



European Communities

**EUROPEAN PARLIAMENT**

# **WORKING DOCUMENTS**

English Edition

1985-86

18 February 1986

SERIES A

DOCUMENT A2-216/85/ANNEX

ANNEX

to the report drawn up by Mr ESTGEN

on behalf of the Committee on Energy,  
Research and Technology

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OPINION of the Committee on Economic  
and Monetary Affairs and Industrial Policy

PE 102.380/fin./Ann.



Opinion

for the Committee on Energy, Research and Technology

Draftsman: Mr Aldo BONACCINI

At its meeting of 24-26 September 1985, the Committee on Economic and Monetary Affairs and Industrial Policy appointed Mr BONACCINI draftsman of an opinion.

At its meeting of 18 December 1985, the committee considered the draft opinion and adopted its conclusions by 22 votes in favour and one abstention.

The following took part in the vote: Mr VON BISMARCK, vice-chairman and acting chairman; Mr SEAL, chairman; Mr BEAZLEY, vice-chairman; Mr BONACCINI, draftsman; Mr BEUMER, Mr CAROSSINO (deputizing for Mrs DE MARCH), Mr CASSIDY, Mr DE VRIES, Mr FALCONER, Mr FILINIS, Mr GAUTIER, Mr HERMAN, Mr METTEN, Mrs Tove NIELSEN, Mr NOVELLI, Mrs OPPENHEIM, Mr PATTERSON, Ms QUIN, Mr RAFTERY, Mrs VAN HEMELDONCK, Mr VISSER (deputizing for Mr BESSE), Mr WAGNER and Mr VON WOGAU.

## I. FOURTH COMMUNITY PROGRAMME ON THE ENVIRONMENT

The Commission's proposal for a decision adopting multiannual research and development programmes on the environment for the period 1986-1990 represents the Community's fourth programme on the environment.

### 1. GENERAL PRINCIPLES

One of the objectives of these programmes is to assist the Commission, in the light of the work accomplished, in formulating proposals for new regulations on the environment. They also seek to establish appropriate techniques for preventing environmental damage and to ensure that energy and raw materials are used more economically.

Although, in the main, the programmes represent an extension of the work carried out since 1983 and approved by the European Parliament, new guidelines and new priorities have been established.

### 2. THE MULTIANNUAL PROGRAMMES FOR 1986-1990

The programmes embodied in the Commission's proposal relate to three sectors:

#### (a) Environment protection

The eleven research projects contained in the third programme have been retained. These concern measures to combat atmospheric, freshwater, sea and soil pollution, as well as measures to combat noise, especially with a view to the development of prevention policies.

#### (b) Climatology

Research in this sector is of fundamental importance for an understanding of climatic problems and of the ways in which man and climate interact. As many as 115 contracts have already been concluded and, on average, 30% of their cost is borne by the Community. The aim is to improve our knowledge of the extent to which climatic variations affect basic resources - water, soil, vegetation, foodstuffs - and to prevent the dangerous consequences of certain climatic conditions (sterility of the soil, fires, floods, effects of an increase in carbon dioxide in the atmosphere).

#### (c) Major technological hazards

The third research sector concerns our understanding of, and the prevention of, serious industrial and transport accidents involving chemical and petrochemical products, such as that which caused the tragedy in Bhopal.

### 3. FINANCING OF THE RESEARCH PROGRAMMES

The total appropriation earmarked for the five-year period is 105 million ECU (65 million ECU for environment protection, 25 million ECU for climatology, 15 million ECU for major technological hazards). Most of it will be used to cover expenditure on research contracts. That more resources will be available than for the previous programme is due to the enlargement of the Community, the adoption of new priorities and training expenditure requirements.

## II. GENERAL OBSERVATIONS ON THE ECONOMIC ASPECTS OF THE ENVIRONMENT RESEARCH PROGRAMMES

1. Because of the serious damage inflicted on the environment and the growing exploitation of our natural resources, the introduction of protective, preventive and remedial measures is becoming increasingly urgent, not just from the point of view of safeguarding nature and human health, but also on account of the economic implications.
2. There has to be wider recognition of the fact that the protection of environmental resources plays a fundamental part in the determination of economic growth targets. The adoption of measures for the protection of the environment entails not only a political and social objective, but also an economic objective, the attainment of which, cannot however, disregard the complex conditions that regulate the productive use of real resources.
3. The destruction of natural resources is on the increase, just as man's living and working conditions are steadily deteriorating. This is happening on a vast geographical scale, thus threatening the existence of productive factors needed for a high standard of economic growth in the long term.
4. Measures to protect the environment and to improve living and working conditions do not necessarily generate new resources, but they do help to reduce costs, whether by conserving natural resources (energy and raw materials), or by containing the ever-increasing costs of the damage inflicted on certain productive sectors such as agriculture and the food industry. Moreover, such measures act as a spur to entrepreneurial initiative and inventiveness and encourage the development of new techniques.
5. The public and private investments needed to implement environmental protection measures create new growth opportunities: opportunities to create resources in agriculture, in tourism, in manufacturing industry, and in new technology research - all sectors directly producing goods and services and therefore potential sources of new and secure jobs. In this connection, attention should also be drawn to the importance of the vocational training services, which must prepare people for the kind of jobs created by the evolution of the environment protection technologies.
6. A programme of action therefore seems essential to revitalize the natural environment and to safeguard environmental resources with the aim of accommodating industrial society to the priorities of ecological protection. This programme must attempt to eliminate the factors which cause harm to the environment, but at the same time must guard against any tendency liable to restrict economic growth or to cause industry to stagnate.
7. In view of the complexity of the problem and the fact that pollution is a supranational phenomenon, requiring research and solutions on a vast geographical scale, considerable scientific, technical and financial advantages are bound to derive from the implementation of a multiannual environment research programme at Community level.

### III. ASSESSMENT OF THE ECONOMIC PLAN IN THE COMMISSION'S PROPOSAL

1. The acquisition of new knowledge about environmental protection, climatology and major technological hazards is of key economic importance, both because it entails the adoption of common and mutually acceptable forecasting instruments and standards capable of reducing damage to the environment, and because it will maximize the economic benefits deriving from the exploitation of natural resources, which is essential for the balanced growth of economic activities.
2. If economic growth is to be sustained, ecological factors must necessarily be taken into account, bearing in mind the cost<sup>1</sup> of the damage caused by various kinds of pollution and of the available technologies.
3. The ecological 'quality' of a product is an increasingly important selling point and affects its ability to compete on the world market. From the economic viewpoint, it is important that due account be taken of the ecological priorities in order to facilitate the disposal of products in the Community and on the world market.
4. While the economic importance of environmental research is beyond dispute, the desired results will not really be achieved unless such research is accompanied by appropriate regulations on the basis of which infringements can be penalized in accordance with the 'polluter pays' principle.

### CONCLUSIONS

The Committee on Economic and Monetary Affairs and Industrial Policy considers that:

1. Protecting environmental resources and improving man's living and working conditions are becoming increasingly decisive factors in determining the growth targets of industrial society.
2. The objectives of any medium to long-term economic and industrial policy have to take account of environmental factors in order to safeguard the existence and increase the stock of the natural productive factors needed to ensure balanced, healthy and sustained economic growth.
3. Environmental protection measures must take account of all the conditions regulating production, and their implementation must secure the widest possible social consensus in view of their considerable impact on the productive process.
4. The elimination of the factors responsible for the destruction of environmental resources requires, not that industrial society be reshaped, but that it be adapted as swiftly as possible to the need to safeguard the ecological balance.

<sup>1</sup>According to the OECD, the consequences of the damage caused by atmospheric pollution (to agriculture, forestry, buildings, public works, persons) absorb between 3 and 5% of the Gross National Product of the countries concerned.

5. Since environmental protection measures need public and private investment, significant economic advantages as well as more general benefits can derive from their implementation.
6. The reduction of discharges, the elimination of waste, the need to ensure that products conform to environmental requirements, and the supply and management of raw materials impose enormous costs on industry and agriculture; any measure capable of solving these problems and of systematically reducing costs would enhance the competitiveness of industry and agriculture.
7. The development of measures concerned with safeguarding environmental resources should lead to the creation of net resources in terms of the production of goods and services in many sectors of the economy, while providing new and secure employment opportunities, especially for well-trained and skilled young people.
8. The development of technologies for protecting the environment is an incentive to the growth of new activities, especially for the SMUs, the craft industries and cooperatives run by well-qualified technical workers who wish to branch out on their own, and may open up new markets, stimulate entrepreneurial flair and reduce Europe's reliance on the importation of new technologies.
9. The multiannual research programmes concerned with environment protection, climatology and major technological hazards which the Commission has submitted to the Council, could well form the basis of an active Community environmental policy.
10. The results of these multiannual research programmes should make it possible to take stock of the existing environment protection policies, while providing the means of evolving a medium and long-term prevention policy.
11. The adoption of common measures at European level makes for greater efficiency in the research work undertaken by the Member States and makes it easier to establish a scientific base for the adoption of Community regulations.
12. Apart from the financial benefits accruing from the adoption of common measures, a body of Community regulations will facilitate the free movement of goods (common standards, common assessment procedures) within the Community and on the world markets.