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Greening the Supply Chain at a Distance

Interlinkages of Waste Policies and Green Supply Chain
Management in the European Union, Japan and the United
States

1. A changing governance context

Basic Assumptions

- Increased importance of product-based policy approaches in environmental policies
- Product-based policies are regarded as one means to cope with hard-to-manage, persistent environmental problems
- Challenges for the nation state's steering capacities (like globalized value chains in product policies)
- Changing forms of environmental governance are leading to new steering paradigms

⇒ „governance“ instead of „government“

1. A changing governance context

Characteristics of new governance

- Increasing importance of supra- and subnational levels of governance
- Increasing role of additional, non-state actors, use of decentralized knowledge
- Multitude of instruments (less hierarchical steering, context-oriented instruments are supposed to gain importance)

Caveat

- Is new governance really less hierarchical?
- Development of "hybrid modes of governance"?

1. A changing governance context

The role of private actors

“The free market as an institution is not a sphere of freedom from the state but a mechanism encouraged by the state to allow it to manage “at a distance” a complex process it cannot directly govern”

(Slater 1997)

- New governance not entirely unhierarchical, it encompasses hierarchical governmental policies as well as flexible and voluntary approaches in co-operation with non-state actors.

⇒ Private actors as co-regulators

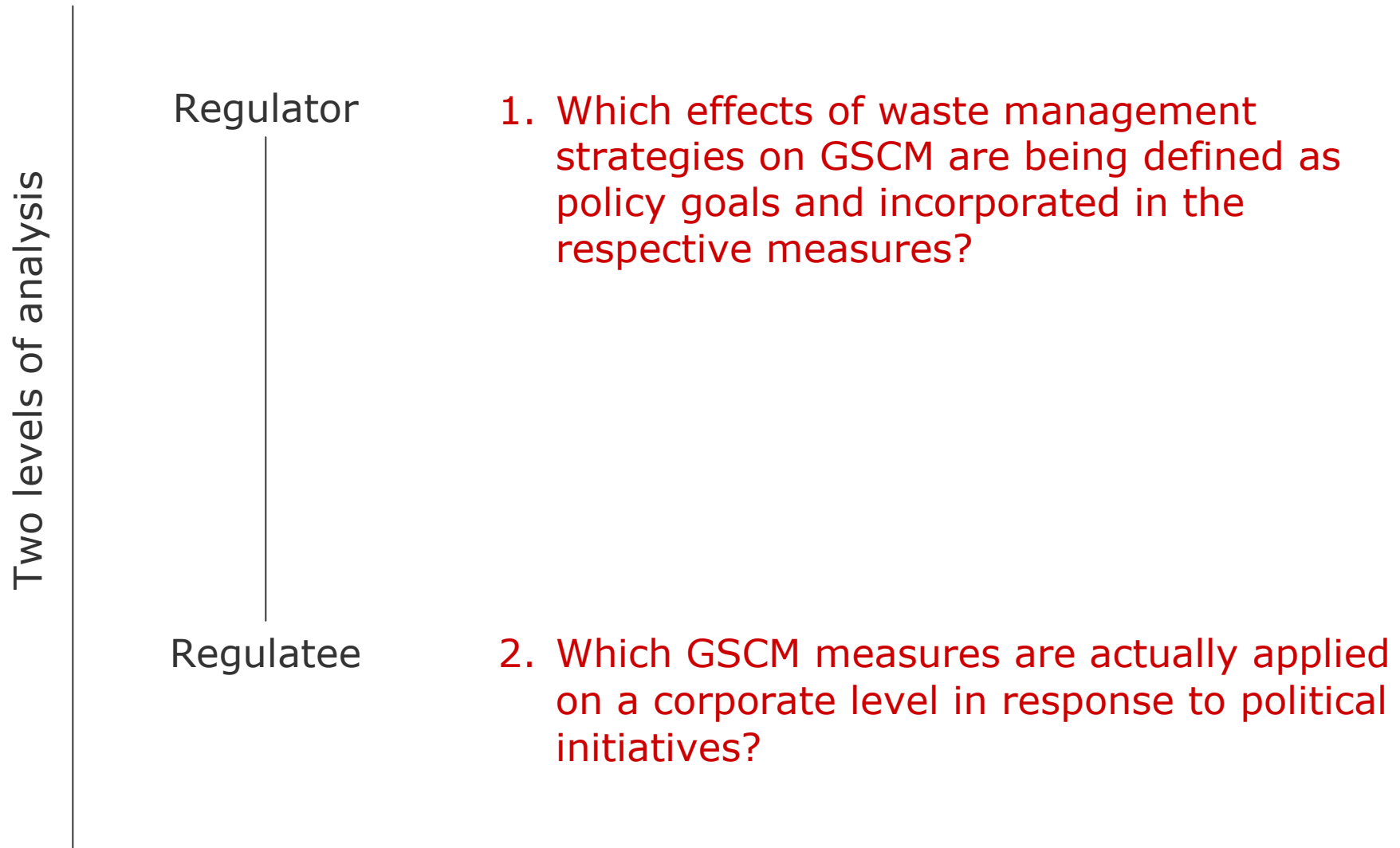
- „Harnessing third parties as surrogate regulators”
(Gunningham 1998)

2. New Governance and Supply Chain Management

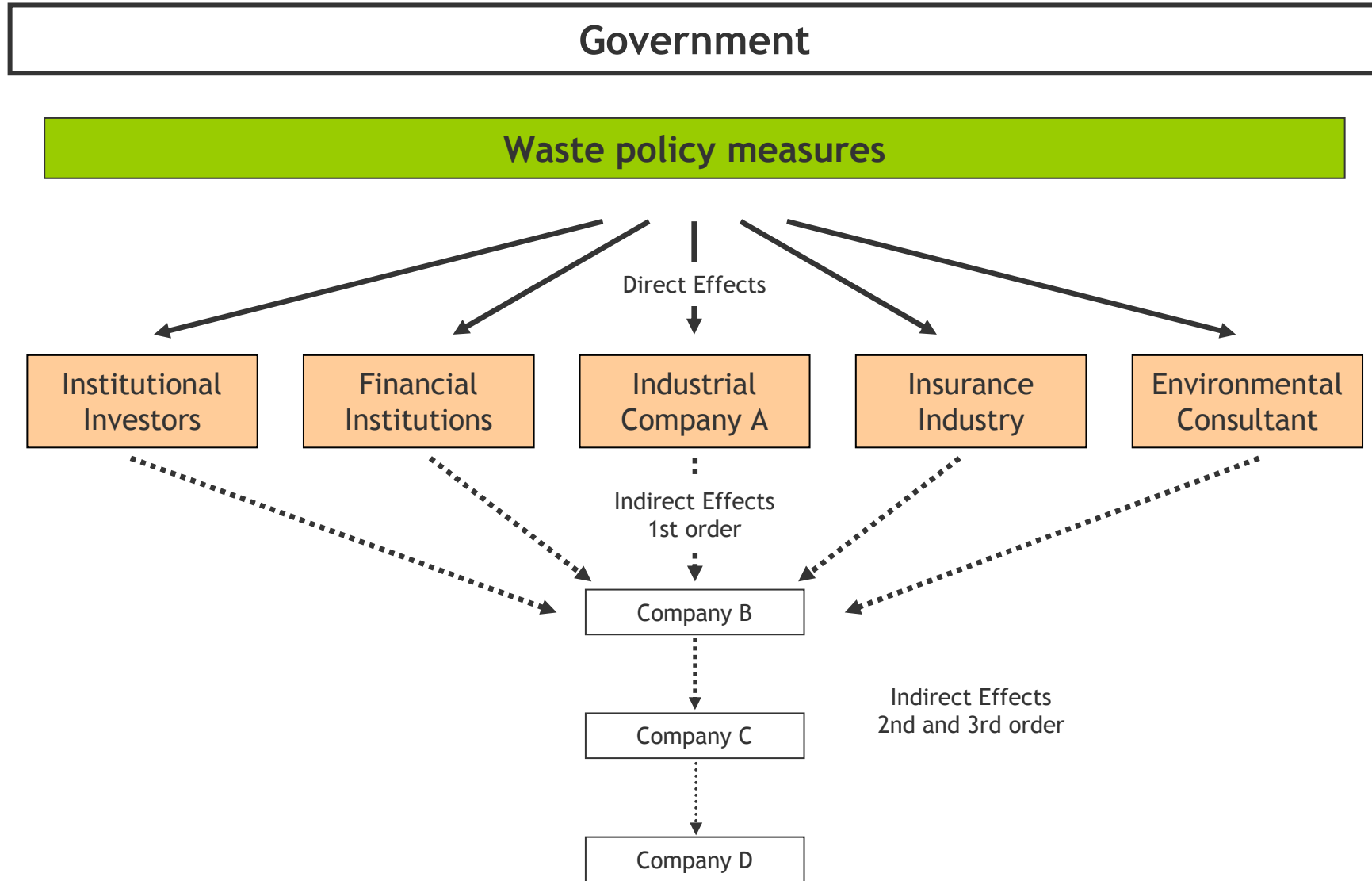
Identifying the research gap

- GSCM is acknowledged as an important strategy in dealing with environmental problems
 - GSCM is widely used in business, especially by large companies that are exposed to an influential audience
 - Several policy instruments can influence GSCM or at least support GSCM activities
1. Political science research has until now not sufficiently analyzed the interlinkages between policy and GSCM
 2. On an empirical level research on the effects of policies on corporate GSCM has been insufficient.

2. New Governance and SCM – main questions



3. Potential chain of effects



4. What drives GSCM?

- Neo-classical view vs. „high performing organizations“
- Interplay of internal and external factors
- Regulatory, economic and social „license“
- Effectiveness problems of pure non-state regulations makes an interplay, co-regulation or regulatory mix of state and non-state actors necessary

Here:

- Focus on regulatory and organizational stakeholders (Henriques/Sadorsky 1999)

4. What drives GSCM - Policy Drivers for GSCM

Institutional Investors	Financial Institutions	Industrial Companies	Insurance Companies	Environmental Consultants
<ul style="list-style-type: none"> - disclosure requirements for companies - „Community-Right-to-Know“-legislation 	<ul style="list-style-type: none"> - strict liability legislation - ensure that companies report about their environmental performance on a regular basis 	<ul style="list-style-type: none"> - ecological product labelling schemes covering aspects up and downstream of the supply chain - producer responsibility along a product’s life cycle - green public procurement - resource taxation close to the source - product and process standards (requirements for eco-design) - strict liability legislation - ecological public innovation initiatives 	<ul style="list-style-type: none"> - high standards as well as long-term orientation and predictability of regulation, making it possible for insurers to orientate along easily calculable risks - mandatory insurance for licensing 	<ul style="list-style-type: none"> - subsidies, tax exemptions, easier licensing, preferences in criteria for public procurement in case of regulatory environmental audits. - incorporation of independent environmental auditing in coregulatory arrangements

5. Case selection and methodology

- Waste policies in the EU, Japan and the United States
- Why the focus on waste?
- Focus on regulations of
 - electric and electronic waste
 - end-of-life-vehicles
 - packaging waste

- Differences in approaching the issue of waste management
 - Use of instruments
 - EPR
 - Product Stewardship
 - strict targets vs. less concrete, non-binding goals
 - 3 R (Reduce, Reuse, Recycle)

5. Case selection and methodology – main questions

Reformulating the original questions

1. Which approaches of life-cycle oriented waste policies do the three jurisdictions follow?
2. Which objectives and intended effects of the respective waste policies can be identified (regulator)?
3. Which forms of GSCM can be identified at the level of the regulatees in waste policies (regulatee)?

Methodology

- Comparative qualitative design
- Conduct interviews with representatives from business and policy

6. Expected Results

- On a general level: new findings about the effects of environmental policy instruments and waste policy measures
- Contributing to discussions about governance by analyzing the role of non-state actors in a particular field
- Closing the empirical gap about regulatory effects on GSCM
- Detecting best practice in waste policies, formulating suggestions for the future design of waste policies