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## **The circular economy package a transformation for all?**

The circular economy needs to be an inclusive democratic change that has societal benefits at its core or we could end up in a new paradigm that promotes business as usual: benefits for the few only.

The circular economy package is a missed opportunity to move to living within our planetary means and bringing benefits to society, such as green jobs. For this reason, the Greens/EFA believe that the circular economy package needs to include the following points:

## **1) Integrate resource consumption into economic accounting**

It is a mistake for the Commission's new package, unlike the previous one, to ignore resource use. Even if we were to recycle all our waste, for most materials, we would still need a constant supply of virgin materials to meet our consumption levels. The circular economy on its own can improve the availability of materials, but cannot provide an endless and increasing supply. We have to face up to the limits to our resources and need to work towards an effective reduction of resources.

Addressing resource use allows for a better analysis of cross-cutting barriers, such as the levels of tax on labour compared with resources as well as enabling the measurement of resource consumption in terms of land, water, carbon and materials using the footprint methodology, and using these indicators in policy impact assessments and macroeconomic policies such as the European Semester, as already requested by Parliament in 2012 and 2015, and which was included in the 7th EAP in 2013.

## **2) Make jobs part of the transformation**

The new package does not have specific targets in job intensive sectors - a lost opportunity. Although recent estimates suggest that the circular economy can create as many as 3 million jobs with the current legislation, employment in key sectors, such as repair, has been decreasing for the last 30 years . It is estimated that for every 10,000 tonnes of goods, 1 job can be created if they are incinerated, 6 if landfilled, 36 if recycled and 296 if reused . Hence, introducing policy measures where the EU operates at the top of the waste hierarchy (prevention, reuse, repair and remanufacture and as a last stage recycling) creates jobs, protects the environment and makes valuable materials available to the EU economy.

To be serious about resource efficiency and the circular economy we need to be serious about managing the transition for workers and ensure we replace the jobs that will go with the new jobs that should come. Integrating labour requirements into a circular economy is important, by respecting collective agreements, social security and tax contributions, as well as developing the requisite skill set for the transition to a low-resource Europe.

#### **4) Recycling isn't the answer: it's the last resort**

The package avoids giving any target on waste prevention or reuse – a crucial shortcoming. Waste targets should reflect the waste hierarchy, starting by re-thinking the design of a product to make it durable, repairable and upgradeable; promoting reuse, repair and remanufacturing in a member state, and making

recycling the last possible option for the waste that cannot be recovered in any other way.

At the moment, EU legislation has binding targets for recycling, rather than for prevention and preparation for re-use. Although increasing recycling is positive, it is the last step to recover waste, and this should be reflected in EU legislation.

### **3) Invest in small scale enterprises instead of the linear economy**

The package ignores the need to use EU funding to target communities, rather than only big infrastructure. It is unfortunate that until now, cohesion funds have been used to perpetuate the linear economy by funding mostly landfills and incinerators . In addition to promoting the right infrastructure, EU funds should be used to establish smaller scale, often citizen-led or social enterprises or SME initiatives, such as borrowing shops or repair networks, which currently find themselves struggling despite the wide appeal and the myriad benefits they bring to communities.

## **5) Need for effective regulation, not just voluntary efforts**

The package's focus on voluntary efforts in key areas fails to bring the necessary paradigm shift. The transition to a circular economy needs to go beyond waste targets and develop additional legislation, such as making product repair manuals available by 2017 or increasing the guarantees and the burden-of-proof periods for products. Not adopting these serves only to keep us locked in to a throwaway society.

### **See more:**

- [Position Paper: The circular economy - a paradigm shift for all?](#)
- [Open Letter to the Commission by Rebecca Harms and Philippe Lamberts](#)

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