



March 08, 2004

Don't dilute EU's environmental policy!

EEB's input to the Competitiveness Council's preparation of this year's Spring European Council.

At the last Spring Summit in March 2003 the European Council rightly stressed that "Economic and social development will not be sustainable in the long run without taking action to curb environmental pressures and preserve natural resources within the framework of the comprehensive sustainable development strategy launched at Göteborg". Accordingly, the European Council also stressed that the EU "should enhance the effectiveness and coherence of existing processes, strategies and instruments". This should be done "by strengthening the Cardiff process on integrating environmental considerations into sectoral policies and developing overall and sector-specific decoupling objectives; as well as by improving environment-related structural indicators and monitoring progress".

Since then, the opposite has happened. Instead of actions towards strengthening the integration of environmental considerations into EU's enterprise policy, we have witnessed a still stronger pressure towards diluting EU's environmental policy and putting "competitiveness" above everything else.

The most recent examples of this is the Commission's Communication on "Some Key Issues in Europe's Competitiveness – Towards an Integrated Approach"¹ and the "Draft Input from Competitiveness Council to Spring European Council"².

The Commission's Communication on Competitiveness

In its Communication on competitiveness the Commission states, that "a competitive European economy will give us the means to support our social model and to ensure a high level of consumer, health and environmental protection, thus enabling us to enjoy a high quality of life and to raise our standards of living."

This approach completely ignores the fact that the environment provides the conditions for an economic system that can fulfil our social objectives. The European economy won't be competitive if we allow environmental problems like irreversible soil degradation, extinction of species, global warming and long-term penetration of hazardous chemicals into the food chain and eventually into human breast milk to grow.

Regarding the framework conditions for a competitive European economy, the Commission stress that "the European institutions and the Member States each have important roles to play as "guardians of competitiveness". Their common aim is to "put in place the framework

¹ COM(2003)704

² DS 101/1/04 REV 1

conditions which will enable European companies to grow and compete successfully in a fiercely competitive global market”.

According to the Commission, the right framework conditions should be realised by carrying out impact assessments on major Commission proposals and ensure “that the impact assessment process continues as proposals advance through the different stages of the legislative process”.

In principle the EEB is in favour of making impact assessments of all major policy proposals. But only if it happens in all policy areas, and only as long as the long-term environmental impacts are assessed and described as thoroughly as the (often short-term) impacts on the economy. This has clearly not been the case with the recently adopted “Quick Start” programme consisting of 54 infrastructure investment projects. A number of the initiatives in this programme might not stand the test of the implementation of Article 6 of the EC Treaty, insisting on integration of environmental objectives into all policies.

Furthermore, it is essential that the impact assessments carried out by the EU of environmental protection legislation look at the full economic benefits of high environmental standards – not just the costs to polluting industries.

In 2003 the Commission carried out an internal screening exercise of most EU policies, the Communication tells. The screening “identified possibilities for improving the contribution of EU policies to industrial competitiveness, whilst respecting the primary objectives of other policies”. As a result of this exercise the Commission found the following potential synergies between competitiveness and environmental policy:

“Exploring the scope for voluntary alternatives to regulation, developing a sustainable production policy and analysing the conditions for further development of eco-industries, and balancing the short-term costs and the long-term gains of enhanced environmental protection.”

The Commission intends to report more extensively on the results of the screening process at the beginning of 2004.

The EEB is very concerned about the Commission’s understanding of synergies between competitiveness and environmental policy because it mainly points towards de-regulation and trade-off’s between environmental protection and economic growth as the way forward for a competitive European economy. It also points at a “sustainable production policy” and further development of eco-industries, but without describing relevant means for promoting this. We don’t yet know the specific results of the screening process, but if the result is a general request for de-regulation of EU’s existing environmental legislation, it will be in direct conflict with Article 6 of the EC Treaty and it will meet fierce resistance from environmental organisations.

The Council’s input to the Spring European Council

In the “Draft Input from Competitiveness Council to Spring European Council” the Council commits itself to undertake an evaluation of selected key current or emerging proposals across Council formations as to how they affect the competitiveness of enterprise during 2004. Furthermore, the Council will, by the end of 2004, suggest priorities for screening of relevant elements of the existing body of EU legislation in terms of its impact on competitiveness, and it will review and enhance the competitiveness dimension of the extended impact assessment process.

Again, EEB would like to remind the Competitiveness Council that impact assessments should be made of all major policy proposals in all sectors, and these assessments should treat environmental impacts and economic impacts at an equal footing. A one-sided “competitiveness proofing system” is unacceptable and in conflict with Article 6 of the EC Treaty.

In relation to “the risks of de-industrialisation and de-localisation”, the Council points at “upcoming environmental commitments” as the only specific example of “competitiveness and restructuring challenges”. This is followed by a demand that the Competitiveness Council “should be fully involved in the process of determining commitments to be made under the next phase (post 2012) of the Climate Change Strategy with a view to safeguarding the competitiveness of European industry”.

The EEB finds it extremely worrying that the Competitiveness Council apparently sees environmental commitments as a threat to competitiveness. While the Council points at environmental commitments as the only competitiveness challenge it completely fails to give examples of positive synergies between environmental commitments and competitiveness. It doesn't even mention the most important environmental measure in the Commission's Spring Report³: The Environmental Technology Action Plan.

The EEB calls upon the Competitiveness Council to:

- Recognise that economic and social development will not be sustainable in the long run if EU don't take sufficient action to curb environmental pressures and preserve natural resources
- Strengthen integration of environmental considerations into competitiveness policy by developing overall and sector-specific de-coupling objectives as required by the Spring European Council in 2003.
- Ensure that impact assessments of policy proposals are also carried out for competitiveness policies and that long-term environmental impacts are assessed and described as thoroughly as economic impacts.
- Ensure that impact assessments of environmental legislation look at the full economic benefits to society – not just the costs to polluting industries.
- Identify positive synergies between environmental commitments and competitiveness, i.e. environmental technology, green public procurement, etc.

Contact:

Michael Minter; Tel.: + 45 39 17 40 57. Email: mm@dn.dk

³ COM(2004)29