European Economic and Social Committee
Press Release

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**European society should transition from a throw-away culture toward a more sustainable, job-rich era**

**EESC adopts opinions on the collaborative economy, the functional economy and 'nudge thinking'**

**The EESC Plenary today highlighted the importance of the collaborative economy and the functional economy as new business models for a more sustainable Europe. But it also called on the Commission to ensure that the collaborative economy does not increase job insecurity and the opportunity for tax avoidance. Nudge thinking is one way to achieve this. The Committee debated a number of key issues affecting Europe's future economic development with Commission Vice-President Jyrki Katainen. The EESC proposes the development of a new way to regulate and measure a new economy with different standards. The time has come for Europe to begin an economic transition from over-exploitation of resources to one based on quality rather than quantity.**

During the debate, Commission Vice-President **Jyrki Katainen** discussed the collaborative and functional economy with the EESC Plenary, stating: "*There are good reasons to consider if the regulatory environment is still fit for purpose for the new economic models. The collaborative economy empowers consumers. And the EU needs a genuine single market for secondary raw materials*".

**Collaborative economy**

During the debate on its [Opinion](http://www.eesc.europa.eu/?i=portal.en.int-opinions.39583) on the collaborative economy, the EESC raised concerns about the threat of job insecurity and the increased opportunity for tax avoidance in the decentralised digital economy. The Committee urges against shifting the value added chain away from actors of the real economy, in favour of the owners of proprietary digital platforms, such as car sharing. The opinion focuses on solutions such as an independent European rating agency for digital platforms on the basis of transparency, non-discrimination and trust.

**Functional economy**

Today more and more companies are choosing to sell user rights to a particular product instead of the product itself. Consumers have quickly realised that it may be more profitable to use products as and when required, rather than owning them and leaving valuable resources to lie idle when they are not in use. Pioneering companies provide "mobility services" instead of tyres and cars, "streaming services" instead of CDs or "document services" instead of photocopiers.

In its [Opinion](http://www.eesc.europa.eu/?i=portal.en.int-opinions.38089) on the functional economy, the EESC calls for European society to begin an economic transition from over-exploitation of resources and a throw-away culture to a more sustainable, job-rich circular era, based on quality rather than quantity. The Committee's Members recommend stepping up the pace of research and achievements in new methods of production and consumption connected to the functional economy, such as product eco-design, the circular economy and the economy for the common good.

**Nudging policymaking**

The Committee also voted an [Opinion](http://www.eesc.europa.eu/?i=portal.en.nat-opinions.39046) on nudge policymaking. Nudging is the idea that behavioural changes should come from "gentle nudges" or hints – and can be used in nearly every policy field, e.g. regarding the energy use, health care and waste management. The Committee will encourage the use of this effective and simple-to-implement tool in policymaking at a European and national level. When nudges are carefully designed, considering both technical and ethical questions, they have the power to encourage people to change their behaviour.

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***Related EESC opinions:***

[The collaborative economy](http://www.eesc.europa.eu/?i=portal.en.int-opinions.39583)(rapporteur: Carlos Trias Pintó, co-rapporteur: Mihai Manoliu)

[The functional economy](http://www.eesc.europa.eu/?i=portal.en.int-opinions.38089) (rapporteur: Thierry Libaert)

[*Towards applying Nudge Thinking to EU policies*](http://www.eesc.europa.eu/?i=portal.en.nat-opinions.39046) (rapporteur: Thierry Libaert)

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*The European Economic and Social Committee is an institutional consultative body established by the 1957 Treaty of Rome. The Committee has 350 members from across Europe, who are appointed by the Council of the European Union. It represents the various economic and social components of organised civil society. Its consultative role enables its members, and hence the organisations they represent, to participate in the EU decision-making process.*