

Sustainable Development and General Principles of EU Law (part 2/2)

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The module is implemented in the frame of the project Jean Monnet Module on Sustainable Development in the European Union: Jean Monnet interdisciplinary Module (project number: 101127599 – EU4Sustainability), Erasmus+ Jean Monnet Actions.



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IV. Sustainable Development and EU Competition Law

IV.1. The role of EU competition law in promoting sustainable development

IV.2. The EU's approach to balancing competition and sustainability in its trade policies

IV.3. The EU's efforts to encourage sustainable practices in the corporate sector



IV.1. The role of EU competition law in promoting sustainable development

Read: How European competition law can contribute to achieving sustainability objectives – By financierworldwide.com

- On 11 December 2019, the president of the European Commission (EC), Ursula von der Leyen, introduced the ‘European Green Deal’, a comprehensive roadmap with the overarching ambition to make Europe the world’s first climate neutral continent by 2050.
- In a 7 December 2020 speech during the Organisation for Economic Co-operation and Development (OECD) Global Forum on Competition, where she stressed that: “Competitive markets can support the green transition, by driving companies to make better, more efficient use of resources. [...] And competition means that businesses have no choice but to respond to consumers’ demand for greener products”.

IV.1. The role of EU competition law in promoting sustainable development

Read: Competition Law and Sustainability: EU and National Perspectives – By Jurgita Malinauskaite

- The role of EU competition law in promoting sustainable development is currently being debated and explored by the European Commission and various national competition authorities (NCAs) within the EU.
- The European Commission recognizes that competition law can support sustainability objectives, such as driving green innovation and sustainable jobs and growth. The Commission has initiated public consultations and received feedback from stakeholders on the interaction between competition law and sustainability. The consultations have highlighted the need for clarity on when cooperation for sustainability initiatives is compatible with EU competition rules.
- The Commission has also imposed fines on car manufacturers for colluding on technical development related to nitrogen oxide cleaning, demonstrating how competition law can be used to prohibit anticompetitive behavior hiding behind green initiatives.
- Additionally, national competition authorities in the Netherlands, Greece, Austria, Hungary, and the UK have taken proactive steps to incorporate sustainability considerations into their competition law enforcement. These initiatives include proposing changes in the assessment of competition law to include broader sustainability goals, developing guidelines on sustainability agreements, and introducing legislative changes to explicitly allow for the consideration of environmental benefits.
- The aim is to strike a balance between competition and sustainability, allowing for cooperation on sustainability initiatives while preventing anticompetitive behavior.



IV.2. The EU's approach to balancing competition and sustainability in its trade policies

- The European Commission (the “Commission”) has published the new [Guidelines on horizontal cooperation agreements](#), introducing a specific chapter aimed at assessing the compatibility with competition rules of agreements between competitors that promote sustainability objectives.
- Sustainability should not be used as a pretext to mask agreements with an anti-competitive purpose—e.g., price-fixing or market or customer sharing. The Guidelines set out certain safeguards to ensure that only agreements that pursue legitimate sustainability-related objectives are covered, thus minimizing the risk of green and social washing.

IV.3. The EU's efforts to encourage sustainable practices in the corporate sector

Read: Competition Law and Sustainability: EU and National Perspectives – By Jurgita Malinauskaite

- The EU has been making efforts to encourage sustainable practices in the corporate sector. These efforts are driven by the European Green Deal, which aims to make Europe the first climate-neutral continent by 2050. The European Commission has signaled its intention towards more sustainability-friendly competition law practice. The Commission has instigated debates on greening competition law and policy, exploring how competition policy can support the EU's focus on sustainability and climate neutrality. The Commission has also conducted public consultations to gather feedback and suggestions on how competition law and policy can contribute to the European Green Deal.
- The Commission has identified three main reform work-streams in the Competition Policy Brief. These work-streams focus on State aid directed at funding non-fossil fuels, clarifying and simplifying the rulebook, and enhancing possibilities to support innovation. The Commission is also working on providing concrete examples of how sustainability objectives can be pursued through different types of cooperation agreements without restricting competition. The Brief acknowledges that sustainability benefits can be assessed as qualitative efficiencies resulting in increased quality or longevity, as well as cost efficiencies passed on to consumers. The Commission is planning to change its approach to consider sustainability benefits that may not be direct or immediately noticeable improvements or cost savings, as long as consumers appreciate the sustainability benefits and are willing to pay a higher price for them.
- In terms of enforcement, the European Commission has imposed fines on car manufacturers for colluding on technical development in the area of nitrogen oxide cleaning. The Commission found that the car manufacturers restricted competition on product characteristics and technical development, limiting consumer choice and constituting an infringement of EU antitrust rules. The Commission emphasized that competition and innovation are essential for Europe to meet its ambitious Green Deal objectives.
- The Commission has defined CSR (**Corporate social responsibility**) as the responsibility of enterprises for their impact on society and, therefore, it should be company led. Companies can become socially responsible by:
 - integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations
 - following the law

Overall, the EU's efforts to encourage sustainable practices in the corporate sector involve exploring the interplay between competition law and sustainability, providing guidance on cooperation agreements, and taking enforcement actions against anti-competitive behavior that hinders sustainability goals.

V. Sustainable Development and EU Consumer Protection Law

V.1. EU consumer protection law and its role in promoting sustainable development

V.2. The EU's efforts to promote sustainable consumption and production patterns

V.3. The EU's approach to promoting sustainable and environmentally friendly products



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V.1. EU consumer protection law and its role in promoting sustainable development

Read: Sustainable Consumption and Consumer Protection Legislation – By B. KEIRSBILCK, E. TERRY, A. MICHEL, I. ALOGNA

EU consumer protection legislation plays a significant role in promoting sustainable development by addressing various stages of the product lifecycle. It can contribute to sustainable consumption and a longer lifetime of products through measures such as:

1. Design and Production Stage
2. Marketing and Precontractual Stage
3. Contractual Stage
4. Waste Stage

By implementing these measures, EU consumer protection law can contribute to sustainable development, combat misleading environmental claims, and provide consumers with better information to make sustainable choices.

How can sustainable consumption and longer lifetime of products be promoted through consumer protection legislation?



V.2. The EU's efforts to promote sustainable consumption and production patterns

Read: Sustainable Consumption and Consumer Protection Legislation – By B. KEIRSBILCK, E. TERRY, A. MICHEL, I. ALOGNA

The EU has made efforts to promote sustainable consumption and production patterns through consumer protection legislation. These efforts include:

1. Ecodesign requirements
2. EU Ecolabel
3. Combating greenwashing
4. Information provision
5. Extended producer responsibility

Why is the EU acting?

70%

increase in waste generation is foreseen by 2050

Over 90%

of biodiversity loss and water stress is caused by resource extraction and processing

Up to 80%

of a product's environmental impacts can be determined at the design phase



V.2. The EU's efforts to promote sustainable consumption and production patterns

Making sustainable products the norm in a more resilient Single Market



Source: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - EUROPEAN COMMISSION

V.3. The EU's approach to promoting sustainable and environmentally friendly products

On 30 March 2022, the Commission adopted [a package of measures](#) to make sustainable products the norm in the EU. The proposals are central to achieving the objectives of the European Green Deal, Europe's growth strategy to transform the EU into a fairer and more prosperous society and to implementing key strands of the [2020 Circular Economy Action Plan](#). They will contribute to reaching the EU's environmental and climate goals, doubling the circularity rate of material use and achieving energy efficiency targets by 2030.

Read: Sustainable Consumption and Consumer Protection Legislation – By B. KEIRSBILCK, E. TERRY, A. MICHEL, I. ALOGNA

- The EU's approach to promoting sustainable and environmentally friendly products involves measures such as improving product design, providing accurate information to consumers, ensuring the availability of spare parts, aligning guarantee periods with expected lifespans, prioritizing repair, exploring legislation for PSS/services contracts, making e-commerce greener, refining the waste management hierarchy, and strengthening extended producer responsibility.
- These recommendations aim to encourage sustainable consumption and increase the lifetime of products.

VI. Sustainable Development and EU Employment Law

VI.1. The role of EU employment law in promoting sustainable development

VI.2. The EU's efforts to promote sustainable and decent work for all

VI.3. The EU's approach to balancing labor rights and sustainable development



VI.1. The role of EU employment law in promoting sustainable development

In recent trade agreements, the EU requires its trading partners to respect and implement the [International Labour Organization's](#) fundamental conventions on:

- freedom of association and the right to collective bargaining (e.g. forming trade unions);
- getting rid of all forms of forced or compulsory labour;
- abolishing child labour, and;
- ending discrimination in the workplace.

Developing countries using the EU's Generalised Scheme of Preferences+ must also put these four fundamental conventions into practice, among others.

VI.1. The role of EU employment law in promoting sustainable development

Benefits of promoting employment and decent work: Promoting employment and ensuring decent work for all can have a tremendous impact on individuals and communities. Benefits include:

- **Improved living standards**

With work being the main source of income, creating jobs can increase material well-being, family stability, and create a virtuous cycle of poverty reduction. Having a decent job and a social protection coverage can provide people with a sense of dignity and eventually lead to their social inclusion.

- **Raised productivity**

Jobs allow for the production of goods and services in the economy and the transition from low to high productivity has proven to lead to economic growth for society as a whole. Moreover, decent work ensures inclusive growth, with fair wages and equal opportunities for all. But to create decent job opportunities, skills must efficiently match market needs, with targeted quality education and training programmes in cooperation with government and private sector.

- **Social cohesion**

Joblessness is often seen by the public as being linked to weak democracy. Unemployment and poor working conditions breed frustration and a sense of social injustice. This is especially true for young people: one risk of feeling excluded from civic participation or community activities can be that young people turn towards violent groups and civil unrest.

Promoting employment and decent jobs helps build public trust and encourages civic engagement, especially as employment helps fight social isolation. When people are engaged in a decent job and enjoy labour rights, they feel part of the community.

VI.2. The EU's efforts to promote sustainable and decent work for all

What is decent work?

The International Labour Organization (ILO) defines decent work as “productive work for women and men in conditions of freedom, equity, security and human dignity”.

- In general, work is considered as decent when:
- it pays a fair income
- it guarantees a secure form of employment and safe working conditions
- it ensures equal opportunities and treatment for all
- it includes social protection for the workers and their families
- it offers prospects for personal development and encourages social integration
- workers are free to express their concerns and to organise

VI.2. The EU's efforts to promote sustainable and decent work for all

2030 targets and trends at EU level	
Target and policy reference	Trends
<p>At least 78 % of the population aged 20 to 64 to be employed by 2030</p> <p>European Pillar of Social Rights Action Plan</p>	<p>The employment rate in the EU grew from 68.5 % in 2015 to 74.6 % in 2022. If the positive trend continues, the EU will be well placed to reach the target of a 78 % employment rate by 2030.</p>
<p>Less than 9 % of young people aged 15 to 29 to be neither in employment, nor in education or training by 2030</p> <p>European Pillar of Social Rights Action Plan</p>	<p>The proportion of young adults neither in employment nor in education or training (NEETs) continued to fall between 2015 and 2019. However, this trend was reversed with the onset of the COVID-19 pandemic, bringing the share of NEETs to 11.7 % in 2022. The short-term assessment shows that the EU is on track to achieve the target.</p>

More details on indicators and trends for SDG 8 can be found in the statistical and analytical annex and in Eurostat's monitoring report on progress towards the SDGs.



VI.3. The EU's approach to balancing labor rights and sustainable development

- In the **Middle East and North Africa**, labour migration is very common, working conditions are usually poor, there is a strong skill mismatch because of low-quality education systems, conservatism restricts women participation in the labour market, jobs are more often awarded based on connections than merits, economic growth is usually led by government, with a weak private sector and a lack of economic dynamism.
- In **Sub-Saharan Africa**, social protection is rare, employment is usually precarious, child labour is important, and most jobs are informal - over 80% of jobs are in family agriculture or non-agricultural self-employment (household enterprises). The region has the highest rates of working poor and the world's lowest school enrolment and educational achievement levels.
- In **Latin America and the Caribbean**, there is a growing labour force, but mainly composed of young people and women which are absorbed by the informal sector. The share of informal jobs remains high and the region holds the highest rates of people not in education, employment or training (NEETs) in low-income groups. Turnover rates and high labour migration is a common phenomenon.
- In **Asia and the Pacific**, female labour force participation is low, precarious and informal employment remains high, with South Asia holding the highest rates of informal employment in the world, youth unemployment is high, and there are important and worsening income disparities. Moreover, the region is faced with the challenge of absorbing a lot of migrant workers.
- In **Eastern Europe and Central Asia**, labour force participation is low and unemployment is generally high, especially among young people, women, and ethnic minorities.



VII. Conclusion and Future Directions

VII.1. Summary of the role of EU law in promoting sustainable development

VII.2. Challenges and opportunities for EU law in promoting sustainable development

VII.3. Future directions for the integration of sustainable development into EU law and policies.



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VII. Conclusion and Future Directions

**Read: Towards a new European Deal for the Future:
Achieving the Sustainable Development Goals in a
Fragmented and Multipolar World**

Ten priority actions for the upcoming European elections
and the next leadership of the European Union



Thank you for your attention!

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