of the new EU industrial policy is often dated to the “shocks” of 2016—Brexit, Trump's election, and intensified competitive pressures from China and the US—which prompted policymakers in EU institutions and member states to embrace a more interventionist posture (Bora & Schramm, 2024, p. 1273; DiCarlo & Schmitz, 2023). However, disaggregating EU industrial policy instruments reveals a more complex temporal dynamic: Some apparently “new” industrial policy instruments—such as the emblematic IPCEI framework—reactivated dormant legal provisions encoded

in the Treaty of Rome (Seidl & Lopes-Valença, 2025). This pattern raises critical questions about the historical origins of the InvestEU programme and how its institutional lineage has shaped its evolution within the broader shift toward new EU industrial policy.

Second, moving beyond paradigmatic characterizations to disaggregated institutional analysis reveals continuities and contradictions that claims of a sudden rupture obscure, and helps to illuminate different policy logics pulling in multiple directions. For example, while EU industrial policy purports to develop pan-European industrial capacity, analyses of the EU's subsidy regime show that export-led economies at the “core” of the eurozone such as Germany have disproportionately benefited (Lavery & Lopes-Valença, 2025). Disaggregation therefore allows identifying how particular components can undermine overall policy coherence and generating new dilemmas for EU policymakers.

This disaggregated approach has important implications for the neoliberalism debate. Economic geographers have long argued that neoliberalisation needs to be understood as an inherently variegated and systematically uneven process that unfolds across multiple scales and policy areas at different paces (Peck & Theodore, 2019). Neoliberalisation always co-exists with competing policy rationales and governance logics, adapting dynamically to institutional landscapes. Neoliberal projects are thus never monolithic or settled but always incomplete. Yet, despite manifesting in hybrid and unstable formations, neoliberalisation exhibits a “common thread”—a discernible pattern of socio-regulatory selectivity (Peck, 2013, p. 141).

Neoliberalisation seeks to remove constraints on capital accumulation and universalise market-making as the dominant allocation principle through processes of deregulation and reregulation. However, as this inevitably encounters social and political barriers, neoliberal projects are always contested. To overcome opposition, neoliberalisation tends to insulate economic decision-making and institutional practices from democratic control and contestation by enhancing executive and technocratic authority while marginalizing legislative bodies and constraining spaces for democratic participation (Bruff, 2014, p. 115; Hay, 2014; Roberts, 2010). Furthermore, the extension of “marketisation” in new domains goes paired with recasting the state from a direct provider of public goods and investment to a mere facilitator, and the transfer of responsibilities previously held by public institutions to private for-profit agents. Alongside outright privatisation, this occurs through hybrid public–private governance arrangements, such as in the case of public–private partnerships (PPPs) where risks and benefits tend to be distributed asymmetrically (Crouch, 2011). Thus, rather than state withdrawal, neoliberalisation can entail state interventionist roles, albeit mostly in a temporal market-correcting manner seeking to change market outcomes (van Apeldoorn & de Graaff, 2022). Policy choices tend to be framed as necessary responses to market imperatives, such as the threat of market exit or the collapse of investor confidence, while imposing finance-led rationales and empowering financial market players as privileged interlocutors of economic decision-making (Krippner, 2011). Before analysing InvestEU's neoliberal features across its historical foundations, institutional architecture, and implementation, the next section offers a primer on InvestEU.

### 3. InvestEU: A Primer

InvestEU is one of the flagship EU industrial policy initiatives set up for the 2021–2027 budgetary period. The landmark 2024 Draghi Report identified InvestEU as “the largest risk-sharing instrument currently in place...in areas considered of strategic interest for the EU” (European Commission, 2024b, p. 284). As the

nomenclature—InvestEU and not EUInvest—reveals, the EU does not invest. InvestEU rather is a risk-capacity scheme that provides guarantees for private and public debt provision, equity and quasi-equity (a hybrid ranking between equity and debt), making use of EU budgetary reserves as a backstop to enable investment flows. It can be best compared to a public insurer that pools risk and charges a premium in return for financial protection against defaults, with the difference that it not only seeks to reduce the exposure of investors to potential losses but also incentivise investors to invest. Consisting of the InvestEU Fund, Advisory Hub, and Portal, InvestEU seeks to catalyse public and private investments into “activities of strategic importance to the Union” across four policy windows: sustainable infrastructure; research, innovation, and digitisation; small and medium-sized businesses; and social investment and skills, while 30 percent of the guaranteed investments must comply with the EU’s green taxonomy (European Commission, 2024b, p. 14).

Initially, InvestEU relied on an EU budget reservation set at €26.2 billion in the hope of mobilising at least €372 billion, which translates into a multiplier effect of 1:14.2, whereby every public euro guaranteed should trigger €14,20 of additional public and private investment. In 2025 InvestEU was reformed and the EU budget guarantee was increased by an additional €2.5 billion with the aim of unlocking at least another €50 billion. To back up investor liabilities, the Common Provisioning Fund (CPF) was established outside the regular EU budget as a contingency buffer covering 40 percent of the InvestEU-guaranteed amount. The CPF is mobilised when loan defaults occur, or when equity or various forms of quasi-equity investments fail to realise projected profits.

InvestEU operates through a layered governance structure whereby the allocation of EU budget guarantees is administered by implementing partners. The European Investment Bank (EIB) Group allocates 75 percent of the EU budget guarantees to accredited financial intermediaries, and the Commission retains the discretionary authority to contract other implementing partners for the remaining 25 percent, which can be national or regional development banks, promotional institutions, sovereign wealth funds, private equity and venture capital, as well as angel investors, or commercial banks, provided they have passed a pillar assessment, a sort compliance test (European Commission, 2024a). Implementing partners issue competitive calls for expression of interest to which financial intermediaries can respond. Financial intermediaries then provide credit, equity, or quasi-equity to eligible final recipients at more favourable terms than prevailing market conditions, such as lower interest rates, reduced collateral requirements, or similar concessions. Final recipients can be special-purpose vehicles, project companies, large, mid-cap, or small companies, public sector entities, PPPs, or private companies with a public purpose, as well as non-profit organisations (European Commission, 2018a, pp. 4–5; European Commission, 2020). In return for a fee, financial intermediaries negotiate the public risk coverage and the conditions for reimbursement in the case of bankruptcy or unrealized profits with the implementing partners, which—after final recipients have undergone eligibility checks at various DGs—submit the guarantee schemes to the InvestEU Investment Committee for approval. The Committee assesses the proposed projects based on their additionality and the likelihood of crowding-in private investments, and takes the decision of whether projects will be guaranteed (European Commission, 2024a, p. 38).

In 2025, InvestEU was opened for national compartments by member states, and members of the European Economic Area and European Free Trade Association. In these compartments, governments can allocate their own resources, or in the case of EU member states, use allocated funds from one or several of the 43 spending programmes of the longstanding EU structural funds, or hitherto unspent funds of the temporary Recovery

and Resilience Facility (RRF) or other schemes, including the European Defence Fund (European Commission, 2024b, pp. 13, 37). Member states can either directly issue guarantees, make use of their own implementing partners such as national promotional banks, or enhance the guarantees provisioned through EUInvest.

InvestEU appears to signal a departure from neoliberal orthodoxy through its deployment of public guarantees to catalyse strategic industrial investments and its incorporation of market-directing components such as the four targeted policy windows and the green taxonomy requirement. However, as the following sections show, this reading obscures crucial continuities in a long history of EU-level experimentation with derisking instruments dating back to the 1970s crisis. The use of such instruments subsequently intensified after each wave of neoliberal restructuring—from the competitiveness crisis that prompted the Lisbon Agenda, through the eurozone crisis, to the Covid-19 pandemic—which subsequently left their imprints upon InvestEU's institutional architecture.

#### 4. InvestEU's Lineage

EU-level risk-absorbing mechanisms that anticipate the InvestEU framework emerged from the crisis of the 1970s, when simultaneous stagnation and inflation destabilized the postwar Keynesian growth model based on demand management. As declining profitability and saturated markets triggered an investment contraction, the EIB began offering loan guarantees for private investment, marking a shift from public investment toward publicly derisked private investment (Griffith-Jones & Naqvi, 2021). The financial instruments deployed by the EIB were primarily intended as market-correcting, targeting specific sectors, and were fully-funded mechanisms, using paid-in and callable capital, as well as guarantees from member states to back up borrowing on capital markets; however, without using the EU budget as collateral (European Commission [DG Grow] official, personal communication, 3 November 2025). Public risk-absorbing increased with the establishment of the European Investment Fund in 1994, which focussed on private equity and venture capital investments and on providing counter-guarantees for SME loans, making use of a layered risk-sharing structure through financial intermediaries rather than engaging directly with end borrowers (Cooiman, 2021, p. 8; Mertens & Thiemann, 2019).

When the Lisbon Agenda in 2000 and the Europe 2020 growth strategy framed European economic weakness as a competitiveness crisis, demanding increased investments in innovation while maintaining fiscal constraint, PPPs and other hybrid financing arrangements proliferated as the institutional answer to this contradiction. However, as the EU budget always must be in balance, deficit spending and debt financing were ruled out by the Treaties (Consolidated Version of the Treaty on the Functioning of the European Union, 2012, Art. 310), while the EU lacked meaningful fiscal powers to increase revenue or offer tax concessions to targeted industries. Responding to these constraints and to minimize budgetary outlays, the Commission resorted to financial engineering to mobilize private capital for strategic priorities without expanding public budgets (Endrejat, 2026). To target the Lisbon Agenda's 3 percent R&D expenditure goal for 2010, various DGs started experimenting with financial instruments to leverage investments in ICT, high-tech manufacturing, infrastructure, and technical education. These included the Project Bond Initiative, InnovFin, the Connecting Europe Facility (CEF), and the Risk-Sharing Finance Facility (Felisini & Paesani, 2025; European Commission [DG Grow] official, personal communication, 29 October 2025; European Commission [DG RTD] official, personal communication, 13 November 2025). Simultaneously, EU structural funds were also gradually opened for risk-absorbing financial instruments, alongside public co-financing in

the form of grants, subsidies, equity investments, loans, and other repayable financial support (European Court of Auditors, 2023, p. 6).

With the 2008 financial and economic crisis, EU guarantee instruments gained further prominence as the eurozone entered a prolonged period of secular stagnation characterized by sluggish growth, declining manufacturing shares of GDP, and investments in the formation of fixed capital reaching their lowest level in most EU economies, hitting Europe's South particularly hard (Regan, 2017). Simultaneously, competitive pressures from emerging economies increased, notably from Chinese manufacturers advancing in high-tech industries like solar panels, telecommunication equipment, machine building, electric vehicles, and batteries (Ergen, in press). This intensified competition translated into a widening EU trade deficit with China, which doubled its share of global GDP between 1990 and 2010 (Lavery, 2024).

With an annual budget of €160 to €180 billion (approximately 1 percent of the EU GDP), the EU lacked the fiscal capacity of its major trading partners to offer major stimulus packages and subsidize industries directly. As banks had to deleverage and were unwilling to extend long-term lending, the Commission announced that the EU would step in whenever risks for private financial investors were too high, or the return on investments would take too long to materialize (European Commission, 2014b; Wigger, 2024). Building on previous small-scale programmes where the EU budget was used as an investment guarantee to leverage public resources far beyond their initial allocation, such as in the case of the Guarantee Fund for External Actions, the Commission sought to scale up the role of the EU budget as collateral for derisking programmes that could serve as indirect stimulus packages to incentivise investments and reinvigorate economic growth (European Commission [DG Grow] official, personal communication, 29 October 2025). To level the road, a range of deregulatory measures were adopted. A 2012 reform of the Financial Regulation, which governs the EU budget, expanded the range of instruments that could be backed by the EU budget from loans and equity to quasi-equity and “other risk-sharing instruments” and also authorised the blending of public-private risk-sharing modalities with other forms of financial support (European Commission, 2014a; Regulation of 25 October 2012, 2012, Arts. 2(29) and 140(8)). Additionally, the CPF was set up to serve as a safety buffer to avoid potentially induced budgetary losses in case contingent liabilities had to be paid out (Regulation of 18 July 2018, 2018, Art. 211). At the same time, the Risk Finance Guidelines expanded the variety of public and private financial intermediaries and eligible final recipients. Crucially, financial instruments departed from traditional grant financing: Financial intermediaries had to operate according to “commercial” principles, with managers making investment decisions “in a profit-oriented manner” (European Commission, 2014a, 2017, p. 26). Indeed, financial intermediaries generate income through guaranteed interest streams from debt provision, or access to capital gains or dividends from equity investments. However, risk-absorbing instruments were not seen as state aid, and financial institutions not as beneficiaries but merely as “intermediaries” or conduits that would provide easy access to funding for recipient corporations under business-friendly conditions (European Commission, 2014a). While state aid rules do not apply at EU level, the General Block Exemption Regulation 651/2014 categorically exempted risk finance instruments at member state level from the state aid notification requirement and expanded the categories of eligible undertakings (Commission Regulation of 17 June 2014, 2014, Art. 21(13)).

These deregulatory measures reconfigured the EU budget as a market-enabling derisking facility, levelling the road for the adoption of three new EU risk-bearing capacity schemes during the 2014–2020 budgetary cycle: the European Fund for Strategic Investments (EFSI), also called the “Juncker Fund,” aimed at mobilising

funding for risky infrastructure and innovation projects that would not otherwise receive support; the CEF, focusing on derisking transport, energy, digital, and telecommunication infrastructure investments; and the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) backing up more than 1,000 registered financial institutions in the provision of SME loans (European Commission, 2018a). All three risk capacity mechanisms were administered through the EIB Group and relied on partial provisioning rates: Only about 35 to 40 percent of the guaranteed amounts of the EU budget were set aside as loss reserves, depending on the risk profile of the respective instruments. Moreover, all three moved beyond sectoral allocation logics toward broad investment mandates that transcended traditional industrial boundaries.

When EFSI and COSME expired in 2020 (with CEF continuing in a 2.0 version), InvestEU was established to offer a one-stop shop with a streamlined set of rules. InvestEU consolidated the instruments of its predecessors under a single umbrella with four policy windows, while expanding the budgetary guarantee approach further. Reducing regulatory complexity for financial institutions became a priority as risk-bearing instruments increased to 36 in 2020, with 23 deployed within the EU and 13 outside the EU (European Commission, 2020).

The Commission initially proposed InvestEU to be much larger, with budgetary guarantees covering €38 billion and an envisioned multiplier effect of 1:17 that would unlock over €650 billion (European Commission, 2018b). The Council scaled this back to €26.2 billion during negotiations for the post-pandemic relief program NextGenerationEU (NGEU) and its financing mechanism, the RRF. Adopted in 2021, NGEU offered grants and loans aimed at preparing economies for the digital and green transition, financed through RRF borrowing on capital markets. While the EU cannot finance its own budgetary actions through debt, the Treaties do permit EU-backed securities or bonds for off-budget operations approved by the Council (European Parliament, 2022, pp. 26, 44). Leveraging the collective triple-A creditworthiness of the EU-27, the Commission borrowed €807 billion through “green bond” issuance.

When InvestEU was reformed in 2025, the fiscal capacity unleashed with NGEU during the Covid-19 crisis was integrated into InvestEU, augmenting its guarantee pool. Alongside an additional €2.5 billion budget reservation, member states could set up national InvestEU compartments where they could transfer unspent RRF funds, as well as portions of other EU funds like the cohesion or defence funds for derisking financial intermediaries of their own choice. As a result, InvestEU guarantees are 60 percent under-written by the 2021–2027 EU budget, while the remaining 40 percent are provisioned by national compartments.

To recapitulate, although InvestEU formally emerged as part of the EU’s “new” industrial policy for 2021–2027, the programme consolidates decades of risk-sharing experimentation originating in the late 1970s. Each developmental moment—PPPs in the 1990s–2000s, the post 2008 crisis-era expansion with EFSI, COSME, and CEF, and the post-Covid fiscal entanglement—left institutional imprints on InvestEU. As the next section demonstrates, InvestEU’s historical lineage replicates neoliberal logics in its institutional architecture and pulls the wider industrial policy assemblage in contradictory directions.

## 5. InvestEU’s Neoliberal Institutional Imprints

How have the lineages of InvestEU within earlier phases of neoliberal restructuring left an imprint upon its contemporary institutional architecture? In the following subsections, we outline key dimensions of

InvestEU’s institutional architecture—its “transitional” character, its “open and flexible” regulatory framework, the leading role it grants to financial intermediaries, and its insulated bureaucratic structure—and we argue that in each case the institutional form of InvestEU privileges “market-making” over “market-directing” forms of economic governance. As such, the implementation of InvestEU tends to replicate a neoliberal as opposed to a post-neoliberal logic. Crucially, as we will argue below, this generates a series of contradictions when we consider the InvestEU programme *in particular* with respect to the new EU industrial strategy *in general*.

### 5.1. InvestEU’s Transitional Logic and the Primacy of Capital Markets

Despite the prominence that EU policymakers attach to InvestEU as a key tool of the new EU industrial policy, one of its striking features is that the programme is in fact intended as a *temporary and transitional* form of public intervention. As was the case with prior derisking instruments such as the “Juncker Fund,” the aim of InvestEU is to stimulate a greater risk appetite amongst investors in a financial market context that is constrained by various non-market barriers, including regulatory divergence and deep uncertainty about investment prospects. Under these “abnormal” conditions, InvestEU aims to “crowd-in” and stimulate private financial flows until barriers to deeper capital markets in Europe are dismantled. In this way, InvestEU forms a complementary but subordinate element in terms of the wider EU agenda of completing the Capital Markets Union, recently rebranded as the Savings and Investments Union. Crucially, InvestEU would eventually be phased out and thus become obsolete with the deepening of capital markets and the mobilisation of savings by EU households, corporations, pension funds, and insurers towards industrial investment (European Commission, 2025a).

The intended transitory nature of InvestEU therefore reflects a classic market-correcting rationale: The EU intervenes not to replace or permanently supplement private capital allocation but only to temporarily correct perceived market failures—in this case, insufficient risk appetite—after which public instruments must withdraw to restore the primacy of the market. This framing recasts public intervention as inherently temporary and positions market allocation as the natural and superior default. Thus, the ultimate objective is not public provisioning but the construction of self-sustaining private financial circuits.

### 5.2. InvestEU’s “Open and Flexible” Architecture and the Limits to Market-Directing Industrial Policy

InvestEU’s precursors—most notably EFSI, COSME, and CEF—were fragmented across different policy areas. The goal of InvestEU was to consolidate these into one uniform framework. Resultingly, the InvestEU programme replicates the disparate focus of these earlier programmes—with their focus on infrastructure, SMEs, and digital connectivity—but at a higher, centralised level. This has implications for the governance architecture of InvestEU. As one Commission official noted, the creation of InvestEU’s four disparate policy “windows” was partly designed to secure buy-in from officials who were losing control of policy programmes that were previously held under the control of their own DGs (European Commission [DG Grow] official, personal communication, 3 November 2025). In this way, what may look like an attempt to “steer” public and private capital in line with a “market-directing” strategic vision in fact reflects internal competing institutional and policy priorities of divergent DGs. Indeed, this internal fragmentation is mirrored by a marked lack of coherence *between* InvestEU and the wider new industrial strategy agenda. Constituted as a standalone pillar, InvestEU has no explicit links to other EU industrial policy initiatives, and similar to its

predecessors, it is not bound to particular industrial sectors. The path-dependent, *sui generis* character of InvestEU, imprinted as it is with the logics of prior “derisking” programmes, means that it remains institutionally separate from the wider framework of EU industrial strategy.

The absence of institutional coherence is compounded by its “open and flexible architecture,” which the Commission presents as indispensable for “react[ing] to market changes and policy priorities that change over time” (European Commission, 2025b). The “open and flexible architecture” aims to ensure that financial intermediaries that participate in InvestEU enjoy maximum flexibility in their investment decisions, in order to encourage their participation. However, the result is that the Commission’s “market-directing” capacity is significantly weakened and that correspondingly InvestEU support prioritises crowding-in capital across a wide range of sectors over targeted strategic direction and coordination. The limits on InvestEU’s “market-directing” capacity can be seen in relation to the question of green investment. There are minimal substantive constraints on the type of investments that can be sponsored by EU budgetary guarantees: While InvestEU is often portrayed in different shades of green, mobilising the rhetoric of tackling the climate urgency, compliance with the green taxonomy is limited to 30 percent of the investments only—a taxonomy that was already compromised through the contested inclusion of natural gas and nuclear energy as transitional activities (Arroyo, *in press*; Elsner, 2024). The remaining 70 percent can thus flow towards any investment, from bolstering the resilience of strategic value chains to facilitating access to critical raw materials or the development of “innovative” defence technologies with a “dual-use” potential (European Investment Fund, 2025). These lax requirements exemplify how neoliberal market-making removes constraints on capital accumulation, while maintaining an illusion of climate performativity: InvestEU not only delegates the pace and direction of the green transition to the willingness of private investors to invest, but it leaves the continuation of substantial public and private capital flows to energy-intensive and ecologically destructive fossil-fuel sectors untouched.

### ***5.3. InvestEU’s Supply-Side Orientation: Institutionalising Financial Intermediary Gatekeeping***

InvestEU has an in-built supply-side orientation that delegates the control of the initial project selection to financial intermediaries, which institutionalises financial capital as primary gatekeepers and positions “the market” as the primary resource allocator. This is revealed in InvestEU’s operational design, whereby calls by implementing partners target financial intermediaries rather than end beneficiaries. Financial intermediaries subsequently screen and select projects, thereby retaining control over their investment decisions. They then negotiate the EU risk coverage with implementing partners, which tends to be to the advantage of financial capital: Although nominally set at 40 percent, downward or upward adjustments are possible, occasionally reaching 80 percent or more, depending on the concrete financial products and associated risks (European Commission, 2024b, p. 59; Regulation of 24 March 2021, 2021, Art. 10(2)). This asymmetric risk configuration mirrors the logic of PPPs—one of neoliberalism’s hallmarks. Alongside providing a safe harbour for financial intermediaries bearing minimal investment risk, InvestEU also delegates allocative authority to them, allowing private portfolio logics and risk calculations at the screening stage to determine which end beneficiaries are selected for publicly guaranteed financing. This exemplifies another neoliberal core feature: It empowers financial market players as privileged interlocutors in economic policymaking. It should hence not surprise that financial players endorse InvestEU’s open and flexible architecture: As a representative of a financial sector interest organisation bluntly put it, “We are not intermediaries...we are the end recipients” (Invest Europe representative, personal communication, 18 September 2025). In contrast

to market-directing industrial policies where public authorities direct investment toward strategic priorities, InvestEU reflects a deliberate policy design catering towards the interests of financial capital. Indeed, the Commission has maintained a structured dialogue with the financial industry from 2013 onwards to make private investments more attractive (European Commission, 2022; Wigger, 2024).

The permeability of private financial capital extends to another institutional nexus: The European Investment Fund, a core InvestEU implementing partner and itself a for-profit PPP construction (Cooiman, 2021), is a paying member of Invest Europe, which represents the interests of “Europe’s private equity, venture capital and infrastructure investment firms, as well as their investors, including some of Europe’s largest pension funds and insurers” (Invest Europe, 2025). This institutional revolving door produces a self-reinforcing circuit, creating feedback loops where the European Investment Fund as a seeming public institution is lobbying for the very risk-bearing guarantees it administers.

The Omnibus II package adopted in September 2025 to reform InvestEU only four years after its enactment further demonstrates financial sector influence. Under the banner of a simplification revolution, Omnibus II deregulates InvestEU’s institutional architecture, reducing administrative burdens for implementing partners, financial intermediaries, and final recipients, including measures like reduced reporting frequency from semi-annual to annual reports; exemption of transactions under €100,000 from most key performance indicator requirements; and elimination of mandatory annual reports on investment barriers (European Commission, 2025b).

#### **5.4. InvestEU’s Insulated Technocratic Structure**

Similar to its predecessors, InvestEU’s institutional architecture concentrates decision-making power in non-elected, non-accountable bodies—a key feature of neoliberalism that seeks to depoliticise policymaking with redistributive consequences through shielding it from democratic intervention, accountability, and oversight. After financial intermediaries screen and select projects and end recipients, the InvestEU Investment Committee, comprising 12 “independent experts” overwhelmingly drawn from financial sector backgrounds, holds the final approval authority. Their independence consists not in their sectorial impartiality but in their insulation from democratic accountability. Especially as coverage percentages for credit risks and compensation mechanisms for below-par equity returns are determined through closed negotiations between implementing partners rather than standardized rules, the Investment Committee exercises substantial discretionary power.

The European Parliament faces severe constraints in overseeing InvestEU. While it approves the annual EU budget with the Council, it lacks authority to modify concrete program expenditures. The Commission holds discretionary control over EU budget guarantees, including setting priorities and strategic orientation and contracting new implementing partners at will, all without formal input from the European Parliament. Moreover, while individual MEPs can access guaranteed contracts, they have to proactively request them, and due to confidentiality rules, they can only access censored versions. Thus, risk-sharing arrangements between implementing partners and financial intermediaries remain undisclosed (European Parliament, 2025, pp. 16–17). Importantly, the European Parliament’s budgetary powers remain limited to the regular EU budget, meaning that all off-budget operations like the CPF fall outside its remit. With less than half of the guaranteed amount held in reserve to cover losses, it remains unclear whether and how the European

Parliament would be consulted should losses ultimately affect the EU budget (European Court of Auditors, 2023, p. 4; European Parliament, 2022, pp. 10, 11). The European Court of Auditors is similarly constrained, lacking authorization to audit off-budget instruments or EIB Group-managed funds (European Court of Auditors, 2023, pp. 4, 33; European Parliament, 2022, p. 12).

Thus, the guarantees offered to financial intermediaries operate largely outside the oversight of EU institutions with democratic control functions. This democratic deficit is not new. Already in 2017, a report commissioned by the European Parliament concluded that the complex and opaque “galaxy of funds and instruments” revolving around the EU budget constitutes a structural obstacle to democratic oversight of the Commission (European Parliament, 2017). The proliferation of risk-mitigating instruments has intensified this opacity: Such instruments using the EU budget as a backstop were adopted through Council regulations without Parliamentary involvement or even consultation (European Court of Auditors, 2023, p. 32). Rumour has it that even the Commission lost oversight, requiring external experts to regain control (European Court of Auditors, 2023, p. 4).

The democratic deficit also surfaces in the recycling of a share of EU funds and the unspent RRF funds in the national InvestEU compartments. Funds previously approved by the European Parliament for specific policy purposes can thus be repurposed as guarantees for financial intermediaries without renewed democratic authorization, effectively liberating these resources from their original regulatory constraints and subjecting them to InvestEU’s open and flexible market-making framework (European Parliament, 2025, p. 5). This is particularly pertinent with the repurposing of the collective debt retrieved for the emergency NGEU programme: Presented as a green industrial investment program for the benefit of future generations, NGEU operates as an intergenerational debt transfer—with repayment running from 2028 to 2058 at €30 billion annually in debt servicing costs (Draghi, 2024, p. 289), future generations now not only inherit the debt burden but also the risk exposure resulting from the guarantees offered to financial intermediaries.

## 6. InvestEU and the Contradictions of the EU’s New Industrial Strategy

The debate on whether the new EU industrial policy constitutes a moment of rupture or continuity with prior neoliberal frameworks has been conducted on a macro-structural plane of analysis, tending to focus on EU industrial policy *in general*. In this article, we have argued that disaggregating the new EU industrial policy into its *particular* elements is a productive analytical and empirical move that illuminates the fragmented and tension-ridden character of this emerging policy assemblage. Focusing on InvestEU reveals how path-dependent neoliberal legacies undermine market-directing rationales, creating fundamental contradictions between grand ambitions and available policy pathways. In one sense, given InvestEU’s origins in prior waves of neoliberal restructuring, it should perhaps not be surprising that the programme bears the imprint of its earlier genesis. However, as we argue below, the continuity of neoliberal logics within *particular* elements of the “new” EU industrial policy has wider implications in terms of how we conceptualise this new policy regime “in general.”

The first insight from our analyses of InvestEU relates to the importance of periodisation. InvestEU bears the “imprint” of previous rounds of neoliberal restructuring, which means that “market-making” rather than “market-directing” animates its central logic. This periodisation reveals a fundamental contradiction between the stated objectives of the new EU industrial policy and InvestEU’s institutional architecture. While the EU

seeks to reassert the global position of EU manufacturers and simultaneously catalyse a transition toward 2050 net-zero targets, InvestEU relies on path-dependent instruments that structurally constrain these ambitions. At root, InvestEU's derisking logic reflects the EU's constrained fiscal capacity, reflected in the limited size of the EU budget, the treaty-mandated balanced budget rules, tight fiscal constraints on member states, and the absence of significant supranational fiscal power. This stands in contrast to the EU's major economic rivals, like the US and China, whose state capacity enables large-scale, budget-backed industrial policy interventions in strategic sectors and making tax concessions (Gabor, 2023; Wigger, 2024). The constrained instruments available pose a structural limit to the grand ambition of EU industrial policy.

Another contradiction concerns how InvestEU's architecture actively undermines the very policy objectives it is meant to advance. At the core of the Commission's argument for a new EU industrial policy is the claim that the world has fundamentally changed in ways that require new forms of public activism and state interventionism (Lavery, 2024). In her keynote address at the 2025 World Economic Forum in Davos, Switzerland, Commission President von der Leyen stated that a "sea change in global affairs" had taken place, noting that the "cooperative world order we imagined 25 years ago has not turned into reality. Instead, we have entered a new era of harsh geostrategic competition" (von der Leyen, 2025). For EU officials, a new EU industrial strategy is required in this fractious context to shore-up the "open strategic autonomy" of Europe vis-a-vis other power blocs, to underpin the resilience of European firms, and to minimise dependencies on potentially hostile third countries, as well as to support efforts at decarbonisation and to secure the position of EU firms at the leading edge of the "clean tech" race (Kleimann et al., 2023).

Our analysis suggests that rather than supporting these policy objectives, InvestEU's institutional architecture has the potential to undermine them. In terms of the EU's open strategic autonomy, the promise was that InvestEU would galvanize private investments supporting EU firms' competitiveness in high-tech sectors. However, the financialised character of derisking introduces new forms of dependency into the relationship between private capital and EU institutions. InvestEU's open and flexible architecture empowers financial intermediaries as primary gatekeepers of publicly guaranteed capital, thereby creating a structural dependency on private capital's investment logics, whereas strategic autonomy would require enhanced public capacity for market-direction.

New dependencies also emerge from the envisioned catalyst role of InvestEU in preparing the ground for the Capital Markets Union and the Savings and Investments Union as pathways to economic "resilience." Rather than building state capacity to direct investment toward strategic objectives, this initiative—if completed—deepens finance-led accumulation patterns and erodes future public steering capacity. Moreover, channelling household, corporate, pension, and insurance savings through asset managers into investment products, while lacking any public safety net or derisking guarantees, creates double risk exposure for citizens: first through direct savings in asset-managed funds, and second, indirectly through pension funds following the same logic.

Contradictions also revolve around InvestEU's underlying risk assumption: It is assumed that guaranteed investments carry minimal risks, that they will not fail, and thus not activate guarantee obligations, so that the EU budget can be repeatedly leveraged as a revolving guarantee fund. Yet at the same time, publicly subsidized derisking is legitimized based on additionality claims, suggesting InvestEU would mainly leverage high-risk projects that otherwise would not be funded. An in-depth analysis by the Economic Governance and EMU Scrutiny Unit of the European Parliament calls into question whether the EU budget indeed can be

used as a revolving guarantee fund, as expected reflows may not materialise due to defaults and thereby undermine the proclaimed long-term financial viability (European Parliament, 2025, pp. 15–16). InvestEU thus introduces new vulnerabilities into the EU’s fiscal architecture. This is reinforced with the repurposing of EU funds through national InvestEU compartments, including RRF funds under NGEU which rely on collective debt. The entanglement of such funds with InvestEU therefore leads to an accumulation of liabilities transferred to “next generations.”

## 7. Conclusion

Over the past decade, scholars have interpreted the emergence of the “new” EU industrial strategy as a “post-neoliberal” shift that breaks the neoliberal *status quo ante*. In this article, we have argued that the analysis of such a shift requires a concrete analysis of institutional design and policy implementation of its component parts. Focussing on InvestEU, we found a *deepening* of neoliberal practices: InvestEU displays a depoliticised form of market-making and temporary market-correcting that accompanies a wider process of deregulation. It delegates strategic allocation decisions to financial intermediaries as primary gatekeepers and final decision-making authority to a non-elected and non-accountable committee composed largely of financial sector representatives, thereby systematically excluding democratic oversight whilst privileging financialisation processes, socialising risks, backstopping profits for financial intermediaries, and remaining highly permeable to financial capital’s preferences. The various Omnibus packages, and in particular Omnibus II, reducing the frequency and the content of the reporting of InvestEU implementing partners and financial intermediaries, further erode the already limited possibilities for democratic oversight and parliamentary scrutiny. Rather than a novel development that signals a paradigm shift, InvestEU re-animates prior crisis management techniques pioneered under secular stagnation, working to intensify rather than minimise neoliberal pressures within EU economic governance. The contradictions we have identified reveal how path-dependent neoliberal legacies actively subvert stated industrial policy objectives, giving rise to fundamental tensions between grand ambitions of strategic autonomy, resilience, and green transition and the constrained, market-making instruments available to pursue these ambitions.

## Acknowledgments

We are grateful to the anonymous reviewers for their constructive feedback, and to Mark Schwartz, Laura Porak, Julia Rone, and Ivo Iliev, as well as the thematic issue editors, for their valuable comments and insights on previous versions. We would also like to thank the Centre of Advanced Internet Studies (CAIS) for funding the workshop “Doing Industrial Policy in a Geo-Tech World” at Bochum in the Ruhr Valley, which laid the basis for this contribution.

## Funding

This research has been funded by the Radboud-Glasgow Collaboration Fund “Greening the New EU Industrial Policy: Uneven Development and Asymmetries in Crowding in Investors.” Publication of this article in open access was made possible through the institutional membership agreement between Radboud University and Cogitatio Press.

## Conflict of Interests

The authors declare no conflict of interests.

## References

- Arroyo, J. (in press). What's net-zero? Strategic green technology identification in the European Net-Zero Industry Act. *Politics and Governance*.
- Bora, S. I. (2024). Neoliberal means to dirigiste ends: Explaining the French government's use of heroic industrial policy discourse (HIPD) in EU politics. *French Politics*, 22(4), 349–371.
- Bora, S. I., & Schramm, L. (2024). Intergovernmentalism in a supranational field: France, Germany, and EU competition policy reform. *West European Politics*, 48(6), 1270–1298.
- Brockenhuus-Schack, H., & Nedergaard, P. (2025). For the times they are a-changin': Towards a 'homeland economics' paradigm of the European Union? *Journal of Common Market Studies*. Advance online publication. <https://doi.org/10.1111/jcms.13765>
- Bruff, I. (2014). The rise of authoritarian neoliberalism. *Rethinking Marxism*, 26(1), 113–129.
- Bulfone, F. (2023). Industrial policy and comparative political economy: A literature review and research agenda. *Competition & Change*, 27(1), 22–43.
- Bulfone, F., Ergen, T., & Maggor, E. (2025). Regulating via conditionality: The instruments of the new industrial policy. *Regulation & Governance*. Advance online publication. <https://doi.org/10.1111/rego.70050>
- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance. (2014). *Official Journal of the European Union*, L 187.
- Consolidated Version of the Treaty on the Functioning of the European Union, 2012, O.J. (C 326)47.
- Cooman, F. (2021). Veni vidi VC—The backend of the digital economy and its political making. *Review of International Political Economy*, 30(1), 229–251.
- Crouch, C. (2011). *The strange non-death of neo-liberalism*. Polity.
- DiCarlo, D., & Schmitz, L. (2023). Europe first? The rise of EU industrial policy promoting and protecting the single market. *Journal of European Public Policy*, 30(10), 2063–2096.
- Draghi, M. (2024). *The future of European competitiveness. Part B: In-depth analysis and recommendations*. [https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92\\_en?filename=The%20future%20of%20European%20competitiveness\\_%20In-depth%20analysis%20and%20recommendations\\_0.pdf](https://commission.europa.eu/document/download/ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en?filename=The%20future%20of%20European%20competitiveness_%20In-depth%20analysis%20and%20recommendations_0.pdf)
- Endrejat, V. (2026). Fiscal capacity revisited: Technopolitical coalitions and off-balance-sheet instruments in Europe's green industrial policy. *Politics and Governance*, 14, Article 11419. <https://doi.org/10.17645/pag.11419>
- Elsner, C. (2024). Shifting discussions to the supranational level: A narrative discourse analysis on nuclear energy sustainability and the EU taxonomy. *Energy, Sustainability and Society*, 14, Article 69.
- Ergen, T. (in press). Industrial policy and sectoral coordination: The collapse of Germany's solar industry. *Politics and Governance*.
- European Commission. (2014a). Guidelines on State aid to promote risk finance investments. *Official Journal of the European Union*, 2014(C 19/04). [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014XC0122\(04\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52014XC0122(04))
- European Commission. (2014b). *Summary. Responses to the Commission green paper on long-term financing of the European economy*. [https://ec.europa.eu/finance/consultations/2013/long-term-financing/docs/summary-of-responses\\_en.pdf](https://ec.europa.eu/finance/consultations/2013/long-term-financing/docs/summary-of-responses_en.pdf)
- European Commission. (2017). *Reflection paper on the future of EU finances*. <https://data.europa.eu/doi/10.2775/94244>
- European Commission. (2018a). *Financial instruments in support of resilient and autonomous European defence sector*. <https://ec.europa.eu/docsroom/documents/32386>

- European Commission. (2018b, June 6). *EU budget: InvestEU programme to support jobs, growth and innovation in Europe* [Press release]. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_18\\_4008](https://ec.europa.eu/commission/presscorner/detail/en/ip_18_4008)
- European Commission. (2020). *Draft general budget of the European Union for the financial year 2021: Working document part X—Financial instruments*. [https://commission.europa.eu/publications/working-documents-2021\\_en](https://commission.europa.eu/publications/working-documents-2021_en)
- European Commission. (2022). *Report on the evolution of financing practices for energy efficiency in buildings, SME's and in industry*. <https://data.europa.eu/doi/10.2833/509481>
- European Commission. (2024a). *InvestEU implementing partners*. [https://investeu.europa.eu/investeu-programme/investeu-fund/investeu-implementing-partners\\_en](https://investeu.europa.eu/investeu-programme/investeu-fund/investeu-implementing-partners_en)
- European Commission. (2024b). *InvestEU interim evaluation* (Commission Staff Working Document SWD(2024)229 final).
- European Commission. (2025a). *A competitiveness compass for the EU* (Communication COM(2025)30 final).
- European Commission. (2025b). *Regulation of the European Parliament and of the Council, amending Regulations (EU) 2015/1017, (EU) 2021/523, (EU) 2021/695 and (EU) 2021/1153 as regards increasing the efficiency of the EU guarantee under Regulation (EU) 2021/523 and simplifying reporting requirements* (COM(2025)84 final).
- European Court of Auditors. (2023). *The EU's financial landscape. A patchwork construction requiring further simplification and accountability*. [https://www.eca.europa.eu/Lists/ECADocuments/SR23\\_05/SR\\_EU-financial-landscape\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR23_05/SR_EU-financial-landscape_EN.pdf)
- European Investment Fund. (2025). *Defence Equity Facility*. <https://www.eif.org/InvestEU/defence-equity-facility/index.htm>
- European Parliament. (2017). *Financial instruments: Defining the rationale for triggering their use*. [https://cdn.ceps.eu/wp-content/uploads/2018/02/IPOL\\_STU\(2017\)603787\\_EN.pdf](https://cdn.ceps.eu/wp-content/uploads/2018/02/IPOL_STU(2017)603787_EN.pdf)
- European Parliament. (2022). *The next revision of the financial regulation and the EU budget galaxy. How to safeguard and strengthen budgetary principles and parliamentary oversight*. [https://www.ceps.eu/wp-content/uploads/2022/04/IPOL\\_STU2022721500\\_EN.pdf](https://www.ceps.eu/wp-content/uploads/2022/04/IPOL_STU2022721500_EN.pdf)
- European Parliament. (2025). *InvestEU programme: Functioning, performance and future challenges*. [https://www.europarl.europa.eu/RegData/etudes/IDAN/2025/764377/ECTI\\_IDA\(2025\)764377\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2025/764377/ECTI_IDA(2025)764377_EN.pdf)
- Felisini, D., & Paesani, P. (2025). Industrial policy and its funding at the frontier of European integration: Lessons from the past and present challenges. *Enterprise & Society*, 26(2), 709–734. <https://doi.org/10.1017/eso.2024.20>
- Feygin, Y., Gabor, D., Hung, H., Riofrancos, T., & Slobodian, Q. (2023). The geopolitics of industrial policy. *Dissent*, 70(3), 77–87.
- Gabor, D. (2023). The (European) derisking state. *Stato e mercato*, 2023(1), 53–84.
- Griffith-Jones, S., & Naqvi, N. (2021). Leveraging policy steer? Industrial policy, risk-sharing, and the European Investment Bank. In D. Mertens, M. Thiemann, & P. Volberding (Eds.), *The reinvention of development banking in the European Union: Industrial policy in the single market and the emergence of a field* (pp. 90–112). Oxford University Press.
- Hay, C. (2014). Depoliticisation as process, governance as practice: What did the 'first wave' get wrong and do we need a 'second wave' to put it right? *Policy & Politics*, 42(2), 293–311.
- Invest Europe. (2025). *About us: The voice of private capital*. <https://www.investeurope.eu/about-us>
- Kampourakis, I. (2025). A post-neoliberal European order? Public purpose and private accumulation in green industrial policy. *The Modern Law Review*, 88(4), 769–803.
- Kleimann, D., Poitiers, N., Sapir, A., Tagliapietra, S., Véron, N., Veugelers, R., & Zettelmeyer, J. (2023). Green

- tech race? The US Inflation Reduction Act and the EU Net Zero Industry Act. *The World Economy*, 46(12), 3420–3434.
- Krippner, G. (2011). *Capitalizing on crisis. The political origins of the rise of finance*. Harvard University Press.
- Lavery, S. (2024). Rebuilding the fortress: Europe in a changing world economy. *Review of International Political Economy*, 31(1), 330–353.
- Lavery, S., & Lopes-Valença, H. (2025). Reinforcing Europe's core: The EU's new industrial policy and the case of semiconductors. *Competition & Change*. Advance online publication. <https://doi.org/10.1177/10245294251328389>
- McNamara, K. R. (2024). Transforming Europe? The EU's industrial policy and geopolitical turn. *Journal of European Public Policy*, 31(9), 2371–2396.
- Mertens, D., & Thiemann, M. (2019). Building a hidden investment state? The European Investment Bank, national development banks and European economic governance. *Journal of European Public Policy*, 26(1), 23–43.
- Peck, J. (2013). Explaining (with) neoliberalism. *Territory, Politics, Governance*, 1(2), 132–157.
- Peck, J., & Theodore, N. (2019). Still neoliberalism? *South Atlantic Quarterly*, 118(2), 245–265.
- Porak, L. (2025). Displacing ordoliberalism in favour of EU sovereignty: An analysis of green EU industrial policy from a cultural political economy perspective. *DMS – Der Moderne Staat*, 18(1), 17–34.
- Regan, A. (2017). The imbalance of capitalisms in the eurozone: Can the north and south of Europe converge? *Comparative European Politics*, 15, 969–990.
- Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017. (2021). *Official Journal of the European Union*, L 107/30.
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012. (2018). *Official Journal of the European Union*, L 193.
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002. (2012). *Official Journal of the European Union*, L 298.
- Roberts, A. (2010). *The logic of discipline: Global capitalism and the architecture of government*. Oxford University Press.
- Schneider, E., Sablowski, T., & Syrovatka, F. (2023). Towards a post-neoliberal mode of European economic integration? A regulationist critique of the failing forward-approach. *Global Political Economy*, 2(2), 246–267.
- Seidl, T., & Lopes-Valença, H. (2025). Waking a dormant legal resource: Institutional activation and the origins of important projects of common European interest. *Journal of Common Market Studies*. Advance online publication. <https://doi.org/10.1111/jcms.70025>
- Seidl, T., & Schmitz, L. (2024). Moving on to not fall behind? Technological sovereignty and the 'geo-dirigiste' turn in EU industrial policy. *Journal of European Public Policy*, 31(8), 2147–2174.
- van Apeldoorn, B., & de Graaff, N. (2022). The state in global capitalism before and after the Covid-19 crisis. *Contemporary Politics*, 28(3), 306–327.
- von der Leyen, U. (2025). *Special Address by President von der Leyen at the World Economic Forum* [Speech transcript]. European Commission. [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_25\\_285](https://ec.europa.eu/commission/presscorner/detail/en/speech_25_285)

Wigger, A. (2023). The new EU industrial policy and deepening structural asymmetries: Smart specialisation not so smart. *Journal of Common Market Studies*, 61(1), 20–37.

Wigger, A. (2024). The new EU industrial policy: Opening up new frontiers for financial capital. *Politics and Governance*, 12, Article 8192.

### About the Authors



**Angela Wigger** specialises in global political economy and researches capitalist crises and responses from a historical materialist perspective. Focal points are the geopolitics of EU industrial and antitrust policy, its financing, industrial re-shoring attempts, the “competitiveness” fetish, internal devaluation, and debt-led accumulation in the age of rentier capitalism.



**Scott Lavery**'s research encompasses a wide range of political economy themes, including EU industrial strategy and trade policy, uneven development, state theory, European integration, welfare state restructuring, business power, and the changing character of globalisation.