

**Opinion of the European Economic and Social Committee on the 'Promotion of sustainable production and consumption in the EU' (exploratory opinion)**

(2012/C 191/02)

Rapporteur: **An LE NOUAIL MARLIÈRE**

On 11 January 2012, the Danish Presidency of the European Union decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the:

*Promotion of sustainable production and consumption in the EU*

(exploratory opinion).

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 10 April 2012.

At its 480th plenary session of 25 and 26 April 2012 (meeting of 26 April) the European Economic and Social Committee adopted the following opinion by 124 votes to 8 with 5 abstentions.

## 1. Conclusions and recommendations

1.1 In accordance with the request from the Danish Presidency, the EESC has assessed the instruments and measures needed to shift to sustainable modes of production and consumption. Welcoming the awareness and efforts of the European institutions in this area, and with a view to working towards these objectives and ensuring a just transition, the EESC calls for the development of a renewed, joint vision of the economic model, including consultations within a specialised forum with all sectors of organised civil society, in order to set objectives and targets and update the monitoring procedure.

1.2 It would be advantageous to:

— integrate policies for promoting sustainable consumption and production closely with the implementation of the *Roadmap to a Resource Efficient Europe* <sup>(1)</sup> and encourage the Member States to implement these policies via the Roadmap and the European Semester;

— make use of a range of cross-cutting implementation and incentive instruments, such as phasing out non-sustainable products, developing a more equitable tax policy, promoting green public procurement, phasing out subsidies that do not take account of negative impacts on the environment, supporting research and eco-innovation, internalising environmental costs, creating other market-based incentives and encouraging consumers and the workforce to play an active part in the transition process.

1.3 The financial system also needs to be addressed <sup>(2)</sup>, so that its focus can be shifted back to supporting an economy based on sustainable production and consumption, by concentrating on areas such as the agro-food industry, agriculture, housing, infrastructure and transport, which have the largest ecological footprint.

1.4 In addition, it is important to go beyond a strict focus on energy and greenhouse gas emissions to take account of other resources and environmental impacts, such as water management and conservation, soil use, and air pollution and the overall impact which products have on the environment.

1.5 By supporting improvements in the production process and in products themselves, consumers can be provided with the goods and services that will empower them to enact changes in behaviour and opinion.

1.6 Lastly, in order to promote sustainable consumption and lifestyles, the role of consumer associations and fair trade producers needs to be strengthened so as to promote and protect alternative, non-predatory forms of consumption and support best practice.

<sup>(1)</sup> COM(2011) 571 final.

<sup>(2)</sup> EESC opinion on *Regulating financial services for sustainable growth*, rapporteur: Mr Iozia, OJ C 107, 6.4.2011, p. 21 and EESC opinion on *Enhancing economic policy coordination for stability, growth and jobs – Tools for stronger EU economic governance*, rapporteur: Mr Palmieri, OJ C 107, 6.4.2011, p. 7.

## 2. Introduction

2.1 In December 2011, with a view to reconciling a way out of the crisis, recovery and the EU's undertakings to combat climate change, the Danish government asked the EESC to draw up an exploratory opinion on the **promotion of sustainable consumption and production (SCP)**. Referring to the Commission's *Roadmap to a Resource efficient Europe* and the milestones it sets for SCP <sup>(3)</sup>, the Danish government asked the EESC to assess the instruments needed to transform the European economy into one based on sustainable modes of production and consumption within the EU.

2.2 Hitherto, economic development has been based on the use of non-renewable energies and resources, according to a central paradigm of 'man as master and owner of nature'. The production of goods and services is still characterised by externalisation of costs that should be attached to the extraction of non-renewable natural resources and emission of GHG and other pollutants into the environment. In market economies economic agents must be obliged to internalise these costs by means of binding rules, which should, as far as possible, be applied universally.

2.3 Sustainable consumption and production, offering products and services of better value and using fewer natural resources, is at the heart of strategies for increasing resource efficiency and promoting a green economy. In 2008, the Commission adopted its first SCP Action Plan, incorporating a raft of policies promoting SCP <sup>(4)</sup>. Taking account of these milestones, the Commission is now reviewing its SCP policies for 2012.

## 3. SCP policies/instruments needed

### 3.1 Creating a shared vision about the economic model

3.1.1 One of the reasons for the low impact of SCP policies so far is the fact that although the concept of sustainability is incorporated in the EU 2020 strategy it is frequently being neglected in practical policy. In the current economic model, the prevailing objective is still to generate growth and increased consumption and overall performance is measured in GDP. A shift towards SCP would require an open and transparent debate about a self-sustaining economic model where success is measured using indicators 'beyond GDP' assessing environmental footprints, human and social well-being and prosperity. In previous opinions, the EESC has proposed that it work together with the Commission to create a forum on sustainable

consumption to explore the values that could shape a sustainable economy, and what prevents people from choosing sustainable consumption patterns and existing experiences of low-impact ways of living <sup>(5)</sup>.

### 3.2 Defining clear objectives and targets and monitoring progress

3.2.1 Many policy areas are involved. In order to assess the current state of SCP and monitor progress towards it, a robust database on the impacts of production and consumption on the environment should be set up to evaluate the effectiveness of SCP policy instruments, further develop strategies and objectives, readjust priorities and monitor progress.

### 3.3 Involving civil society

3.3.1 Involving civil society at global, national and local level is crucial for a successful transition to a *sustainable* green economy. A transition of this kind can only succeed if SCP is seen by businesses, consumers and workers as an opportunity and a desirable objective. Appropriate systems for dialogue and democratic participation should be established at each level <sup>(6)</sup>.

3.3.2 Accordingly, we need to stop setting industrial investment, business competitiveness and consumer purchasing power against each other. Raising consumer demand is a sure way of stimulating Europe's internal market, whilst also capitalising on the results of European research and meeting environmental protection targets. This will also mean ensuring that investment stays in Europe.

### 3.4 Integrating SCP policies closely with the implementation of the Resource Efficiency Roadmap

3.4.1 With its flagship initiative and the *Roadmap to a Resource Efficient Europe* <sup>(7)</sup>, the Commission has made the promotion of resource efficiency an issue of key importance for European economies. The Roadmap's implementation is integrated into the EU 2020 strategy and the European Semester. The EESC recommends linking the revision of

<sup>(3)</sup> COM(2011) 571 final, pp. 6 and 7.

<sup>(4)</sup> COM(2008) 397 final.

<sup>(5)</sup> EESC opinion on *Building a sustainable economy by changing our model of consumption*, rapporteur: Ms Darmanin, - OJ C 44, 11.2.2012, p. 57; and EESC opinion on *GDP and beyond – the involvement of civil society in choosing complementary indicators* (own-initiative opinion), rapporteur: Mr Palmieri (See page 1 of this Official Journal).

<sup>(6)</sup> OJ C 44, 11.2.2012, p. 57.

<sup>(7)</sup> COM(2011) 571 final and EESC opinion on *A Roadmap to a Resource Efficient Europe*, rapporteur: Ms Egan (not yet published in the OJ).

the SCP Action Plan strongly with the work on the implementation of the Resource Efficiency Roadmap and the 7th Environmental Action Programme for Europe<sup>(8)</sup>, so that SCP policies can benefit from the increased political importance of resource efficiency and the European Semester monitoring framework. The addition of specific SCP indicators within the resource efficiency indicators will also provide a basis for SCP targets and monitoring schemes.

### 3.5 Encouraging Member States

3.5.1 SCP policy targets as suggested above could move Member States' SCP policies forward. It would also be beneficial for SCP policies to be integrated into the implementation of the Resource Efficiency Roadmap and the monitoring process provided by the European Semester.

### 3.6 Using a broad range of SCP policy tools

3.6.1 Due to the cross-cutting nature of SCP policy and the many different aspects to be considered, a broad range of policy tools at different levels must be put in place or mobilised in order to move production and consumption patterns towards sustainability. Active policies have to be established at European level and by Member States and local authorities. Instruments have to combine regulatory and voluntary measures, in particular, regulatory measures to phase out unsustainable products, tools to make fiscal policy more equitable, the promotion of green public procurement, the gradual elimination of subsidies that do not take account of negative impacts on the environment, research and eco-innovation, the internalisation of environmental costs and other market-based incentives and the active involvement of consumers and the workforce in the transition<sup>(9)</sup>.

3.6.2 The Commission's 2008 SCP Action Plan was based on this mixed policy approach and should be kept in the revision process. However, the ambitions could be stepped up and the instruments readjusted, taking into account the objectives to be achieved, the little progress made so far and the opportunities which the transition to a low-carbon economy and lower use of non-renewable resources offer for recovering from the crisis.

3.6.3 Policy instruments used in SCP are to large extent voluntary and information-based instruments (Eco-label, EMAS, consumer awareness campaigns, etc.). Uptake of these instruments by businesses and consumers is rather limited, restricted to certain sectors and social groups. It is unlikely to

be increased by making more use of the same type of measures. The use of regulatory instruments is necessary to phase-out products and consumption patterns that are clearly unsustainable.

### 3.7 Focusing on areas with the highest environmental footprint

3.7.1 Three areas of consumption - food and drink, housing, and infrastructure and mobility - are responsible for the majority of adverse environmental effects together with energy and industrial production. Consequently, future SCP policies should focus on all these areas. Since the high environmental impacts of food and drink consumption are strongly related to the agricultural sector, SCP policies in this area need to be closely linked to policies promoting sustainable agriculture.

3.7.2 Sustainable agriculture means rational use of natural inputs, support for organic farms and an agro-food industry that can provide healthy, unpolluted foods for intermediate and final consumers. The EESC considers the key to sustainable agriculture to lie in maintaining - everywhere and on a sufficient scale - high-quality, regionally differentiated, ecologically sound food production that protects and cares for rural areas, safeguards the diversity and distinctiveness of the products concerned and fosters Europe's diverse, species-rich cultural landscapes and rural areas<sup>(10)</sup>.

### 3.8 Extending from energy and GHG emissions to other resources and impacts

3.8.1 In recent years, particular attention has been paid in SCP policies to the issues of energy consumption and GHG emissions. However, production and consumption also has other relevant environmental impacts such as on water management and protection, land-use and air pollution which cannot be neglected. Future SCP policies should therefore extend the application of policy instruments to the consumption of resources other than electricity and should take into account the overall environmental impact.

### 3.9 Improving production processes and products

3.9.1 In order to encourage producers to improve the environmental performance of their products over the entire life-cycle, the principle of extended producer responsibility, as introduced in some legislative acts, should be enshrined as a general principle and basis of legal corporate accountability and responsibility.

<sup>(8)</sup> EESC opinion on the Seventh Environment Action Programme and follow-up to the sixth EAP, rapporteur: Mr Ribbe, See page 1 of this Official Journal).

<sup>(9)</sup> See also EESC opinion on *The EESC position on the preparation of the United Nations Conference on Sustainable Development (Rio+20)*, rapporteur: Mr Wilms - OJ C 143, 22.05.2012, p. 39.

<sup>(10)</sup> EESC opinion on *Rio+20: towards the green economy and better governance*, rapporteur Mr Wilms, OJ C 376 of 22.12.2011, p. 102-109.

3.9.2 A double-track approach should be used to move towards sustainable products. Research into and development of eco-friendly products must be promoted by public funding of research and setting the right incentives for innovation. On the other hand, regulatory instruments such as the Eco-Design Directive should be used to phase-out unsustainable products and to this end the scope of the Eco-Design Directive must be extended and its implementation speeded up.

3.9.3 Establishing transparency about the environmental performance of products and services is crucial, if we want businesses and consumers move towards more sustainability. The Commission's proposal in the consultation on SCP policies to use the Product Environmental Footprint methodology for this purpose seems an appropriate approach. However, it needs to be complemented by other instruments (social criteria beyond GDP, for example) to improve the communication of sustainability information along the supply chain.

3.9.4 New business models need to be promoted to replace the current focus on material throughput with a focus on the creation of value and welfare, for example by putting the emphasis on leasing goods instead of purchasing, car-sharing schemes and logistics concepts reducing unnecessary 'empty' lorry trips through inter-business cooperation.

### 3.10 Promoting sustainable consumption patterns and life-styles

3.10.1 More attention than previously needs to be devoted to changing consumption patterns. The task is to successively decouple consumption from negative environmental impact. A policy mix of instruments must be put in place to promote sustainable consumer behaviour, taking into account the length of resource renewal cycles and their limits, and the global impact (on imports and exports) of the EU internal market.

3.10.2 SCP policies must take account of the fact that sustainable consumer choices require the availability of affordable sustainable products and services on the market, clear and reliable consumer information and economic incentives. In particular steps must be taken to improve consumer information and avoid confusing information and 'green-washing'.

3.10.3 Policy measures should **strengthen the role of consumer associations as agents of change** and facilitate civil society dialogue on sustainable lifestyles by creating *platforms for the discussion* of visions of sustainable lifestyles and the exchange of experiences and best practices.

3.10.4 A change towards sustainable life-styles also requires investment in appropriate public infrastructure. For instance promoting public transport as alternative to the private car require modern public transport systems, sustainable transport

needs infrastructure for electricity and biofuels, and a circular economy requires well-functioning take-back systems and amenity sites for end-of-life products.

3.10.5 The EESC has, on a number of occasions, emphasised the importance of educational programmes to bring about effective sustainable behaviour. The EESC reiterates that such learning programmes should not only be targeted at schools and young people, which is important, but at people at all stages of life and in every social situation, taking particular account of the accumulated inequalities faced as a result of environmental damage or risks.

3.10.6 Shippers, retailers and other actors in the supply chain have a significant influence on sustainable consumption choices through their requirements for global production, logistics etc. The Commission has in the past worked with the most important European retailers in a round-table retailer forum. This strategy might be broadened to other shippers, logistics operators etc.

3.10.7 Green public procurement is an important driver for developing markets for sustainable products. Consideration should be given to introducing better drivers to increase the effectiveness of GPP policies.

### 3.11 Setting economic incentives in fiscal policies

3.11.1 The measures to promote sustainable consumption and production mentioned above can be strengthened if businesses and consumers are stimulated to sustainable behaviour by economic incentives which are – as is well known – not only reflected in market prices. SCP policies therefore have to be accompanied by a greening of the tax system setting economic incentives to ensure that the efforts involved in making the shift are shared fairly between big companies and SMEs and between the public, businesses and consumers, and also by a phasing out of environmentally harmful subsidies. Nevertheless, these efforts will be in vain if they entail sacrificing spending on the European social model by substituting a new tax on non-renewable resources, with no guarantees that this will subsequently be earmarked for funding social protection. This would be dangerous, costly and ineffective. In any case, taxation falls within the remit of the Member States and, from the point of view of future sustainability, it would not be appropriate to increase tax competition between them.

### 3.12 Ensuring a just transition

3.12.1 A shift to a green economy will be sustainable if it generates so-called 'green jobs' in more environmentally friendly production processes, such as the generation of renewable energy, sustainable transport and energy efficient housing. However, reaping the social benefits of this transition requires active policy measures which are based on social dialogue, address social aspects and aim to create decent work and high-quality jobs for the workforce (in terms of salaries,

working conditions and career prospects). Green economic activities and markets must be actively developed and suitable labour skills need to be provided through appropriate support,

vocational training and re-training measures<sup>(1)</sup> that further gender equality and equal participation of men and women in the transition process.

Brussels, 26 April 2012.

*The President*  
*of the European Economic and Social Committee*  
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<sup>(1)</sup> EESC opinion on *Promoting green jobs for the EU energy and climate change package*, rapporteur: Mr Iozia, OJ C 44 of 11.2.2011, p. 110.