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**WHY MANUFACTURERS OF ELECTRICAL AND ELECTRONIC
EQUIPMENT (EEE) CREATE PRODUCER RESPONSIBILITY
ORGANIZATIONS (PROs) TO COMPLY WITH THE WEEE
DIRECTIVE? THE CASE OF ERP ITALIA SRL
WITH FOCUS ON COSTS**

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Abstract

This paper investigates the role of collective organizations created by producers to comply with the WEEE Directive. There are limited case studies on these producer responsibility organizations (PROs) despite the crucial role that they play in Extended Producer Responsibility (EPR) schemes. An important aspect in order to evaluate the efficiency of these compliance schemes is the analysis of their internal costs including transaction costs. First of all, this research provides an understanding of the Italian WEEE system for households WEEE. Then, it focuses on one compliance organization and how it deals with physical, informative and financial responsibility that are different aspects of the EPR principle. We provide evidence on the costs incurred by the compliance organizations. We briefly describe the transaction costs involved in operating a collective PRO in comparison to individual scheme. We investigate the issue with the “ERP ITALIA S.R.L.” case study. This is one of the producer responsibility organisations (PROs) operating in Italy and the only pan-European compliance scheme. This will allow future comparative studies with the other branches of ERP across Europe.

Key words: compliance organization, Extended Producer Responsibility, e-waste, PRO, WEEE

Received: December, 2014; Revised final: June, 2015; Accepted: June, 2015
