Hiking tax on bags only part way to help solve plastic problem

In an effort to cut plastic waste, being charged for a single-use plastic bag when shopping has become a widely recognised scheme in many countries. The logic is simple - charging customers for carriers will encourage them to bring their own reusable bag. But does it really work?

England first introduced the system in 2015. Neighbouring Wales and Scotland began charging 5p per single-use bag in October 2011 and 2014, respectively. Free plastic bags were banned from the Netherlands in 2016, whereas Ireland began charging 15c for each bag as far back as 2002. This rose to 0.22c five years later amid claims that 90% of shoppers had switched to using reusable bags. England is about to follow suit and double its levy to 10p. It will also extend to small retailers previously exempt.

The effectiveness of plastic bag taxes

On the surface, the numbers would have you believe the scheme has contributed towards a significant push towards reducing the amount of plastic used. A 2019 UN study showed 127 countries had adopted some form of regulation in place to limit single-use plastic items, including

plastic bags. Data across these suggest that a tax on single-use bags reduces the number used.

But behind a success such as this, there are some flaws.

While the use of single-use bags has fallen since the tax was introduced, there has been a rise in the number of 'bags for life' being sold. These reusable bags are made of heavier-gauged plastic deemed more harmful to the environment. As the name suggests, these needn't be purchased very often.

The number of 'bags for life' sold in the UK rose to 1.24 billion in 2019 from 960 million a year earlier across eight main supermarkets (plus an additional 271 million from two further supermarkets), while the amount of plastic used by supermarkets also grew, according to Greenpeace findings. This was 26% more than was sold the previous year and is the equivalent of each household using 54 bags for life each year. Instead of a bag for life, these numbers suggest a bag for a week would be a better description. To offset this, Greenpeace has put forward that bags for life should be sold for 70p instead of the 10p now charged.

Taxes are not enough

The evidence appears to support the argument that plastic bag taxes are effective but probably not as effective as the headline figures suggest. Unsurprisingly, behaviour changes as prices change. To be even more effective, changes in attitude are needed when it comes to the use of plastic. Further, it is not only consumers that must change their behaviour and attitude but producers as well.

From the consumer's perspective, awareness is already high. An ING survey conducted in 2019 showed there is a large degree of consumer awareness surrounding the use of plastic across the retail sector. In Europe, 34% of people identified plastic waste as the greatest environmental threat. The same survey saw 74% of Europeans agree that protecting the environment should be given priority, even if it slowed economic growth. This acceptance of the need to reduce plastic waste is probably one of the reasons that few will object to increasing the plastic bag tax.

The production problem

Plastic bags make up only a fraction of the problem. Supermarket shelves are littered with plastic packaging, which becomes a greater challenge still.

The behaviour of producers may be harder to change, even if they wished to make them.

The difficulties faced in providing environmentally-friendly products was detailed in a 2020 ING report. Key among them is that plastic is a popular, convenient and efficient material that has become difficult to replace. This is especially so across the food packaging industry, which accounted for 8.2 billion kilos of European plastic demand in 2018.

Plastics' properties mean packaging can seal in freshness to make fresh fruit and vegetables last longer; its durability lends itself as a far stronger material than many alternatives such as card or glass. It is lighter than many other types of packaging, making it cheaper and more efficient to transport in large quantities; it has a less energy intensive production process compared to aluminium and glass and less water consumption than it does to manufacture cardboard. And for some food items, such as fresh meat and fish, there are no real substitutes.

The culture of convenience that has become so widely adopted makes change harder still.

The headwinds to a more environmentally friendly, or circular economy, are substantial, as ING Chief Economist, Mark Cliffe, outlined in 2019 and helps to explain why a 2020 ING report found that the world is becoming less, not more, circular.

The work and investment needed to be injected into the manufacturing process to address these issues are immense.

Taxes have a role to play but are not the sole answer to the plastic problem.

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