



Commentary

Extended Producer Responsibility

April 21, 2005 — By Bill Sheehan and Helen Spiegelman, Product Policy Institute

A century ago Europe and North America unknowingly adopted a policy that gave rise to the modern Throwaway Society. For reasons that made sense at the time, convenient collection and disposal of “municipal” refuse became a public service provided by local communities at taxpayer expense. We all learned to put our refuse out to the curb and uniformed crews working for the city or its contractors or its authorized franchisers hauled everything away and “disposed” of it in locations remote from the sensibilities of politically influential municipal ratepayers.

There were some big winners. One was the garbage industry, which in 1999 earned \$33 billion in the United States alone providing goods and services to local governments. But the biggest winners have been corporations that mass-market consumer goods. They make profits selling short-lived products, many containing chemicals of known and unknown toxicity – yet bear none of the cost of managing the waste when the products are discarded by their consumers. Meanwhile local communities cut back on funding for teachers and police in order to provide a public service that makes wasting economical for big brand-owners.

A new way of thinking is turning the century-old “municipal waste” mindset on its head. Extended Producer Responsibility (EPR) shifts the burden of product waste management from hapless local communities back onto the companies that make the products that become waste. In effect, EPR ends the “welfare for waste” provided by taxpayers and government programs. Brand-owners, of course, may pass costs along to consumers. But when true lifecycle costs – such as the price of waste disposal or pollution clean-up – are reflected in product prices, consumers of specific products pay more, rather than all taxpayers or ratepayers. That creates a market incentive for

producers to design better products, or offer services instead. If you have to pay for managing your products when they are used up, you have an incentive to make products last longer, recycle easily, and not contain a lot of toxic chemicals.

EPR is established as European Union policy and has spread to most industrialized countries except the United States. It is being applied to products as diverse as packaging, automobiles, electrical and electronic items, batteries, paint and pharmaceuticals. Even Canada has moved beyond debating whether EPR is good policy to figuring out how to best implement it.

Can EPR progress in the current pro-business, anti-environment climate of the U.S.? We think so. Politically, EPR is a fertile synthesis of approaches from the left and right. From a fiscal conservative perspective, EPR makes sense because it gets waste management off the tax base and it is based on the notion that market competition is more efficient and effective than government-managed programs. Those of a more liberal bent support EPR because they believe that producers should have responsibility for pollution prevention. And take-back legislation is already being passed at the state level for electronic waste and mercury-containing products.

Change needs to happen from the bottom up. To get to the root cause of waste, communities need to stop picking up after the producers of products that become waste and begin demanding that they do so themselves. Citizens who want to make production and consumption systems more sustainable can start by asking our local governments to start phasing out waste management subsidies for products.

The Product Policy Institute is an independent nonprofit research and communications organization focusing on the link between production and consumption, on the one hand, and waste generation and disposal, on the other, in order to promote public policies that encourage more sustainable practices.



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