

Corporate Regulatory Power in the EU's transition towards a Circular Economy

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As part of the EU's ambitious Green Deal agenda, European policymakers proactively seek to mobilise industry for a clean and circular economy. While industry activity is affected by new stringent regulation, we also see a significant role for industry in shaping the regulatory agenda and in engaging in voluntary action. The paper analyses this role of industry drawing on the literature on business and corporate power (Fuchs 2007, Mikler 2018). Moreover, it engages with the regulatory power (Bradford 2012) which has been attributed to the EU in the global context, and questions to what extent European corporations become themselves global standard setters through their participation in the EU's policy formulation process. Empirically, the paper analyses the role of the European plastics industry in the unfolding circular economy agenda between 2015 and 2020. The starting point is the observation that plastic production and consumption continue to grow, despite ambitious recycling targets and bans on single use plastics. NGO and media campaigns about marine littering and the climate emergency have heightened pressure on industry to act, and the European Strategy for Plastics in a Circular Economy, launched in 2018, was a sweeping policy response to this pressure, with significant input from industry. While the strategy promotes new recycling technologies and single-use plastic bans, the other key circular economy pillars of reduction and reuse remain low priorities. The disproportionate influence of industry in shaping European circular economy policies for plastics begs the question about the regulatory power of industry in the Circular economy. This question is particularly urgent, given that the outbreak of the COVID-19 pandemic has heightened the demand for single use plastics and stalled some circular economy projects. Using tools of computer-assisted text analysis the paper examines how the Circular Economy transition is framed in documents issued by the EU institutions and European trade associations, and takes stock of policy output including binding regulation as well as voluntary initiatives. Case study findings point to two collective strategies that industry engages in, namely strategic communication and environmental self-regulation.