



# **Concrete steps towards a green economy**

**States General of the Green Economy 2013**  
***Towards a Green New Deal***  
**6 November 2013**

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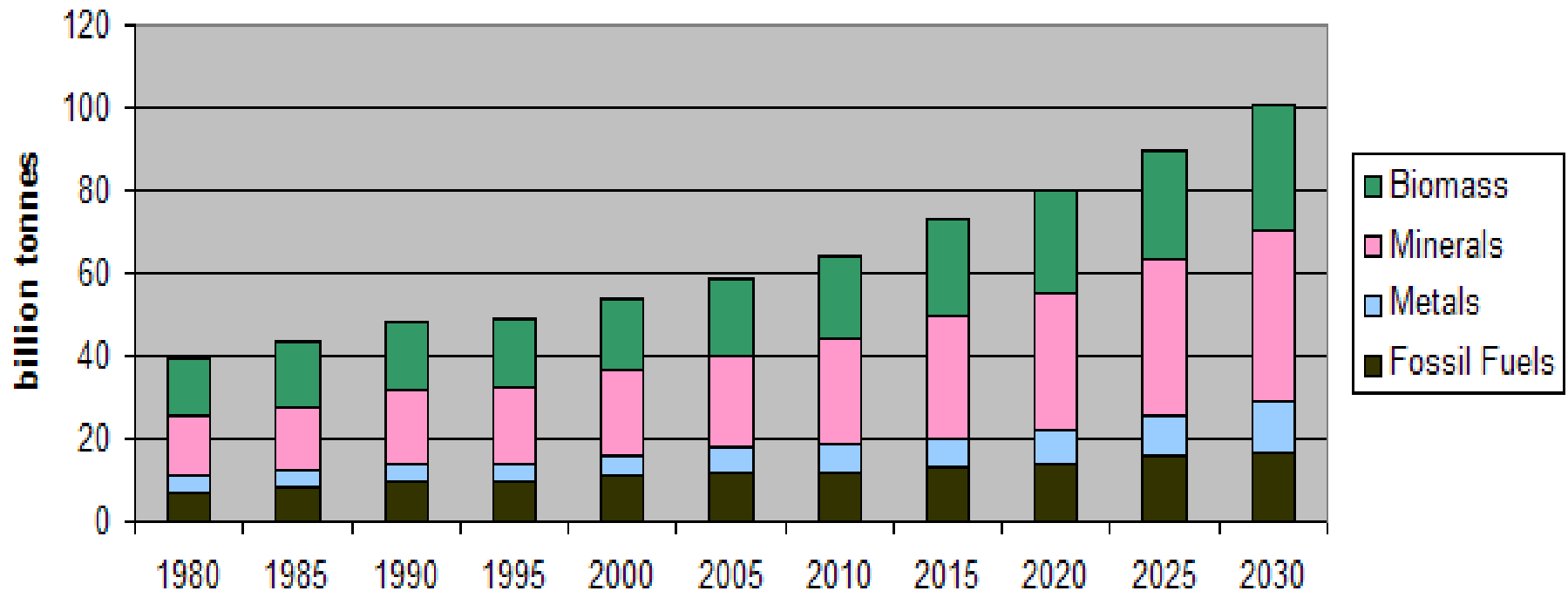


**We cannot go on as we are**

# Growing Resource Use

## Global resource extraction 1980-2030

(projections 2010-2030 based on 'business as usual' scenario)



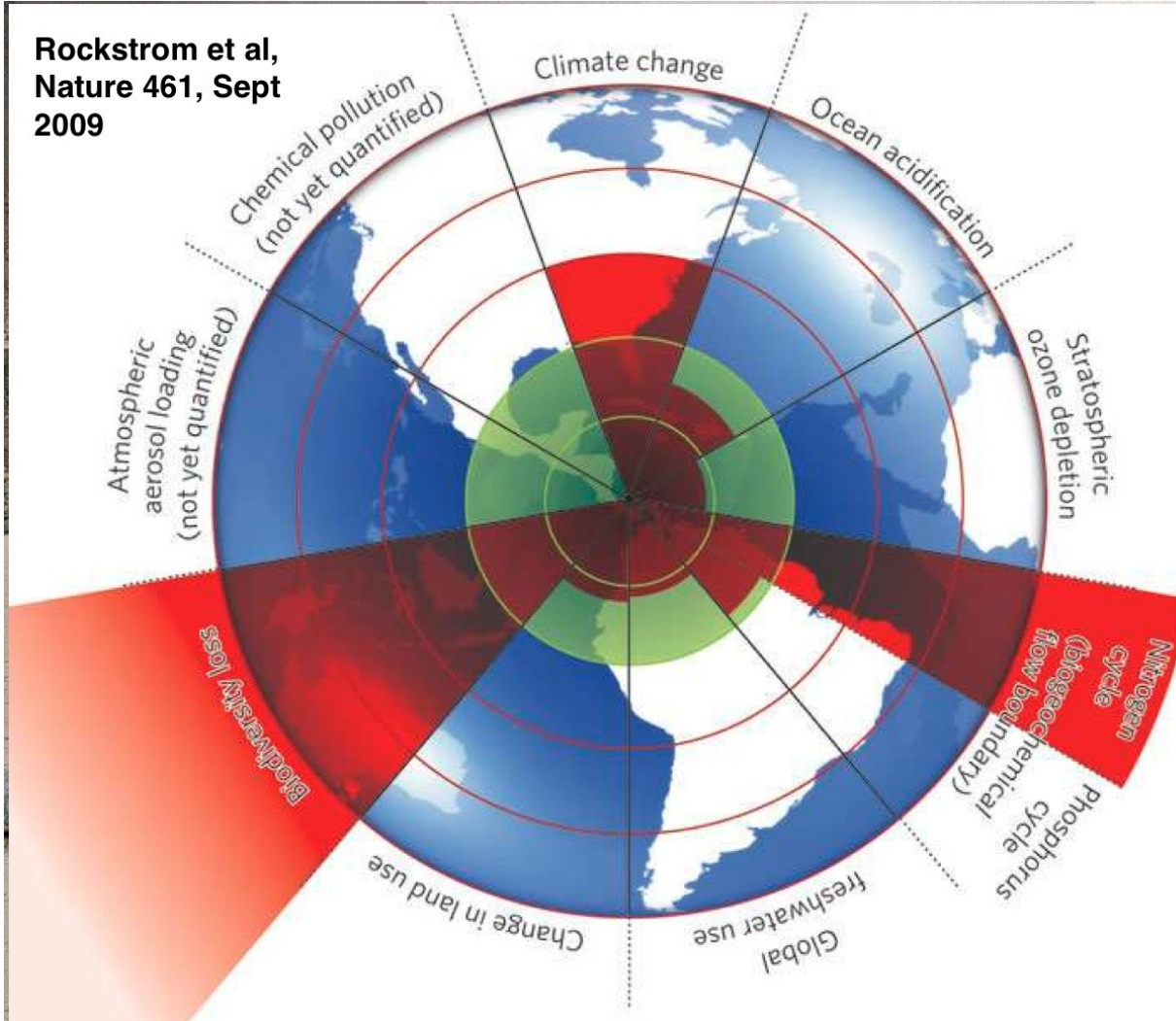
Source: EEA 2010 derived from SERI GLOBAL 2000, Friends of the Earth Europe (2009)



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# Planetary boundaries and human activity

Rockstrom et al,  
Nature 461, Sept  
2009



**Many prices just aren't right in our economy; economic decisions take account of only part of the value.**

**❖ Our habit is to use natural resources for free:**

- **Clean water falls from the sky, but our farmers waste it;**
- **Bees and butterflies pollinate our crops, but our pesticides are killing them;**
- **Forests clean our air, soak up floods, filter our water, provide habitat for animals, store carbon, yet we value them only for their wood.**

**❖ Our institutions, economic systems, politics, way of life are based on (mostly) free natural resources**



# How can we make the green economy work?

# Resource Efficiency

- ❖ Natural capital is **valued properly**
- ❖ **External costs** of resource use are taken into account
- ❖ **Waste** becomes a resource
- ❖ Products are designed for **re-use and recycling**
- ❖ Consumers **rent/lease**, rather than own durable products
- ❖ **Long term effects** are given their proper weight



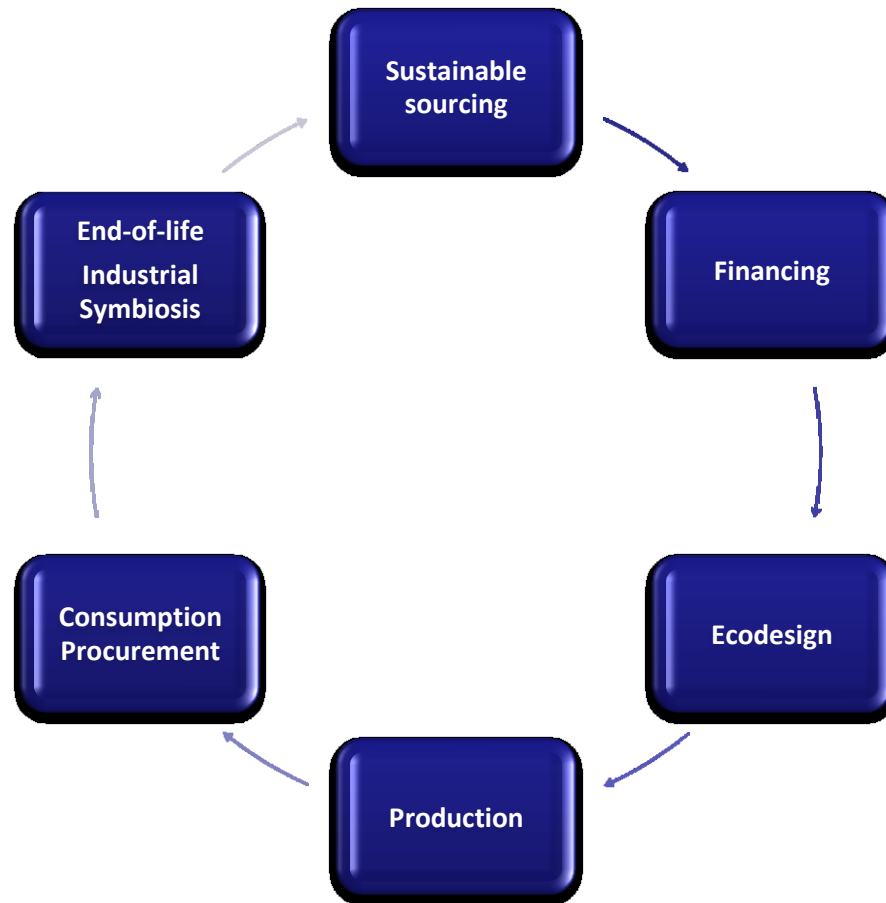
**Natural Capital:**  
minerals-fuels-biomass



**ecosystems–biodiversity**  
– water – land and soils  
– air – marine resources



# Circular Economy





# Tensions: the Political Economy of "Green"

- ❖ Diffuse, ill-defined benefits, but precise, focussed costs
- ❖ Long term benefits vs short term costs
- ❖ Global vs local
- ❖ Environment seen as anti-growth?

-> Environmental policy must be seen as part of the solution



# EU cycle of macro-economic governance: "European Semester"



<http://www.consilium.europa.eu/special-reports/european-semester/how-does-the-european-semester-work>

# Positive macroeconomic trade-off: Environment is good for growth and jobs

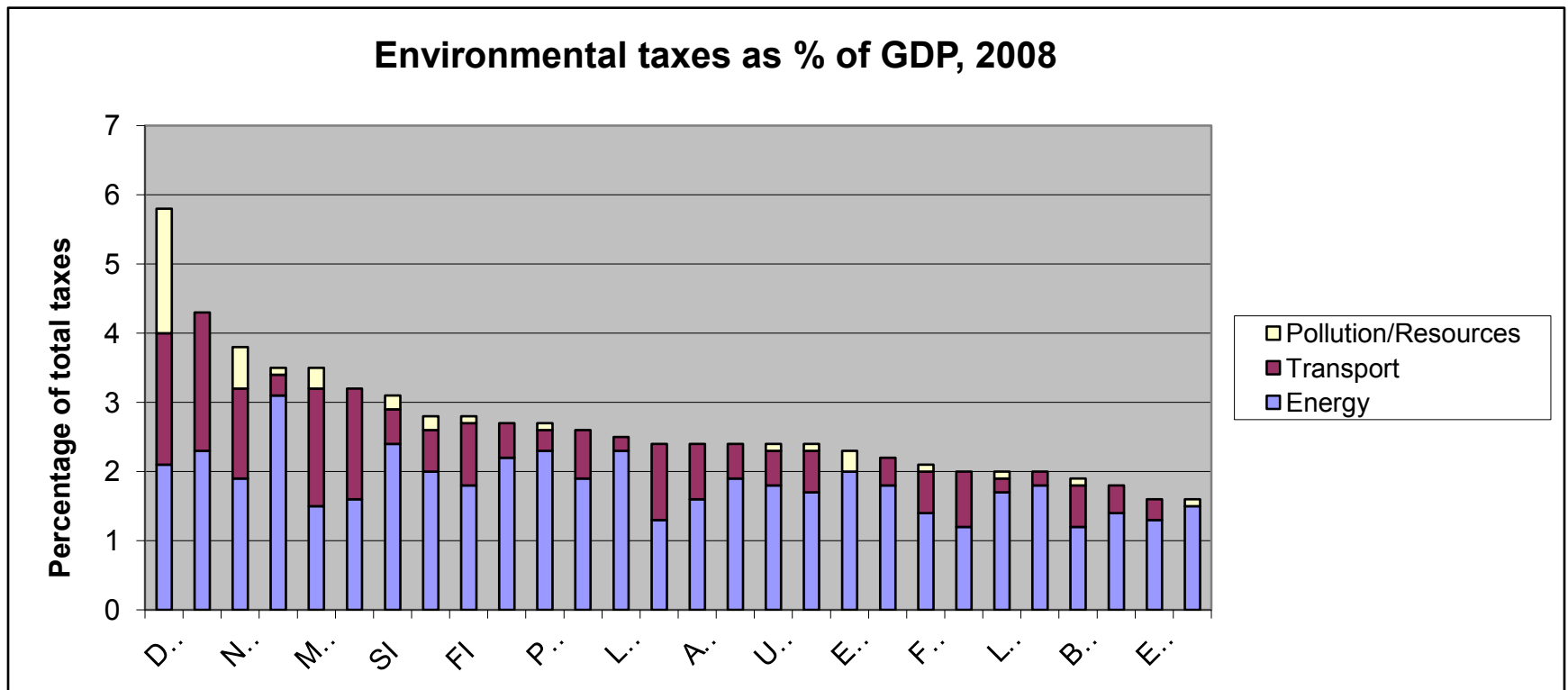
- ❖ Short term costs will mean long term savings (e.g. air, green infrastructure)
- ❖ No regret policy (e.g. banning landfill will encourage recycling, which will actually save firms money)
- ❖ Environmentally harmful subsidies disturb level playing fields
- ❖ Tax environmental bads (pollution) rather than economic goods (labour)



# Making the environment part of the solution

# Environmental policy as part of the solution:

## Environmental taxes as a % of GDP, 2008





## **Environmental policy as part of the solution: Shifting tax burden from labour to pollution**

- ❖ **The revised Dutch draft budget of 11th of October includes 4 environmental taxes, on drinking water, landfilling, motor vehicle road tax and higher CO<sub>2</sub> limits for car tax reductions that will generate over € 750 million/year.**
- ❖ **The French draft budget for 2014 includes ecotax measures linking energy tax more closely to CO<sub>2</sub> content, favouring low-emission cars and taxing nitrate fertilisers, estimated to bring over €2.5bn/year once fully implemented.**

# **Environmental policy as part of the solution:**

## **Environmentally harmful subsidies**

- ❖ **The European Environment Agency estimates that in Italy by 2015 there is a potential for phasing out environmentally harmful subsidies of more than €6bn/year**



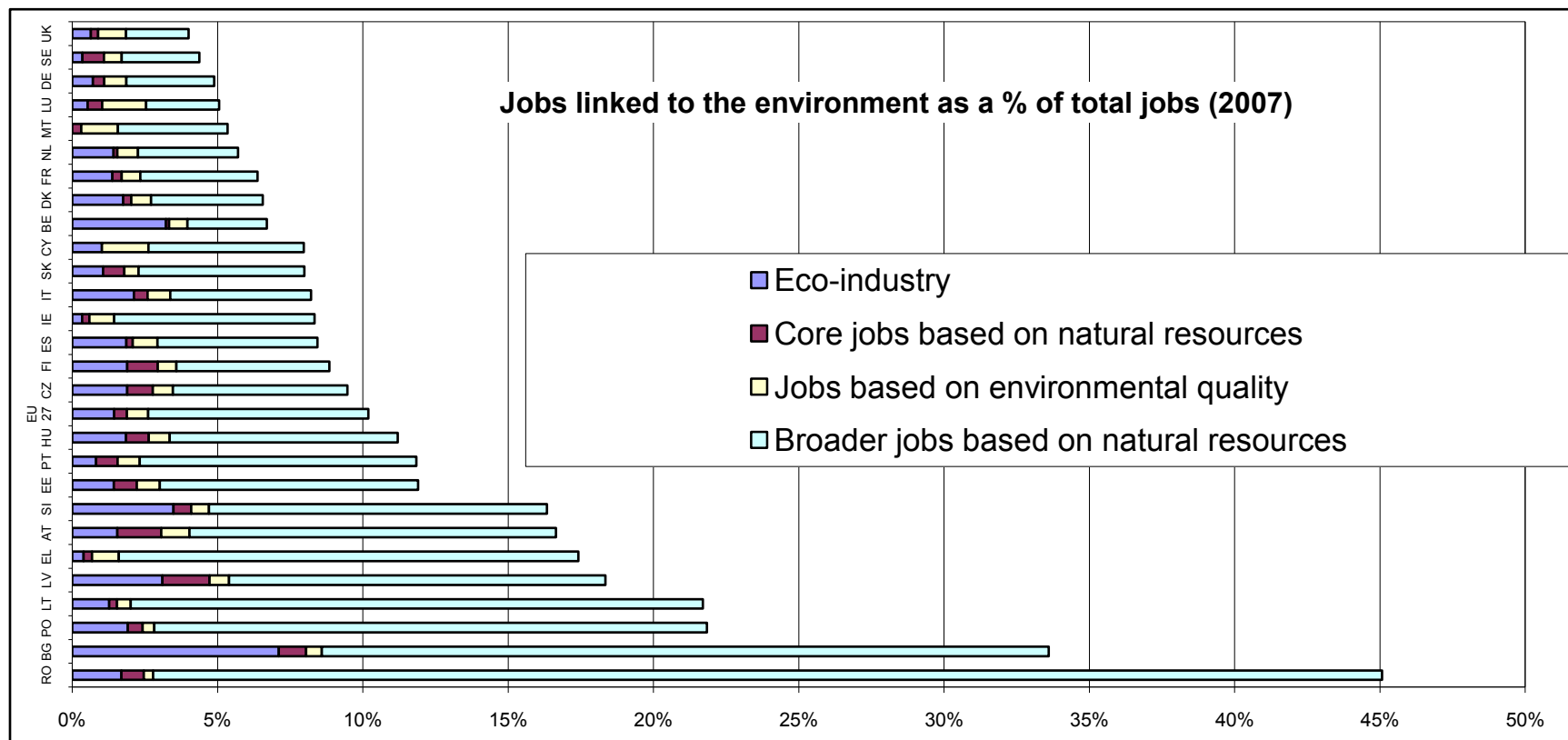
## **Environmental policy as part of the solution:** **Air quality, climate & health**

- ❖ **Costs of air pollution: cost of lost work days €15 bn/yr; direct health costs € 4 bn/yr**
- ❖ **Framing the problem in a way that other policy fields can gain by solving the issue**

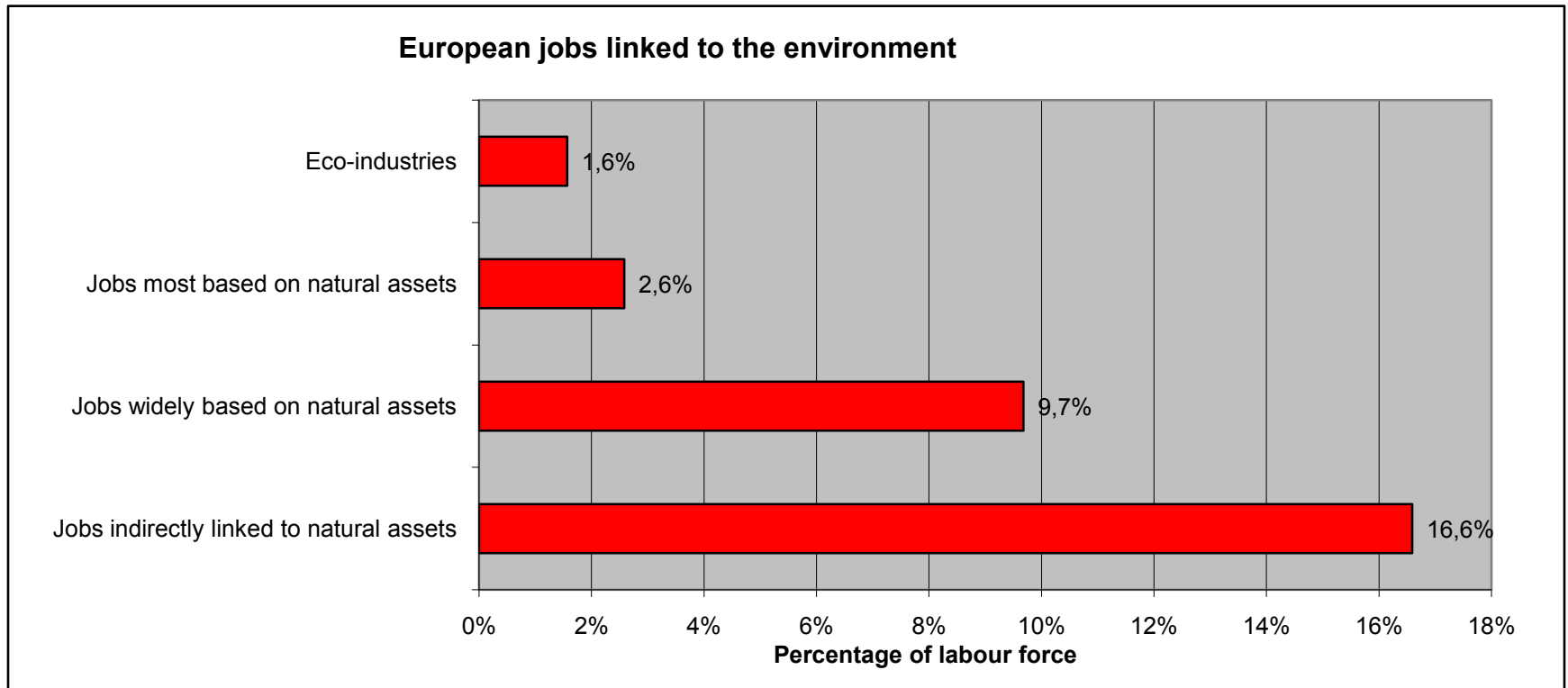
**Example: framing air pollution in Malta as traffic congestion -> linking transport, energy, environment, climate and regional policies into a comprehensive approach**



# Environmental policy as part of the solution: Eco-industry jobs



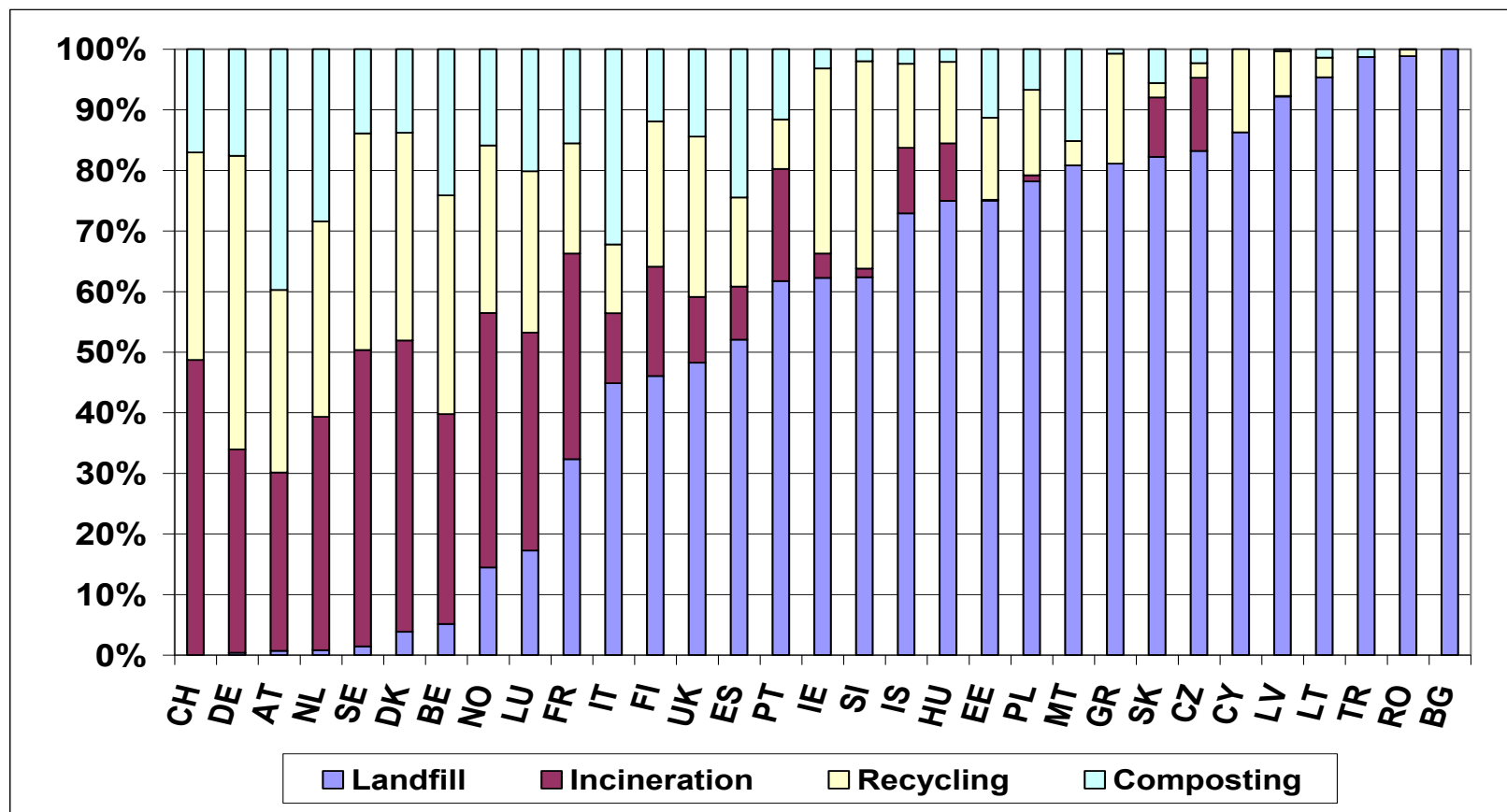
# Environmental policy as part of the solution: Jobs linked to the Environment





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# Environmental policy as part of the solution: Recycling of municipal waste





# Governance of greening the economy

What? (**substance**)

## **EU economic governance**

Semester cycle and  
accompanying instruments  
(e.g. 6-Pack, 2-Pack etc.)

How? (**governance**)



**Make the environment a necessary & wanted partner  
in the EU's economic recovery process, by:**



**1. Presenting convincing data on benefits of  
environmental policies to structural economic reform &  
jobs**



**2. Developing win-win agreements/alliances within our  
organisations and with other actors (Member  
States, stakeholders)**



**3. Ensuring policy coherence (e.g. with 7th EAP, SDGs  
(UN); also Env. Harmful Subsidies is matter of policy  
coherence)**



## Developing win-win agreements/alliances: potential

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Environmental policy	Broader issue	Other policies
Environmental fiscal reform incl.harmful subs.	<i>Fiscal consolidation, jobs</i>	Econ/budget/fiscal/ labour
Waste management	<i>Circular economy, resource efficiency</i>	Labour (jobs) / SME-support
Water management	<i>e.g. Floods</i>	Budget/insurances/jobs/ econ.& social disruption
Air pollution/health	<i>Urban traffic congestion / Sustainable transport/ Sustainable tourism/ Sust. urban development</i>	Transport/health/energy/ logistics business/ loss of work days / regional development / tourism
Resource efficiency	<i>Eco-innovation</i>	Research & innovation / business environment / public procurement
Costs & benefits of environmental policies	<i>More evidence-based &amp; costs-saving decisions</i>	Modernisation public administration: Impact Assessments



Thank you for your attention!

[http://ec.europa.eu/environment/resource\\_efficiency/](http://ec.europa.eu/environment/resource_efficiency/)

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