

EU circular economy could create two million jobs by 2030

Written by **Desmond Hinton-Beales** on 17 June 2015 in **News**

Parliament's environment, public health and food safety (ENVI) committee has adopted a report outlining the need for Europe to transition to a more resource efficient economic model.



The circular economy package was controversially dropped from the commission's work programme, with the announcement in December last year forming part of the EU executive's 'better regulation' drive.

The move had angered MEPs, environment ministers, NGOs and was also questioned by the proposal's author, former EU environment commissioner Janez Potocnik, who favoured amending or redrafting the package.

ENVI member and Greens/European Free Alliance (EFA) deputy Claude Turmes called Wednesday's vote "a strong signal to the Juncker commission. The report was supported by a strong, cross-party coalition and calls for an ambitious proposal on the circular economy by the end of the year.

"MEPs have not forgotten [commission first vice-president for better regulation, interinstitutional relations, rule of law and charter of fundamental rights Frans] Timmermans' promises and have set the bar high for the future circular economy proposals."

Following the announcement of the withdrawal, Timmermans told MEPs in parliament's 2014 December plenary session, "We are proposing to withdraw the existing proposal on the circular economy to make way for a broader and more ambitious approach that can be more effective."

Sirpa Pietikäinen, parliament's rapporteur on resource efficiency: moving towards a circular economy, said the vote showed that MEPs and the EU executive are in agreement over what direction to take. "The line that the committee adopted [...] endorses the approach of the European commission's communication on designing and innovating a circular economy," she stressed.

"Saving natural resources is not only saving raw materials for future generations but creating multiple benefits starting from reducing waste and ending with new innovative business opportunities", underlined Pietikäinen, who sits with the centre-right European People's Party (EPP).

"It is a vital step for the EU to use resources more efficiently and to reduce our resource dependency and also to make savings in material costs. A smart eco-design of the products means the birth of the lease economy where products become services and also the repairing, reusing and recycling of the products, where products do not become waste after they are no longer in use.

"This is a major paradigm change where we need to produce the same welfare for the people, better competitiveness for our industries and profits for our companies with a tenth of the resources for goods we are using now. To measure this change we need commonly-agreed and harmonised indicators and targets."

"Business-driven studies demonstrate significant material cost-saving opportunities for EU industry and a potential to boost EU GDP by up to 3.9 per cent by creating new markets and new products and creating value for business. The commission has calculated that increasing resource productivity by two per cent would create two million new jobs in the EU by 2030."

"As Europe is more dependent on imported resources than any other region in the world, moving towards a circular economy also strengthens our security. It is an economical and ecological win-win scenario", she concluded.

Turmes, a Luxembourgish MEP, highlighted the reports call for the "introduction of a binding resource-efficiency target based on reducing resource use by 30 per cent by 2030, compared to 2014, along with a binding food waste reduction target of 30 per cent. The EU should be producing fully sustainably by 2050 at the latest.

"The report," he said, "also demands tangible measures to combat planned obsolescence and to improve consumer protection around production defects. Products' durability, reusability and recyclability should also be improved and toxic chemicals should be banned from the production line. This will encourage the development of non-polluting production loops.

Turmes felt that the positions of parliament and the commission were further apart than Pietikäinen, saying MEPs had underlined the need for "significant improvements compared to the European commission's now withdrawn proposals".

"While the commission made no proposals on binding reduction targets, this report demands binding targets for reducing waste generation by 2025. Similarly, burning recyclable or compostable waste should end and the separate collection of biodegradable waste should be mandatory, by 2020 at the latest.

"The commission cannot afford to ignore this clear signal from the European parliament and should seize this opportunity by shifting to future-proof, sustainable economic policies."

The report is due to go before parliament's plenary session on 6 July.

About the author

Desmond Hinton-Beales is deputy editor of the Parliament Magazine