

- FACTSHEET EESC STUDY ON PLANNED OBSOLESCENCE

29 March 2016

Designing products that become obsolete or break down prematurely is a major social, economic and environmental problem. That is why the European Economic and Social Committee (EESC) is striving to promote longer product lifetimes which match consumer demands for clearer labelling and durability by design, which is at the heart of Europe's circular economy strategy. The EESC has been at the forefront of efforts to combat planned obsolescence and promote sustainable, environmentally friendly consumption.

In 2013, the Committee was the first EU institution to recommend restrictions on planned obsolescence and a total ban on built-in defects. It demonstrated this would be good for consumers' pockets, energy consumption, the environment, employment and European industry.

With this in mind, the EESC has commissioned a study on "The Influence of Lifespan Labelling on Consumers" to a research consortium composed of SIRCOME agency (France), the University of South Brittany (France) and the University of South Bohemia (Czech Republic).

• What is planned obsolescence and what is the EESC doing about it?

If you feel that some of the things you buy don't last as long as they could or should, then you are probably right: bulbs that burn out after a certain time, batteries that run out within a set period or tights that constantly rip are just a few examples of planned obsolescence - products that are designed to stop working too quickly after their purchase, and - for some - just after the expiry of their guarantee.

This is known as "planned obsolescence" or "built-in obsolescence". It can come in numerous forms, including "contrived durability" which builds in shorter product lifetimes at the design stage, building a product that cannot be repaired, or by making the style, system or programme quickly obsolete.

Planned obsolescence results in increased costs for consumers, creates enormous amounts of waste and is detrimental to the environment. Although this practice has existed since the

1930s, it has reached troubling levels over the past decade. For that reason, the EESC campaigns for and supports EU efforts to combat this growing practice.

In 2013, the EESC adopted an opinion entitled <u>Towards more sustainable consumption:</u> <u>industrial product lifetimes and restoring trust through consumer information</u>. This opinion calls for a total ban on planned obsolescence in Europe. Not only is planned obsolescence a nonsense for consumers and for the planet, but it also brings little if any advantage in terms of jobs creation – while the repair industry, on the contrary, does represent an opportunity for workers.

• What do consumers expect from manufacturers?

Planned obsolescence is not popular with Europeans. In fact, consumers are generally in favour of products that are guaranteed to last longer. An impressive two-thirds of Europeans are even willing to pay more for a product if it is guaranteed to operate for five years, according to a 2013 Eurobarometer survey, the EU's public opinion agency.

A related frustration is the disposable culture created by the difficulty or expense of repairing items. Nearly half of Europeans surveyed had decided not to repair a product in the previous year because it was too costly.

As stated in the EESC opinion, consumers should be given **better information about a product's estimated life expectancy** to allow them to **make informed purchasing decisions**. This would benefit all by helping to improve consumers' confidence in businesses and ultimately to move from a wasteful society to one that is sustainable.

→ A call for clearer labelling: the study on the "The Influence of Lifespan Labelling on Consumers"

In 2013, the Eurobarometer already stated that over 90 % of citizens believe that products should be clearly labelled to indicate their useful lifespan.

The 2015 study, conducted in Belgium, Czech Republic, France, Spain and the Netherlands with nearly 3 000 participants, **demonstrated**, through a simulated online shopping site, that **labels advertising the expected lifespan of products influenced the purchasing decisions of consumers**.

Examples

- the market share of vacuum cleaners sold increased by 12.4 percentage points, from 28.5% for those without label to 40.9% for those with the longer lifetime label meaning an increase of 43.5% in absolute terms.
- in total, the number of products sold increased by 13.8 percentage points, from 24,7% for those without label to 38.5% for those with the longer lifetime label meaning an increase of 55.9% in absolute terms.
- in France, the number of products sold increased by 23.9 percentage points, from 20.3% for those without label to 44.2% for those with the longer lifetime label meaning an increase of 118% in absolute terms.
- In Spain, the number of products sold increased by 8.5 percentage points, from 26.6% for those without label to 35% for those with the longer lifetime label meaning an increase of 32% in absolute terms.
- In the "Belgium Netherlands" zone, the number of products sold increased by 12.4 percentage points, from 27.8% for those without label to 40.2% for those with the longer lifetime label meaning an increase of 45% in absolute terms.
- In the Czech Republic, the number of products sold increased by 9.2 percentage points, from 23.5% for those without label to 32.7% for those with the longer lifetime label meaning an increase of 39% in absolute terms.

With the exception of television sets, all the products with longer lifespans – which were sold in three categories: household appliances, high-tech and clothing – saw their sales figures boosted!

Green growth: business can gain a competitive edge

This positive effect is visible in all categories, from luxury to bottom-of-the-range, and for most products. For example, vacuum cleaners with longer lifespans saw their sales rise by 12.5 percentage points, while printers, which are notorious for built-in obsolescence, saw an average rise of 20 percentage points, an increase of 70% in absolute terms.

Similarly, products which displayed shorter lifespans saw a reduction in demand. The results also challenged stereotypes: despite the reputation that older people prefer more durable goods, it was the 25-35 age group who most frequently chose products with a longer lifespan. In addition, women were more likely than men to purchase durable products.

The most important finding for manufacturers is that consumers appeared willing to pay more for products which are built to last – over EUR 100 more for a dishwasher with an additional two-year lifespan.

This demonstrates a potential premium on "built-in durability" which is in keeping with the EU's circular economy package aimed at leaving behind the traditional linear (take, make and throw away) economy in favour of the circular (make, use, reuse) economy – the opportunity for "green growth".

• EESC stand against the 'take, make, throw-away' consumer culture

The EESC advocates clear labelling of a product's guaranteed minimum lifespan, promoting a return to a repair culture and obliging manufacturers to bear the recycling costs of products which last under five years. This will ultimately be beneficial to businesses' competitiveness, as it will encourage better exchanges, including increased trust, between producers and consumers.

The EESC calls on the European Commission to draft EU-wide legislation on planned obsolescence, recommends that industry establish voluntary certification schemes and urges European citizens to mobilise and campaign for change.

References

- EESC study: The Influence of Lifespan Labelling on Consumers
- EESC opinion on <u>planned obsolescence</u> by rapporteur Thierry Libaert and co-rapporteur Jean-Pierre Haber
- EESC project on collaborative consumption
- EESC's position on collaborative consumption
- EU circular economy strategy