

# Delivering Scotland's circular economy: a consultation on proposals for a Circular Economy Bill

Response from the Advisory Committee on Packaging (ACP)

22/8/2022

1. We support defining a circular economy as one in which resources are kept in use for as long and as much as possible. In other words, output per unit of resource needs to be maximised.
2. Along with that we also support minimising carbon dioxide emissions for the economy or system as a whole and quantifying greenhouse gas emissions at as small a unit as possible.
3. To further a circular economy having a waste hierarchy that everyone works to – reduce, reuse/refill, recycle, renew – makes sense. However, going from that to a more self-sufficient or less import-sensitive economy is dangerous. That would lead to more expensive and possibly poorer-quality goods and services. Scottish people would have to pay for these consequences.
4. That is because economic history shows that a few universal truths apply to make an economy efficient. First, economies of scale. The larger the size of operation the smaller the mean cost of output. You yourself acknowledge that many supply chains are organised internationally. The basis of that is scale economies. Locally-produced salmon bought locally per force is likely to cost much more than salmon bought without recourse to source of production.
5. Second, specialisation and comparative advantage. None of us can do everything. All of us gain if we specialise in outputs where we have “comparative advantage” and then trade with others so that the benefit of their comparative advantage is gained. We would encourage you to think of as large a scale of operation as possible (rather than hamstringing business to a small area) and then to support specialisation for comparative advantage.
6. Rather than looking for new powers by legislation, we recommend that the Scottish government work to obtain a circular economy on a UK-wide scale at least by using the following:
  - (i) Affecting habits of consumers and businesses by dialogue and communication campaigns to promote reduce, reuse/refill, recycle, renew.
  - (ii) Changing practice by incentives and penalties. UK's Extended Producer Responsibility offers this opportunity to all UK administrations. Reduce could be incentivised by charging producers based on increase in material used. Reuse/refill could be incentivised by direct discount to those items or putting a charge on alternatives that do not follow that. Recycling incentives are well-practised. Renew

in terms of getting material to be used for other purposes, eg energy, could similarly be incentivised.

- (iii) In cases where the above two methods are not working or harm is potentially too great for time to be spent on analysis, we recommend regulation of those activities.
  - (iv) We also support bringing in incentives directly linked to reduction of carbon dioxide emissions by material or packaging.
7. We do not have expertise beyond packaging resources but feel that other fields like electrical equipment and textiles would be susceptible to similar rationale.
  8. For the avoidance of doubt we do not support further legislation or founding of new public bodies for this purpose.
  9. Instead of bans on destruction of unsold goods, we suggest that using the incentives possible through Extended Producer Responsibility would reduce and possibly eliminate this problem. In the case of food and some products obsolescence has to be built in for health reasons.
  10. Charging for grocery bags is a good use of powers to change habits. The Scottish Government should examine its use such as for coffee cups inside or outside Extended Producer Responsibility.
  11. We do not support adding to burdens on business by additional reporting.
  12. Local authorities' kerbside recycling is the jewel in the waste industry crown. We support encouraging them to do more sensible things like segregating waste by material or use, maximising recycling and bringing those at lower rates to the best.
  13. Targets for local authorities have to be accompanied by extra money; we believe Wales, eg, has done well in municipal waste recycling but spends a lot more per head than other jurisdictions.
  14. Business recycling collection zoning is an ambitious change and should only be brought in if pilots have been conducted and found to be more cost-effective than the present system. We support Extended Producer Responsibility extending to business waste in stages.
  15. Rather than new powers for littering and fly-tipping we suggest more communication with households and businesses so they better understand its impact and incentivising local authorities and businesses to pay for and manage local areas for prevention and collection.
  16. We are not convinced that your impact assessments are fair in postponing all exposition of data until specific policies are applied. Your proposals are likely to be inflationary and thus have greater impact on poorer people; they are also likely to add burdens on businesses and local authorities.
  17. We will be happy to discuss these with you.