

Intelligence MEMOS



This week, we present the three top finishers in the C.D. Howe Institute Intelligence Memo competition, which was open to graduate students across the country. Today, our second co-winner.

From: Crystal Gooding

To: Canadians Concerned About Plastic Pollution

Date: October 24, 2023

Re: **THROWING MONEY IN THE TRASH? SOLUTIONS FOR PLASTIC WASTE**

While the world's plastic pollution crisis has certainly been a group project, Canada contributes [more](#) than its fair share, tossing [3 million tonnes](#) of plastic waste annually. And single-use plastics (SUPs) like packaging, which exceeds [30 percent](#) of total produced plastic and accounts for more than [half](#) of all plastic waste, are a major factor in our throwaway culture. Accumulated waste harms [wildlife](#) and exacerbates [global warming](#), not to mention the economic consequences of losing roughly [95 percent](#) of the value of packaging after a single use. Despite Canadians' recycling efforts, only about [9 percent](#) of total plastic waste and less than [14 percent](#) of SUPs are typically recycled. Failing to act could result in an estimated [\\$11.1 billion](#) opportunity cost for unrecycled plastics by 2030. Therefore, it is crucial that government policies restructure recycling systems and support the development of plastic alternatives.

The federal government's solution is the [Zero Plastic Waste Agenda](#), a framework launched in 2018. It aimed to eliminate plastic waste in Canada by 2030, creating the elusive "[circular economy](#)" that relies on the refurbishment and reuse of materials for as long as possible. Everyone's trash is also everyone's treasure is one mantra.

To make the transition, Ottawa [intends](#) to eliminate SUPs, raise collection and recycling rates, boost demand for recycled plastics to minimize the cost gap with new plastic, and promote investment in recycling facilities and technology.

Between 2018 and 2022, federal policymakers pursued these objectives primarily through [education and awareness-raising activities](#), conducting [research](#), facilitating litter cleanups, and committing to [international agreements](#). However, progress was slow, with the diversion rate of Canadians increasing by only [4 percent](#) in 2020 compared to 2018. In response, the federal government [designated](#) plastic manufactured products as toxic under the *Canadian Environmental Protection Act* in 2021, gaining greater authority to implement waste reduction policies, including the 2022 [ban](#) on a subset of SUPs. [Budget 2022](#) allocated a considerable \$183.1 million over the next five years to support these efforts.

To maximize the impact, federal policymakers need to address the glaring issue in the agenda, which is the mostly retroactive approach of the policies that puts the onus on Canadians as opposed to plastic producers. Even proactive policies such as the 2022 ban only target [3 percent](#) of plastic waste. While retroactive policies are necessary, they may be pointless without proactive measures targeting production. (The agenda also missed some useful retroactive policies such as increasing public recycling bins and expanding accepted curbside collection items to raise diversion rates.)

Regulation must further discourage new plastic production by expanding the ban or by imposing taxes instead of [waiting](#) for global cooperation. Where reduction is not feasible, producers should bear full responsibility of managing plastic waste. This would encourage sustainable product creation, investment in efficient recycling technology, and discourage the [planned obsolescence](#) that forces frequent product replacement that further contributes to throwaway culture.

Provinces have [initiated](#) extended producer responsibility (EPR) regulations and introduced policies against planned obsolescence, but they have had [limited](#) success due to policy design and execution flaws.

The federal government has largely proposed regulations that work alongside provincial EPR policies such as the [federal plastics registry](#). Federal policymakers should increase their involvement, enforce minimum standards (e.g. requiring at least [50 percent](#) of recycled materials in new products) and facilitate collaboration between the provinces and territories to align policies to prevent internal trade disruptions. Financial incentives should also be offered to provinces that successfully execute EPR programs. Furthermore, regulators should ban plastic waste exports to prevent producer evasion. The federal government should also consider fees/tariffs for waste management on imported plastic products or ban them under the [Basel Convention](#).

Since many provincial EPR systems grant exemptions for small businesses based on certain [criteria](#), federal and provincial policymakers should work together to develop tax incentives for these establishments to seek plastic alternatives. Policymakers need to ensure that viable substitutes exist by prioritizing the Canadian Plastics Innovation Challenges. Introduced at the inception of the agenda, various government agencies offered [funding](#) for small enterprises to develop sustainable solutions. As of last April though, there had only been [17](#) completed challenges with around \$24 million committed.

It's a long road to "zero" and to get there requires proactive policies, producer accountability, and innovation.

Crystal Gooding graduated with a Master of Arts Degree in Economics from Carleton University last February 2023.

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