Raising standards for consumers

ANEC comments in support of its response to the European Commission public consultation on circular economy

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Introduction

In this paper, ANEC expands on the arguments summarised out of necessity in its response to the public consultation on circular economy launched by the European Commission.

Our contribution focuses on consumer products. In most cases, our ideal answer to many of the questions in the EC consultation would be: "it depends". Although some aspects considered in the consultation represent aspirational ideas, their achievement depends on their feasibility. There is a big risk in searching to find solutions that still support the concept of infinite growth, a system shown to be unsustainable. A more fundamental change is needed, based on a bigger picture.

Concept of circular economy: good intentions, wrong approach?

ANEC believes the discussion on circular economy risks being misled from the onset if we lose the key aim of such a strategy. The final objective needs to remain the reduction of the use of resources and of environmental and human health impacts. It cannot be taken for granted that a circular economy automatically leads to reduced material and energy flows, and that recycling is beneficial per se.

An economic system whereby solutions are found to continue keeping the same or even increasing material consumption rates can remain destructive and unhelpful: material circles can still be created with a high effort using a lot of energy. Resources considered "renewable" can be produced by demolishing ecosystems. The European support for biofuels, resulting in huge deforestation and biodiversity loss for the sake of palm oil production in countries such as Indonesia, may serve as a warning example. The concept of "circular" economy thus leads to the wrong focus, despite parts of the approach being useful – e.g. recycling of certain scarce materials, or if the production of virgin materials requires a big amount of energy or resources (which can be saved). However, recycling is not an end in itself.

What we actually need is a "resource saving" economy which eliminates first of all useless consumption, i.e. consumption that does not add anything to the quality of life (such as the consumption of plastic bags; products that are not used such as wasted food, or products for which demand is artificially created).

It requires strong market interventions and measures to reduce "useless" consumption and sales of such products. To this end, there is a need to challenge current market practices that foster material demand, in particular by reducing advertising which stimulates superfluous consumption. Advertising restrictions have already been taken at national level in some countries[1].

Industry needs to be encouraged to produce long-lived products on the one hand and the consumer needs to be encouraged to disregard non-sustainable consumption which, at the same time, should become more expensive. Regulatory product requirements need to be stablished to ensure poor performing products are eliminated from the market.

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[1] Geplanter Verschleiß: Wie die Industrie uns zu immer mehr und immer schnellerem Konsum antreibt - und wie wir uns dagegen wehren können Gebundene Ausgabe – March 2014, by Dr Christian Kreiß (University of Aalen)

One example of a practice that should be avoided is the advertising of 'free of charge' products that hide follow-up costs (e.g. mobile phones).

Producing more durable and repairable products is just one element of the game – the other is making unattractive the disposal of things that are fully functional. For example, when LCD screens were put on the market, millions of still functioning CRT TV screens were discarded.

In our view, the future circular economy strategy of the Commission needs to start from an ambitious assessment of the key sectors that need to be tackled. Policy decisions need to identify the key sustainability concerns and then set targets using appropriate and reliable methods. We do not consider the Environmental Footprint methodology, promoted by the Commission, can be considered a suitable instrument to derive robust and meaningful indicators as pointed out in our position paper[2].The paper "Eight Tons of Material Footprint - Suggestion for a Resource Cap for Household Consumption in Finland[3]" shows that people in Finland use an equivalent of 40 tons of materials annually. The Finnish example can apply to many other Western countries as, in most industrialised countries, Total Material Consumption (TMC) is between 40 and 50 tons per capita in a year[4].

Interestingly the article shows the main areas for resource use are housing, transport and food (as did the Commission-funded EIPRO study of 2006 which focused on the related burdens of energy consumption). This shows, for example, that consumer electronics may not be the most important issue – despite the fact that they are in the focus of the public debate. However, the mere fact that the so-called "planned obsolescence", mainly related to electrical and electronic appliances, has attracted significant public attention is a good justification for making this area also a priority.

The current trend of celebrating certain eco-innovative production practices as single-minded solutions is not helpful in the long-term if an overall new strategy is not established. Will we have solved the problem of resource scarcity with some sort of lightweight short-lived disposable objects made of biomaterials? Not at all. A more ambitious and fundamental change is needed.

1 Production

The waste hierarchy needs to be the guiding principle, hence preventing early failure of products and rampant consumerism. To give a first priority to waste prevention means not only to give political support to durable and repairable products but also to substitute - wherever feasible and useful - disposable by reusable products (e.g. to give strong support to reusable packaging and discourage one-way and oversized packaging). Then, with a view to enhancing trustworthy recycling, it is crucial to ensure that no hazardous chemicals are contained in the

[2] Chapter 7 of ANEC position paper 'Environmental Assessment goes astray: A critique of environmental footprint methodology and its ingredients' proposes how to develop a framework for indicator development embedded in the system of political decision making.

[3] Article: Eight Tons of Material Footprint—Suggestion for a Resource Cap for Household Consumption in Finland, Michael Lettenmeier, Christa Liedtke, and Holger Rohn, Wuppertal Institute for Climate, Environment and Energy (and other institutes), 2014

[4] Sustainable Resource Management. Global Trends, Visions and Policies. Contributing Editors: Stefan Bringezu and Raimund Bleischwitz, Wuppertal institute, Germany, September 2009

consumer products. A systematic approach to address chemicals in products relevant for consumers needs to be developed, including generic ban of CMR substances where needed. (See 2014 ANEC position paper 'Hazardous chemicals in products - The need for enhanced EU regulations').

1.1 Resource saving and efficiency indicators

In support of the resource saving policy, indicators are needed for the overall resource use at EU and Member State level in particular for: energy, water, relevant materials waste, artificial and built-up land use and use change. In addition, appropriate sub indicators should be developed.

However, meaningful resource efficiency indicators (as energy efficiency indicators) must relate resource consumption to a physical output, e.g. the amount of a material needed to produce a product unit (or better, a service unit taking into account the lifetime of a product and the service it delivers) or unit of another material. From this follows that such indicators must be defined for key processes. By contrast, the resource productivity indicator proposed by the Commission is of little use.

Indicators are also needed to measure the per capita overall consumption level of citizens. To this end it will be crucial to measure direct and indirect resource consumption, (including the consumption embedded in products) by citizens for energy, water and relevant materials, or per capita consumption of key products associated with high resource consumption (e.g. meat)[5].

1.2 Resource reduction targets

As ANEC expressed in an earlier contribution to the European Commission on resource use and efficiency, we support a compulsory reduction of overall energy consumption, accompanied by specific, interim energy saving targets (e.g. for buildings, transport, industrial facilities, etc.).

Targets for material consumption should be set for specific materials (e.g. rare earths) and industrial processes based on feasibility studies. Targets for water use and artificial and built-up land use (change) should be established. As quickly as possible, indicators for direct AND indirect (embedded in products) consumption by citizens of energy, water, relevant materials and land (use change) or products associated with unacceptably high or unnecessary resource consumption (such as meat or mobile phones) per capita should be agreed upon as a prerequisite to fix targets. Similarly, there could be targets for the minimum life time of products.

1.3 Subjective relevance of product features

The public consultation questionnaire asks how to achieve a transition to a more circular economy, and requests a simplistic and arbitrary rating of importance among product features. Aspects such as upgradeability and modularity will be relevant for some products but not for all. Also, generally promoting recycling across the board is not necessarily economically and environmentally beneficial.

[5] ANEC position about resource efficiency indicators in response to 2012 EC consultation

There is no one-size-fits-all solution to product design and there is a need to recognise differences across materials and products.

The Ecodesign Directive is a well-established instrument to stir the design of products towards environmental and quality performance. It also gives opportunity to improve material efficiency through specific requirements.

The Ecodesign Directive already requires a product's environmental impact to be considered in terms of resource and material efficiency. These aspects should be taken into account more consistently in future preparatory studies. Consumer organisations succeeded in including durability requirements in some of the existing specific measures, but the future revision of the Directive needs to better address relevant environmental aspects beyond energy efficiency.

As regards durability and reparability of consumer products, white goods, office equipment and small technological devices are among the consumer products found in testing to fail too early or not be easily repairable, as presented at the 2014 BEUC event on durable goods.

ANEC takes the opportunity to repeat its call for a broadening of the scope of the Ecodesign Directive to cover also non-energy related products (or services). As stated above, housing, transport & food are 3 areas with the highest resource consumption.

Green public procurement has a key role to play for authorities to lead by example prioritising the purchase and use of sustainable products and services.

1.4 Standardisation request on material efficiency aspects

Product specificity clearly also relates to possibly envisaged technical standardisation. ESOs are currently considering a draft standardisation request of the Commission. Work needs to be set in the eco-design measures at the outset for the standards to be useful and feasible. The prioritisation of the product specific aspects cannot be left to industry alone: they need to be identified in the legal eco-design framework either as part of the product specific studies or as a separate study in the preparatory phase.

The current standardisation request will deliver some generic and perhaps useful documents, but nevertheless studies in Ecodesign preparatory phases will need to define product specific requirements in terms of durability, reusability, repairability and so forth.

2 Consumption patterns

The choice among possible actions needed to promote circular economy in the consumption phase in the public consultation is again arbitrary. The best option is to link the legal warranty times of consumer products with the declared product life time. The higher the declared product lifetime is, the longer the warranty period should be (e.g. 50% of the declared life time). This is a market-based and efficient instrument which can be implemented fairly quickly. By contrast, the development of any legal requirements and related standards takes many years.

A main reason for the ever shorter product circles resulting in products being discarded or no longer used is (apart from limited technical life time) the permanent

pressure exerted by economic operators stimulating the purchase of new and possibly products before the old product has reached the technical end of life. The lifetime of products is also limited by fashion trends – with garments worn only for short periods of time being put aside afterwards.

Moreover, with the advent of the digital economy, smart appliances become more and more common and marketing methods make consumers believe they need to follow fashion and change (e.g.) their mobile phones after a short period of use, especially for lack of software upgrades. These products also contain noble metals that are lost when consumers are not encouraged to use the product for longer or at least to return the older product for re-use.

This element is not at all addressed in the Commission survey. This is a serious omission because this dimension may be more important than the technical limitations of the product life. It requires counteracting marketing practices by industry (e.g. by imposing taxes on advertising and financing objective information for consumers with the revenues). Instead of stimulating consumption, non-consumption should be promoted (e.g. by disallowing telephone operators to provide a mobile phone free of charge to consumers (which is not genuinely free of charge anyway)).

3 Secondary raw materials

Wide differences exist in waste management and recycling infrastructures at local and cross-border level. This is an obvious obstacle to the development of markets for secondary raw materials in the EU. Producers are often not aware of the origin of the materials/substances in their products due to increased complexity of supply chains and a lack of transparency.

4 Sectoral measures

In principle, the priority sectors for action are construction, food and transport.

The Finnish example illustrated in the above mentioned article "Eight Tons of Material Footprint - Suggestion for a Resource Cap for Household Consumption in Finland[6]" confirms the main areas for resource use are housing, transport and food. Although consumer electronics may not be the most important products, these are in the focus of public debate and have educational value, as their possible 'planned obsolescence' has attracted attention, but also because the premature product failure is expensive for the consumer, particularly in the case of expensive electrical/electronic products.

4.1 Transport:

A shift to extended and improved public transport is needed with a corresponding reduction of car/lorry use. The use of cars/lorries needs to be discouraged wherever appropriate, particularly in cities. This would in turn prolong the lifetime of these

[6] Article: Eight Tons of Material Footprint—Suggestion for a Resource Cap for Household Consumption in Finland, Michael Lettenmeier, Christa Liedtke, and Holger Rohn, Wuppertal Institute for Climate, Environment and Energy (and other institutes), 2014

vehicles and thereby reduce resource needs for their production. In addition, far more ambitious fuel efficiency targets (or CO2 emission targets) for all kinds of vehicles should be set. The new test to measure fuel consumption (WLTP) should be applied as soon as possible to allow test procedures more in line with real life than the current ones. Consideration should also be given to durability, reusability and repairability of vehicles.

4.2 Construction:

Targets for the energy consumption of the building stock and renovation targets should be established and not only for public buildings. More harmonisation is needed with respect to test methods but also with respect to requirements. It appears that the so-called "nearly zero-energy buildings" is defined differently in different Member States. Policy measures should focus on enhanced durability of buildings and building products and promote design for deconstruction (making recycling of certain materials easier, and reuse of components possible).

4.3 Food and Food waste:

Current agricultural practices are not sustainable and are resource intensive. Here we need fundamental change. Waste generation reduction targets, including for food waste, should be set. Targets for (the reduction of) meat consumption should be also established.

Conclusions

It is difficult for us to see in the current debate on "circular-economy" more than headlines and vague ideas. The development of a substantive concept will take some time. We are concerned that, at the end, we will see little else than a promotion of the recycling industry with continued high material and energy streams and some lip commitments to durability. A careless promotion of renewables and the establishment bio-economy could potentially do a lot of damage, as the biofuel example has taught, as just making products a bit lighter and more resource efficient will not solve our fundamental problems.

We need real commitment to reduce material and energy flows significantly (including those which occur outside Europe), rather than just enhancing efficiency which could lead to even higher resource consumption. This requires not only measures to prolong the technical lifetime of products but also to counteract the fashion driven premature replacement of products now encouraged by industry. Both require strong market interventions to reduce consumption of questionable value and to counteract promotional activities by business.

There is also need to develop measures based on meaningful, robust and verifiable indicators. Hence, indicators based on LCA (such as the Environmental Footprint) are not suitable to this end as they rely on numerous assumptions and methodological choices (and have serious other limitations).

Finally, we believe any policy measures should bring about changes in a foreseeable future. In this context, increasing warranty times seems a more promising instrument than sophisticated technical measures to enhance the lifetime of products.

About ANEC

ANEC is the European consumer voice in standardisation, defending consumer interests in the processes of technical standardisation and conformity assessment, as well as related legislation and public policies.

ANEC was established in 1995 as an international non-profit association under Belgian law and is open to the representation of national consumer organisations in 33 countries.

ANEC is funded by the European Union and EFTA, with national consumer organisations contributing in kind. Its Secretariat is based in Brussels.

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