

Research Proposal

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BA (Hons) Business Management

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**The European Green Deal: Benefits and Limitations for
the Automotive Industry in the Germany and Italy**

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The European Green Deal

Benefits and Limitations for the Automotive Industry in the Germany and Italy

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Chapter 1: Introduction

1.1 Introduction to the topic

The European Green Deal (EGD) is the European Union's flagship strategy to achieve climate neutrality by 2050, combining ambitious emissions reduction targets with major transformations in energy, transport, and industrial systems (European Commission, 2019). It is particularly critical for the automotive industry, a major source of greenhouse gas emissions and air pollution, as it accelerates the transition from internal combustion engine (ICE) vehicles to electric and other low-emission technologies (S&P Automotive Insights, 2024). Germany and Italy are among Europe's largest automotive producers, hosting globally significant manufacturers, suppliers, and clusters, which makes them central test cases for understanding how the EGD reshapes competitiveness, employment, innovation, and supply chains. This proposal examines how the EGD benefits and constrains the automotive sectors in these two countries.

1.2 Research problem

While the EGD aims to align industrial activity with long term climate goals, it also generates substantial challenges for the automotive sector, including high compliance and investment costs, the need to develop new technological capabilities, restructuring of supplier networks, and potential job losses in traditional manufacturing segments.

German and Italian automakers face pressure to meet increasingly stringent emissions and technology requirements while remaining globally competitive against non EU manufacturers that may operate under looser environmental regulations (Pacheco, 2025).

However, existing debates often focus either on environmental benefits or on industry concerns, without systematically examining how these tensions play out in different national contexts. The research problem is therefore to understand the balance between benefits and limitations of the EGD for automotive industries in Germany and Italy, and how this balance differs between the two.

1.3 Purpose of the research

The purpose of this study is to provide a structured evaluation of how the European Green Deal affects the German and Italian automotive industries in terms of regulatory pressure, innovation opportunities, market transformation, and socio-economic consequences. By doing so, the dissertation seeks to generate evidence based insights that can inform more balanced policymaking and strategic responses by firms.

1.4 Proposed aim, objectives and research questions

The aim of this research is to examine the benefits and limitations of the European Green Deal for the automotive industry in Germany and Italy. To achieve this, the study will identify the key European Green Deal policies affecting the automotive industry, assess the benefits created for automotive firms in Germany and Italy in terms of innovation, competitiveness, and environmental performance, and evaluate the limitations and challenges

associated with compliance costs, employment effects, and supply chain disruption. The research will also compare the impact of the European Green Deal on the German and Italian automotive industries in order to understand how and why the effects differ between the two national contexts. Finally, the study will provide recommendations for policymakers and automotive manufacturers on how to maximise the benefits of the Green Deal while reducing its limitations.

Based on these aims, the research will seek to answer which European Green Deal policies most directly influence the automotive sector, what benefits and challenges they create in Germany and Italy, how the impact differs between the two industries, and what policy and strategic responses may help strengthen positive outcomes while mitigating negative effects.

1.5 Significance of the topic

This research is significant for several stakeholder groups. Policymakers can use the findings to fine tune regulatory instruments and support measures to ensure that climate objectives are achieved without undermining industrial competitiveness and employment. Automotive manufacturers and suppliers will gain insights into emerging regulatory trajectories, competitive pressures, and opportunities for innovation and market differentiation. Researchers in sustainability, industrial policy, and comparative political economy can benefit from a focused empirical comparison of two major automotive countries, addressing the noted gap in comparative evidence on Germany and Italy.

The study also contributes to broader debates on how green transitions can be managed in carbon intensive industries.

Chapter 2: Literature Review

The literature review will examine the European Green Deal as the strategic framework for the EU's transition to climate neutrality by 2050, with intermediate targets and policy packages such as "Fit for 55" shaping implementation across energy, transport, and industry (European Commission, 2025, European Council, 2022). It will also consider the governance architecture, funding mechanisms, and major milestones that are most relevant to the automotive and industrial sectors, since these determine how climate objectives are translated into regulation and investment pressures (Europa.eu, 2026).

It will then focus on the key policies affecting the automotive industry, including CO2 emissions performance standards for passenger cars and vans, the planned phase-out of new petrol and diesel car sales by 2035, Euro 7 pollutant emission standards, zero-emission vehicle incentives, and battery regulations that address sustainability, circularity, and supply chain due diligence (International Council on Clean Transportation, 2025). In addition, the review will compare the German and Italian automotive industries (Nationmaster.com, 2019) in terms of production scale, major manufacturers, supplier networks, export orientation, economic importance, electrification levels, R&D intensity, and innovation capacity, as these

structural differences shape how each country responds to decarbonisation pressure (Unibocconi.eu, 2025).

The review will also assess the main benefits of the European Green Deal for the automotive sector, including innovation in low and zero emission technologies, batteries, and digital mobility services, as well as possible competitive advantages for early movers, environmental and health co-benefits, and new business opportunities in recycling and battery second-life applications (RSM Global, 2023). At the same time, it will address the limitations and challenges, such as high retooling and compliance costs, employment risks in traditional powertrain manufacturing, vulnerabilities in critical raw material and battery supply chains, and competitive pressure from non-EU manufacturers, while paying particular attention to uneven adaptation between Germany and Italy (Ragonnaud, 2024, Simonazzi, 2025, Stolle, 2025). Overall, the literature review will synthesize these strands to establish the current state of knowledge and identify the comparative research gap on how the European Green Deal's benefits and limitations differ across the German and Italian automotive sectors.

Chapter 3: Research Methodology

3.1 Research philosophy

The research philosophy of this study is positivist, as it focuses on analysing published literature and measurable evidence (Dudovski, 2020) relating to the impact of the European Green Deal on the automotive industries in Germany and Italy. A positivist approach is appropriate because it emphasises objective data, observable patterns, and the comparison of industry indicators rather than stakeholder perceptions or qualitative insights. This philosophy supports the use of secondary quantitative sources, such as policy statistics, industry reports, and comparative performance data, to assess regulatory effects, sectoral trends, and differences between the two national automotive industries.

3.2 Approach to theory development

The research will adopt a predominantly deductive approach (Dudovski, 2025), as it uses published literature and quantitative evidence to test expectations about how the European Green Deal affects the automotive industries in Germany and Italy. Existing theories on regulation, innovation, and comparative capitalism will be used to frame the analysis and to guide the interpretation of measurable industry indicators. While the study remains grounded in established literature, its main purpose is to examine empirical patterns and compare outcomes across the two national contexts rather than to build theory from the data.

3.3 Methodological choice

The methodological choice for this study is quantitative only. The research will rely on published articles, reports, and statistical evidence (Gamage, 2025) to compare production, EV market shares, emissions, and investment trends in Germany and Italy. This approach is appropriate because it allows the study to identify measurable patterns and differences

between the two automotive industries without using qualitative interviews or document interpretation as a separate method.

3.4 Research strategies

The research strategy is a comparative analysis focusing on the automotive industries of Germany and Italy (Author, 2025). Each country serves as a unit of analysis, allowing for a structured comparison of policy implementation, sectoral structure, and industrial responses to the European Green Deal. This comparative strategy is appropriate because the research aims to identify, measure, and contrast specific performance indicators and regulatory outcomes across two distinct national contexts rather than relying on qualitative data collection.

3.5 Time horizon

The study will adopt a cross-sectional time horizon, analyzing quantitative data for a defined period from the announcement of the European Green Deal through the most recent year of available data. While a longitudinal design would effectively capture dynamic industry shifts, a cross-sectional approach is prioritized to allow for a focused, robust comparison of established performance indicators and regulatory outcomes across the two national automotive sectors within the scope of this dissertation (ScienceInsights, 2026).

3.6 Data collection and data analysis

The population of interest consists of the regulatory frameworks and industrial performance indicators for the automotive sectors in Germany and Italy under the European Green Deal. The research will utilize secondary data from official European Commission databases, national governmental reports, and industry-wide statistics provided by automotive associations and international organizations. Data collection will be limited to quantitative metrics, specifically production volumes, electric vehicle market penetration, emissions performance indicators, and sectoral investment trends (Slater and Hasson, 2024). These data will be analysed through descriptive statistics, trend analysis, and comparative tables to identify measurable differences and patterns of adaptation between the German and Italian automotive industries.

3.7 Time prospects of the research

The dissertation will be completed over a 3-month period, structured to prioritize data synthesis and comparative analysis:

- **Month 1 (Weeks 1–4):** Finalization of the research design, completion of the comprehensive literature review, and establishment of the conceptual framework.
- **Month 2 (Weeks 5–8):** Systematic collection of secondary quantitative data (e.g., emission indicators, EV market shares) and execution of data analysis using descriptive statistics and comparative tables.
- **Month 3 (Weeks 9–12):** Drafting of the final chapters, integration of comparative results, rigorous proofreading, and final submission preparations.

Activity	Month 1	Month 2	Month 3
Literature Review & Framework	X		
Quantitative Data Collection		X	
Data Analysis & Comparison		X	
Drafting & Integration			X
Revision & Final Submission			X

3.8 Ethical considerations of the research

The study will adhere to standard ethical principles. The research will respect intellectual property and citation norms. No vulnerable populations are targeted, and the research is expected to pose minimal risk to participants; nevertheless, care will be taken to avoid any misrepresentation of stakeholder views and to handle potentially sensitive industry information responsibly.

Chapter 4: Conclusion

This chapter in the final dissertation will summarise the key findings regarding the benefits and limitations of the European Green Deal for the German and Italian automotive industries, highlight the main similarities and differences between the two cases, and revisit the research questions and objectives. It will also present practical recommendations for policymakers and automotive manufacturers, as well as suggestions for future research on green industrial transitions in other countries or sectors.

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