

## Background note

### Session II: The European Commission and the European Parliament work programmes in the new institutional cycle. Strategic Agenda of the European Union

#### Introduction

The European Union's Strategic Agenda for 2024–2029, adopted by the European Council on 27 June 2024, sets out the priorities for the EU and outlines the work programmes for the EU institutions over the upcoming five years. These priorities focus on three areas, which require reinforcement of: 1) a free and democratic Europe, 2) a strong and secure Europe, and 3) a prosperous and competitive Europe.

In response to the EU Strategic Agenda, the European Commission, which started its new term of office on 1 December 2024, has drawn up seven priorities for the 2024–2029 period:

- 1) making Europe a continent of growth, entrepreneurship and innovation by ensuring the competitiveness of European industry and continuing to bring prosperity through the creation of quality jobs as well as accelerating the digital and environmental transformation;
- 2) addressing Europe's security and defence challenges by building a European Defence Union, including enhancing the capabilities of the European defence industry and the effective management of border protection and migration;
- 3) supporting people and strengthening a strong society and the European social model by promoting social justice, solidarity and equal opportunities for all citizens, with a particular focus on young people and vulnerable groups;
- 4) ensuring food security and access to clean water by strengthening a competitive and resilient agriculture and food system, protecting biodiversity, and preparing for a changing climate;
- 5) putting citizens at the heart of our democracy by strengthening active citizenship and the rule of law, and by increasing public resilience to disinformation and threats to democratic values;
- 6) strengthening the EU's position on the international stage by building international partnerships, making real progress in the area of the enlargement policy and focusing on the wider neighbourhood to address global challenges, including the promotion and preservation of peace and economic stability;
- 7) ensuring an efficient and reinforced EU budget to achieve these common objectives and to implement the necessary reforms to make the enlarged Union function more effectively.

In the Budapest Declaration of 8 November 2024, the leaders of the signatory states stressed the urgency of implementing a New Deal for European competitiveness, with a fully integrated single market as a strong foundation. Responding to leaders' calls, in January 2025,

the European Commission unveiled a Competitiveness Compass for the EU in an attempt to address an unstable global business environment characterised by unfair competition, unstable supply chains, rising energy costs, labour and skills shortages and limited access to capital. A key element of this strategy is the simplification package proposed by the EC, which aims to reduce red tape and make it easier for businesses to operate within the single market. The European Single Market, underpinned by the free movement of goods, services, capital and people, plays a key role in European economic integration. Combined with the initiatives aimed to simplify legislation and the cohesion policy that aims to reduce development disparities between EU regions, the single market stimulates economic growth and competitiveness.<sup>1</sup> The Commission also states that the Union will promote a competitive, sustainable and resilient agricultural sector that ensures food security for EU citizens and a fair standard of living for farmers, their position in supply chains and the development of rural areas.<sup>2</sup>

The European Union aims to build a European Defence Union. In order to achieve this goal, the Union will support states in rebuilding, replenishing and transforming their national armed forces through the use of existing defence industrial programmes, invest in high-end defence capabilities in critical areas such as naval, land, and air combat capabilities, satellite-based early warning and cyber warfare capabilities, and assist with joint defence projects carried out by member states. The Union also seeks to create a single market for defence-related products and services and is expected to support defence research and development, enhance production capabilities and promote joint purchases of armaments and military equipment. An important objective in this area is to further strengthen cooperation between the EU and NATO.

The High Representative, together with the European Commission, has drafted a Joint White Paper for European Defence – Readiness 2030, in which they set out a vision for rebuilding and modernising the European defence capabilities by increasing the production capacity of the European defence industry, improving the rapid movement of troops and military equipment across the EU, stockpiling, and promoting operational cooperation across the EU. The realisation and financing of European defence is to be ensured by the ReArm Europe/Readiness 2030 Plan, which will increase defence financing by providing EU Member States with greater financial flexibility through the activation of the national escape clause of the Stability and Growth Pact. An increase in defence budgets of 1.5% of GDP will help generate almost €650 billion over four years for these plans. The launch of the €150 billion Security Action for Europe (SAFE) loan facility will help states invest in key areas of defence, such as missile defence, drones, and cybersecurity. This includes the construction of new factories and

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<sup>1</sup>[https://commission.europa.eu/strategy-and-policy/strategy-documents/commission-work-programme/commission-work-programme-2025\\_en](https://commission.europa.eu/strategy-and-policy/strategy-documents/commission-work-programme/commission-work-programme-2025_en)

<sup>2</sup>[https://poland.representation.ec.europa.eu/strategie-i-priorytety/priorytety-komisji-europejskiej\\_en](https://poland.representation.ec.europa.eu/strategie-i-priorytety/priorytety-komisji-europejskiej_en)

production lines necessary to create high-quality jobs in Europe. On 12 March 2025, the European Parliament resolution on the White Paper on the Future of European Defence (2025/2565(RSP)) was adopted, marking a significant step towards strengthening the European Union's common defence policy. The document sets out strategic directions of action in the face of growing geopolitical threats, particularly in the context of the ongoing war in Ukraine and uncertainty about the future commitment of the United States to the security of Europe. By contrast, on 2 April 2025, the Parliament adopted a resolution on the implementation of the Common Security and Defence Policy, emphasising the need for further integration in this area.

The European Union needs skilled workers to respond to new challenges and remain competitive. Due to changing requirements of the job market, many workers are struggling to keep up with the changes, and companies cannot find people with the desired skills. Skills gaps and labour shortages in turn make it difficult for Europe to remain competitive. This is why the European Commission is creating a Union of Skills to ensure high-quality education, training, and lifelong learning. This is crucial when 80% of SMEs in the EU are struggling to find employees with the required skills.<sup>3</sup>

The Commission declares that the European Union wants to become a world leader in artificial intelligence (AI) and to promote the development, and implementation of AI solutions that benefit society and the economy. The Commission presented the Artificial Intelligence Continent Action Plan to turn the EU's strengths, such as educated and talented scientists and strong traditional industries, into factors accelerating artificial intelligence. The AI Continent Action Plan explains how to harness the untapped potential of European researchers and industry. It aims to shape the next phase of artificial intelligence development, boost economic growth and strengthen EU competitiveness in areas such as healthcare, automotives, science and others.

In order to make participatory democracy a reality in the EU, the Commission and the European social partners signed a new Pact for European Social Dialogue in March 2025, which will strengthen the role of social partners in shaping the labour market and employment and social policies. Social dialogue is an integral part of our European social model and plays a key role in maintaining the competitiveness of European enterprises, increasing their productivity, providing quality jobs and ensuring social justice. Social dialogue remains an essential tool to ensure that labour markets adapt to the digital and climate transformations and equip workers with the necessary skills.

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<sup>3</sup> [https://commission.europa.eu/topics/eu-competitiveness/union-skills\\_en](https://commission.europa.eu/topics/eu-competitiveness/union-skills_en)

## **Current challenges**

The implementation of the European Union's Strategic Agenda 2024–2029 involves a number of political, economic, technological and social challenges that may hinder the implementation of key priorities such as green transformation, digital transformation, EU defence and resilience and the promotion of democratic values.

The rising cost of living and the energy transition, especially in states and regions dependent on carbon-intensive industries, is generating increasing social and political resistance. Therefore, it is necessary to ensure that the transition to a low-carbon economy does not exacerbate social and regional inequalities. In addition, the green transition requires access to rare earth elements and other raw materials, often imported from third countries.

The increase in cyberthreats requires effective defence and rapid response systems. In order to assert its technological sovereignty, the EU needs to reduce its dependence on American and Chinese technology giants. The varying levels of digital development across states and the associated gaps in skills, investment, and infrastructure, may pose a challenge.

The most pressing challenge is to ensure the resilience and security of the EU in view of Russia's prolonged aggression towards Ukraine and its confrontational attitude towards EU states. There needs to be an efficacious combination of effective and long-term military support for Ukraine and a strengthening of the eastern flank of NATO and the EU. Despite the measures taken in this area, the EU's defence capabilities remain inadequate. There are gaps in common defence systems and human resources, equipment and munitions. The level of interoperability of the states' armies is also low. The challenge is to build an innovative and efficient European defence industry that takes into account arms industry manufacturers from all over the Union, regardless of their location and size.

Increasing global competition, rivalry for raw materials and human resources, trade wars and rising protectionism are other growing challenges. There is also the issue of the fragmentation of the EU internal market – regulatory barriers, and a lack of full integration in various sectors, including services and energy. The level of private investment, especially in innovation, research and development, remains too low. Implementing the ambitious EU Competitiveness Compass and other initiatives put forward by the European Commission will be a challenge, in particular in securing necessary funding.

The key challenge is to protect democracy, the rule of law and fundamental rights. Political polarisation and disinformation remain a growing issue, and better protection in this area from the influence of authoritarian states is needed. It is essential to strengthen the independence of the judiciary and the media, and to counter foreign interference.

Migration and asylum policy remain one of the most complex challenges. Differences still exist between states concerning their approach to refugees and migrants. Meanwhile, migration pressures from the south and east continue due to conflicts, climate change and

destabilisation of states, particularly in Africa and the Middle East. The European Union needs a realistic migration policy based on the needs of the states. This approach must take into account the key element of security in the current international situation in order to minimise external threats and maintain an adequate level of internal security and public order in the EU.

### **Questions for discussion**

1. How can we ensure the cohesion of individual states' actions with the European Commission's priorities?
2. What conditions must be met to make the EU Competitiveness Compass a reality?
3. How can the EU support the development of defence capabilities and the defence industry to the benefit of all Member States?
4. How can we ensure stable and long-term financing of the EU's defence needs at a level commensurate with the risks?
5. How do we prevent widening social and regional inequalities in the context of the energy transition?
6. What role can the European Social Dialogue Pact play in labour market transformation?
7. How can the EU reconcile its open trade policy with rising protectionism around the world?
8. What tools should the EU use to more effectively counter disinformation and external political interference?
9. What elements should an effective migration and asylum policy contain in order to meet the needs of Member States, including in the area of security?