

Introductory Address by Mr Michel CARPENTIER  
to the Third EUROPEAN SYMPOSIUM ON MANAGEMENT

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The Third European Symposium on Management will be largely devoted to a study of the environment in undertakings. As far as I am concerned, I shall talk about environmental policy in one very particular undertaking namely the EEC itself.

Everyone agrees today in thinking that the role and responsibility of the head of an undertaking have acquired a new dimension. The undertaking must no longer merely attain economic objectives in the interests of shareholders. It must also attain human and social objectives in the interests of its personnel. In addition it must take care not to pollute the environment, and must economize natural resources.

This new dimension also affects the role and responsibility of the EEC. This body has been assigned the task of promoting "a harmonious development of economic activities" and "an accelerated raising of the standard of living" throughout the Community (Article 2 of the EEC Treaty). One criterion for the successful accomplishment of this task was and still is the increase in wealth and the standard of living. But henceforward two other criteria must be added in order to ensure the prosperity of Europe and its influence in the world, namely :

1. The increase in general wellbeing,

2. The prevention of pollutions and nuisances, together with the safeguarding of natural resources wasted by the exacerbation of consumer needs.

In the Common Market of tomorrow, principles such as the free play of competition, rules such as that of free exchange, and common policies must be applied in order to increase the quality as much as the quantity of goods and services, and in order to correct the excessive inequalities which still persist in the Community and the world.

The harmonious development of the Community's economy calls for Community-wide measures in order to ensure that the European citizen lives in a less polluted environment, is better housed, works in better conditions of health, safety and tempo, has easier transport and enjoys a cultivated leisure. It also requires the citizen to feel that he belongs to a European social and political body, and that he is treated not as a market value but as a person having not only obligations but also responsibilities.

This transformation of the hierarchy of values which underlie decisions is the affair of the public authorities, and hence of the national governments and the European Community, as was affirmed by the Heads of State and Government at the Paris Summit Conference on 19 October 1972. After stating that "in accordance with the European genius, particular attention will be paid to non-material values and goods and to environmental protection, in order to harness progress to the service of mankind", they emphasized the importance of an environmental policy in the Community and instructed the Institutions to draw up an action programme together with a detailed schedule by 31 July 1973.

Only ten days after this Conference, the Ministers of the Environment of the Member States of the enlarged Community met in Bonn and gave a further stimulus to the implementation of an environmental policy within the Community.

They recognized that important aspects of this policy can no longer be conceived and executed in isolation in the various countries, and that the relevant national programmes and policies should respectively coordinated and harmonized in the Community on the basis of a common long-term conception of the improvement of the quality of life.

The Bonn Conference succeeded in establishing common principles and underlining certain initiatives contained in the proposals put forward by the Commission.

Lastly, the Ministers agreed that the Member States should consult together concerning the environmental activities of the international organizations and try to adopt a common attitude in these bodies.

These decisions and expressions of opinion, together with the early date fixed for the establishment of an action programme, constitute an implicit retrospective recognition of the interest of the proposals put forward by the Commission. I would now like to comment, upon them, and to indicate the main considerations upon which they are based.

The European Communities' action programme on the environment, which the Commission forwarded to the Council on 24 March 1972, included two main types of proposition :

1. Concerning a programme for the reduction of pollution and nuisances and the safeguarding of the natural environment,
2. Action aimed at improving the quality of life.

1. THE ANTI-POLLUTION PROGRAMME

1.1. The need for a common evaluation of the facts

When one begins to consider the problems of pollution, one is surprised to note the shortage of scientific knowledge and the absence of simple and reliable methods of forming an overall assessment of the facts. This may appear shocking in an era when science and technology have made considerable progress and the consensus of opinion is that it is necessary to act at once against pollution and to stop making long studies and assessments, which are deemed to be forms of procrastination. I would like to explain my point of view here.

The formulation of a rational long term environmental policy requires an objective analysis of the facts and a forward study of the consequences of choosing any one measure from among the various available options. Now it must be recognized that the effects of pollutants are estimated in differing ways by scientific circles. For example the experts disagreed recently as to the harmful effects of the tetraethyl lead discharged into the atmosphere by vehicle exhausts. Moreover, the methods of measurement and the way they are applied often differ from country to country, even from laboratory to laboratory. In the economic field, the evaluation of the cost of damage caused by pollution or anti-pollution measures is still subject to gross errors and discrepancies.

This state of affairs has several consequences :

1. It leads governments to take conservationist measures, leaving economic agencies with the responsibility of proving that the measures are bad, and finding appropriate technical solutions.
2. When these conservationist measures are likely to have economic and commercial effects, governments will naturally prefer those which cause the least inconvenience to their economies.

There is therefore a great risk that the differences between the various economies may give rise to a new sort of deliberate or involuntary protectionism, defended on the grounds of environmental improvement without it being possible - in the absence of irrefutable knowledge - to form an objective assessment of the validity of the arguments advanced.

The Commission has therefore included in its programme a series of projects concerning the joint evaluation and the dissemination of the facts. They cover the following matters :

- a) The determination of scientific criteria of toxicity for the principal air and water pollutants;
- b) The standardization, or at least harmonization of methods and techniques of sampling, analysis and measurement of pollutants;
- c) The organization and development of technical exchanges between national monitoring networks and the study of the advisability of organizing such networks at Community level.
- d) The adoption of a common method of evaluating costs and a common statistical method, and also the conduct of joint research on the most suitable economic means of inducing polluters to cease polluting - or to pollute less;
- e) The implementation of a common research programme including the exchange of information, concerted projects and joint projects.
- f) The creation of a system for the processing and dissemination of information, beginning with information on anti-pollution techniques and technologies and also on the effects of pollution on human health and the natural environment.

1.2. Quality standards and objectives

Does this mean that a European policy for reducing pollution must be limited to an attempt to evaluate the facts as objectively as possible ? Certainly not. It must aim to protect and improve the environment throughout the Community and to reconcile this aim with the efficient operation of the Common Market.

The policy must therefore fix limits for pollution at Community level whenever the protection of human health and the natural environment require it and the freedom of trade and the free play of competition necessitate it.

The determination of scientific criteria and the evaluation of the costs of anti-pollution measures must not be ends in themselves, but means to other measures, such as the following :

1. The fixing of common health standards, and where appropriate standards for the discharge of toxic effluents required in order to conform with health standards;
2. The establishment of common methods for the definition over various Community regions (geographic, economic and demographic) of quality objectives for air and water, and the fixing of discharge standards for sources of pollution in order to attain these quality objectives;
3. The standardization of product specifications, already undertaken under the general programme for the elimination of technical obstacles, priority being given to pollutant products. This standardization, now being effected in connection with technical obstacles, must be supplemented as regards certain products by the regulation and control of their use.

Sectoriel studies on the main pollutant industrial activities must be carried out in cooperation with the administrations and professional circles concerned. They will make it possible to define the problems to be solved, to look for the most appropriate technical and economic solutions, and where necessary to conclude with certain industries a kind of outline agreement containing particular provisions, a project schedule including both undertakings on the part of industrialists and suitable action at

This action might take the form of research, aid in the development of new techniques under Community development contracts, licensing agreements, exchanges of information, or possibly the harmonization of transition aid - where this is deemed compatible with Article 92 et seq. of the EEC Treaty and the Polluter Payer Principle.

Special measures, usually the harmonization of regulations, will have to be taken with regard to wastes, particularly industrial wastes.

Lastly, Community principles must be established for the allocation of costs. In particular the scope of exceptions to the "polluter pays" principle, should be defined with the utmost care.

These are the main lines of the programme for the reduction of pollution and nuisances, which forms the first part of the Commission's proposals to the Council on the environment.

The Member States may however think it necessary to take certain immediate conservationist measures with regard to the most dangerous pollutants without waiting to obtain all the information on which to base an appreciation. In order to reconcile national initiatives with the progress of efforts at Community level, the Commission has asked the Council to set up a procedure for preliminary information about any projected national measure relating to the environment, in order to enable the Commission to propose joint measures and thus provide a sort of advance coordination of national provisions.

It will be seen that the Commission's proposals take very careful account of the existence of regional disparities and of the need to seek for the most effective level of action for each category of pollution.

The main action in the matter of pollution and nuisances must obviously be on the spot, where they are produced.

In view, however, of the complexity of the criteria on which this action depends, and of its political, economic and social consequences, it will often be necessary for local action to be integrated into a wider framework. In practice this means that Community action is justified in all circumstances where :

- 1) its absence would hamper the action of authorities with a more restrictive geographic field of action;
- 2) Action cannot be really effective unless undertaken at Community level, or needs to be undertaken at this level in order to give an impetus to the general body of environmental policies within the Community.

It must be admitted, however, that the implementation of a decentralized policy of this kind will encounter serious practical difficulties.

The most important of these result from the differences which exist between the attitudes to pollution problems in the various Member States, and also from the nature and organization of the administrative structures which deal with these problems. As you know, these structures differ greatly from country to country.

These differences obviously lead to divergences of view as to the requisite political and economic priorities and the appropriate scale of values. Such divergences in turn derive partly from the persistent inequalities in regional economic development within the Community. Thus progress towards an environmental policy will be closely linked to progress towards a genuine economic union. It is therefore important to seek to integrate new criteria of value into the design and execution of common policies.



## 2. THE IMPROVEMENT OF THE ENVIRONMENT

For these reasons, and independently of the developments contained in the programme for the reduction of pollution and nuisances, the Commission has proposed to the Council a certain number of projects for environmental improvement which it believes should be implemented in connection with or as an accompaniment to joint sectoral policies. They concern the safeguarding of the natural environment, the improvement of conditions of work in business and industry, town planning and territorial planning in general environmental education and the improvement of transport conditions.

I would also remind you that the Commission favours the creation of a European Centre for the Problems of Modern Society, which would study the long term prospects for the development of post-industrial society.

### CONCLUSION

In conclusion I would insist on the closely complementary character of Community action and that of European private enterprise on environmental matters. The Community must tell private enterprise what objectives it is pursuing, what principles it has adopted, and what common limits must be respected. In certain cases private enterprise must be able to rely on the Community to help it to adapt itself to the new restrictions and to preserve satisfactory trade relations with non-Community countries.

The Community for its part must be able to rely on industry to collaborate actively in its efforts to evaluate problems more accurately, and to extend into industry the efforts being made at Community level to improve the quality of life.

The protection and improvement of the environment will inevitably lead to transformations in private enterprise which it would be foolish to seek to delay. The Community's efforts to promote social progress and improve the environment should be supported by industrial action in the same sense and at the same pace.

If this were to prove impossible, the consequences would be serious for everyone. The Community environmental policy would certainly be affected, though I doubt whether it can be compromised. On the other hand the damage to the market economy would undoubtedly be greater. The improvement of the environment is in fact a new challenge for our economic system and without doubt a severe test of its efficiency and adaptability.

The Community has embarked on a reasoned, progressive and enlightened environmental policy. It must be able to rely on all its vital forces, and in particular on its industry, to help it to put this policy into effect.