Environment and economic policy: agriculture, transport and energy sectors

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The committee adopted the report by Hans BLOKLAND (EDD, NL) on the Commission communication. While endorsing by and large the description of proposed measures and the introduction of more market-based instruments for integrating environmental concerns into economic policy, the committee nevertheless highlighted a number of shortcomings in the Commission's paper. In particular, it felt that too little attention had been devoted to: - the one-sidedness of the generally accepted concept of growth and development underlying present-day economic policy; - the disadvantages of the operation of markets, which made them an unsuitable instrument for use in all situations; - the rapidly-growing interdependence of policy problems such as unemployment, poverty and energy and environmental problems. The committee said that it was important not to underestimate the urgency of the problem of integrating the environment and the economy and that short-term measures were needed. Many scarce environmental assets, or the impact of using goods and services, lacked a realistic price tag, with the result that policy-makers, producers and consumers did not take account of the consequences of their actions. The report challenged the Commission's assertion that market mechanisms included taxes and charges but that permits counted as 'regulatory' mechanisms. It was in favour of an EU-wide system of tradable emission permits as a speedy means of reducing harmful emissions. It also said that the Commission should adopt a far more critical stance on the negative environmental effects of subsidies, especially in the field of energy and environmental policies. Moreover, the communication failed to give a proper definition of sustainable development. The committee stressed the global nature of economic policy and pointed out that the EU should not make it harder for third world countries to make their markets more competitive or ecologically sustainable. It also called on the Commission to review the possible impact of implementation of its policy paper on developing countries, to ensure that the EU was not open to accusations of "green protectionism". Other points raised by the report included the need for investment in research into both technology and products which were more environmentally benign and the need for environmental taxes and levies to be emission-related, fiscally neutral for members of the public and levied on a uniform basis throughout the EU. Lastly, the committee pointed out that the applicant countries had an opportunity to incorporate environmental measures into their economic policies at a fairly early stage, in view of the large number of new businesses and new branches being established.