A new EC-commissioned study makes ten key policy recommendations for improving Europe’s competitive position within the eco-industries. As well as harmonising regulation and standards across Europe, the report recommends providing funding and skills development schemes specifically for the sector.

The eco-industries, whose core sectors include air pollution control, waste treatment, renewable energy and recycling, among others, are a crucial part of the EU’s action and development plan under the Lisbon agenda for growth and jobs. The report identifies current areas of concern for the eco-industries in Europe and provides policy recommendations based on its findings.

According to the study, around 3.4 million people in the EU were employed in the eco-industries in 2008. The industry currently turns over more than €300 billion a year and, on average, its productivity is growing faster than the manufacturing industry. However, with the notable exception of renewable energy, it is less profitable than the manufacturing industry. For specific subsectors, including recycling, water supply and renewable energy, the EU is in a world leading position. However, it lags behind in other areas, such as hybrid cars and biofuels. Although the EU has been an early adopter of environmental policies and recommendations, it is beginning to be challenged by rapidly developing countries like China, which are finding success in high-tech subsectors such as solar power.

The importance of creating an attractive climate for investors is highlighted in the report and policy makers have remained committed to environmental goals, despite the global financial crisis. Other challenges for the eco-industries include obstacles to increasing the transfer of technology to end-users, and between companies and countries. A shortage of skills also risks causing a slowdown in growth and productivity in some sectors within the eco-industries. In addition, lack of uniform implementation of environmental directives, standards and certification procedures currently makes it unnecessarily expensive to do business across Europe.

The report’s ten key policy recommendations are as follows:

1. Improve the statistical observation of the EU eco-industry.
2. Deepen the Sustainable Consumption and Production and the Sustainable Industrial Policy.
3. Improve the functioning of the internal market for the EU eco-industry by harmonising the implementation of directives, standards and certification procedures.
4. Introduce EU-wide functional performance criteria where possible and technical standards where needed.
5. Promote environmental skills development and move towards a better integrated internal labour market.
6. Reduce asymmetric information between the eco-industry and its clients and suppliers.
7. Promote eco-innovation and R&D.
8. Provide financial support schemes to support the eco-industry’s R&D and innovations that are strategic for the future, yet that cannot be funded by corporate funding due to the financial crisis.
9. Harmonise and promote green procurement.
10. Promote open markets at a global scale and the actions that help to create a level playing field.


Contact: valentijn.bilsen@ideaconsult.be

Theme(s): Sustainable consumption and production, Sustainable development and policy assessment, Environmental Technologies