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Cost of Recycling

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After our first article ran, a reader who is frustrated by the lack of recycling service in public transit locations requested a piece on recycling. It reminded me of my own frustration within our neighbourhood, where we have curbside collection of garbage twice weekly and collection of recycling once every two weeks, a systemic problem that encourages us to throw away recyclable goods.

There are many challenges to encouraging recycling, and many boil down to economics.

Market prices for raw materials generally do not reflect costs of pollution in an economy where energy is still cheap (we may be burned in effigy for saying it, but energy is still relatively cheap). As such, the cost to industry of establishing a system for collecting materials for reuse is often greater than the cost of using raw materials. As for-profit corporations have an obligation to shareholders, there is incentive to use raw materials.

The economic burden for recycling then shifts to government, generally at the municipal level. For a municipality, collection and sorting of recycling is an additional cost that must be balanced against the cost of landfilling (or incineration). Costs of landfilling vary greatly across Canada, but, generally, the rising costs have contributed to growth of recycling programs. Where landfilling is still relatively inexpensive, incentive may be lacking for extensive recycling programs.

Similarly, for organizations that operate in a competitive market (e.g. service industries), there is little opportunity to pass the costs of recycling programs along to consumers, so there is little incentive to make recycling bins available in public spaces.

Finally, there are you and me, the consumers. Often, there is no incentive to save on refuse by recycling. Without a financial incentive, recyclable materials may be thrown away, particularly when institutional practices (such as not providing recycling bins or only collecting recycling every other week) encourage disposal.

Generally, costs of disposal are external costs. No one directly pays the costs of pollution when recyclable goods are thrown away. To enhance recycling efforts, these costs need to be internalized at all levels. Financial incentives are needed to encourage industry to use recycled rather than raw materials.

Internalizing costs is probably most easily accomplished at the consumer level, and so we have most often been the targets of such efforts.

Costs can be internalized by levying taxes on waste (as was done recently in Toronto) or by introducing deposits on containers (for example). An argument against deposit systems is it distorts costs in such a way that encourages consumers to buy products in disposable containers rather than in recyclable containers.

However, according to a 2004 report from the Environment and Plastics Industry Council (An Overview Of Plastic Recycling In Canada), deposit return systems for beverage containers are 2.3 times more effective than municipal curbside and voluntary depot programs, with a 75 per cent return of containers for deposit systems and 33 per cent

return for non-deposit containers. Given that containers make up a large portion of recyclable goods, a deposit system is an option we in Ontario should explore.

Finally, we need to consider municipalities and other third parties. Municipalities are not operating for profit and make decisions on allocating resources based on perceived public demand. If your jurisdiction's recycling program is lacking, you need to make it clear to your city council (or town board) that this is a priority. In a sense, this internalizes the cost as it makes it clear you consider recycling a service worth supporting with your tax dollars.

Finally, if a business in the service sector is not providing recycling service, raise the issue with a manager. Similarly, if a business is doing a good job in this area, let a manager know it is appreciated to encourage continued efforts.

This all reminds me — I need to go call my local council.

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