

## Consumers may face higher costs when they recycle

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“It's not easy being green,” according to Kermit the Frog. These days, it's not that cheap either.

The old newspapers, cardboard boxes, and plastic bottles consumers thoughtfully place in recycling bins get turned into recycled materials, which helps pay the cost of collecting them. Consumers are told they are helping the environment by keeping these items out of the landfill.

But The Wall Street Journal reports the market for these recycled materials has collapsed, so some jurisdictions across the U.S. have increased the cost to consumers who want to recycle. In some cases, these recyclables end up in a landfill anyway.

“Recycling as we know it isn't working,” James Warner, chief executive of the Solid Waste Management Authority in Lancaster County, Pa., told The Journal. “There's always been ups and downs in the market, but this is the biggest disruption that I can recall.”

Wrong approach?

Michael C. Munger, adjunct scholar at the Cato Institute, suggests the approach to recycling is skewed, noting that landfill prices have been kept artificially low to discourage illegal dumping.

He says jurisdictions have urged consumers to recycle some things that should be thrown away. The result, he says, is we end up recycling garbage instead of resources.

“Since we can't use the price system, authorities resort to moralistic claims, trying to persuade people that recycling is just something that good citizens do,” he writes. “But if recycling is a moral imperative, and the goal is zero waste, not optimal waste, the result can be a net waste of the very resources that recycling was implemented to conserve.”

Changes in China

What's happened now is that market forces are finally making their presence felt. The Journal notes that China, which has been the major consumer of U.S. recyclables, has raised the standards for what it is willing to accept. It complains that there has been too much discarded food and other trash among the old newspapers and plastic bottles Americans have been exporting.

As a result, the biggest market for U.S. recyclables has virtually disappeared. The Journal reports that companies contracted to pick up curbside recyclables are reconsidering what they will accept, and in some cases raising the fee consumers pay for the service because they are now losing money.

USA Today, in a report last month, suggested consumers aren't helping the situation by tossing garden hoses, Christmas tree lights, and other trash into the recycling bin, requiring extra labor to sort through what's been collected.

Other economic factors may also be at work. Two years ago, CNBC linked the sharp drop in oil prices to the declining market for recycled plastic. .

Because oil is used to make plastic, cheaper oil made it more economical to produce new plastic than recycle the old material.