

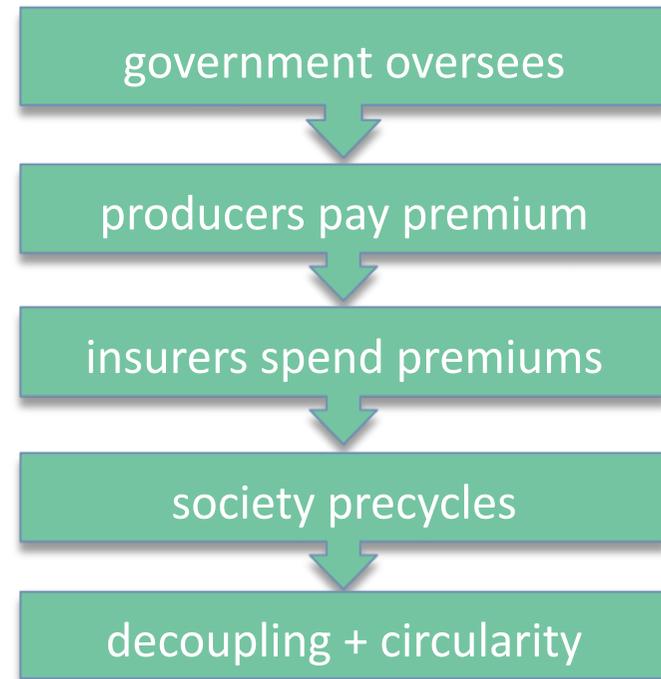
Policy option for circular economy and decoupling

Instead of pricing the use of resources, markets could price the risk of resources becoming waste in ecosystems. Governments could oblige producers to 'insure' the waste-risk of their products, with premiums spent by insurers on actions that cut waste-risk throughout society. These actions, called 'precycling' would enable decoupling, circular economy, climate protection, sustainable development, economic growth and a jobs bonanza.

1. This could work for all products, all resources, all sectors and many issues.
2. Small regulation and bureaucracy enables large ambitious problem-solving
3. Business gets a level playing field + innovation incentives + freedom of choice
4. Works with other economic and regulatory tools; supports ecological tax reform
5. Decouples impacts from GDP growth, so future growth comes from solving the problems caused by past growth

Decoupling policy principles

- Linear economics neglects resource-related externalities
- Policy can fix externalities with market-based and/or fiscal/tax tools
- In a market-based approach, producers are responsible for the waste-risk of their products
- Producers must 'insure' their waste-risk
- Low waste-risk means zero/low 'precycling premium'
- High waste-risk means a higher premium
- Premiums are immediately spent preventing problems that otherwise become unaffordable
- Waste-risk is a crucial indicator for products, resource flows and the whole economy



“Precycling” = Action to stop future waste

- = Action taken now to ensure that resources remain as resources, for the economy or for nature, rather than adding to wastes in ecosystems
- = Circular economy and decoupling translated into practice
- = Attention to the non-disposal options of the waste hierarchy
- = A fresh perspective to support dialogue, collaboration and innovation
- = New language to support systemic (large scale) change

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