The Impact of Right to Repair Initiatives on Environmental and Financial Performance in European Consumer Electronics Firms: An Econometric Analysis

Authors : Daniel Stabler, Anne-Laure Mention, Henri Hakala, Ahmad Alaassar

Abstract : In Europe, 2.2 billion tons of waste annually generate severe environmental damage and economic burdens, and negatively impact human health. A stark illustration of the problem is found within the consumer electronics industry, which reflects one of the most complex global waste streams. Of the 5.3 billion globally discarded mobile phones in 2022, only 17% were properly recycled. To address these pressing issues, Europe has made significant strides in developing waste management strategies, Circular Economy initiatives, and Right to Repair policies. These endeavors aim to make product repair and maintenance more accessible, extend product lifespans, reduce waste, and promote sustainable resource use. European countries have introduced Right to Repair policies, often in conjunction with extended producer responsibility legislation, repair subsidies, and consumer repair indices, to varying degrees of regulatory rigor. Changing societal trends emphasizing sustainability and environmental responsibility have driven consumer demand for more sustainable and repairable products, benefiting repair-focused consumer electronics businesses. In academic research, much of the literature in Management studies has examined the European Circular Economy and the Right to Repair from firm-level perspectives. These studies frequently employ a business-model lens, emphasizing innovation and strategy frameworks. However, this study takes an institutional perspective, aiming to understand the adoption of Circular Economy and repair-focused business models within the European consumer electronics market. The concepts of the Circular Economy and the Right to Repair align with institutionalism as they reflect evolving societal norms favoring sustainability and consumer empowerment. Regulatory institutions play a pivotal role in shaping and enforcing these concepts through legislation, influencing the behavior of businesses and individuals. Compliance and enforcement mechanisms are essential for their success, compelling actors to adopt sustainable practices and consider product life extension. Over time, these mechanisms create a path for more sustainable choices, underscoring the influence of institutions and societal values on behavior and decision-making. Institutionalism, particularly 'neo-institutionalism,' provides valuable insights into the factors driving the adoption of Circular and repair-focused business models. Neo-institutional pressures can manifest through coercive regulatory initiatives or normative standards shaped by socio-cultural trends. The Right to Repair movement has emerged as a prominent and influential idea within academic discourse and sustainable development initiatives. Therefore, understanding how macro-level societal shifts toward the Circular Economy and the Right to Repair trigger firm-level responses is imperative. This study aims to answer a crucial guestion about the impact of European Right to Repair initiatives had on the financial and environmental performance of European consumer electronics companies at the firm level. A quantitative and statistical research design will be employed. The study will encompass an extensive sample of consumer electronics firms in Northern and Western Europe, analyzing their financial and environmental performance in relation to the implementation of Right to Repair mechanisms. The study's findings are expected to provide valuable insights into the broader implications of the Right to Repair and Circular Economy initiatives on the European consumer electronics industry.

Keywords : circular economy, right to repair, institutionalism, environmental management, european union

Conference Title : ICEEWMI 2024 : International Conference on Environmental Engineering, Waste Management and Incineration

Conference Location : New York, United States **Conference Dates :** June 03-04, 2024