

MICHIGAN Product Stewardship Initiative



The State's Role

Introduction

The State of Michigan recognizes the importance of recycling to Michigan's economy, its quality of life, and its environment but also that recycling in Michigan has underperformed. The Michigan Recycling Coalition (MRC) believes that without leadership and investment by the State of Michigan, our state cannot fully benefit from the economic and environmental returns that recycling can yield.

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An examination of best practices around the country and the Great Lakes region demonstrates that an active role by the State is essential to the success of recycling on a statewide basis. Those states that have experienced the greatest job growth associated with successful recycling programs are states with demonstrated leadership. Indeed, states with the highest recycling rates are generally those that provide funding, tools, and technical assistance to their communities.

A Role for Government

According to standard economic theory, comprehensive solid waste management and recycling systems constitute public goods. In technical terms, this is due to the nonrivalness in consumption of services and nonexcludability from the positive environmental benefits of such systems.

As a general rule, the free market economy tends to work quite well. However, commonly acknowledged market failures such as imperfect information, uncaptured economies of scale, and externalities (of costs and benefits) can interfere with market efficiency. Various government policies can also create market distortions. For example, federal government subsidies to the lumber, mining, and oil industries as well as state interference with local control over landfill siting have worked to the disadvantage of the recycling industry. Within the framework of a free market economy, there is a role for government in fostering market efficiency and facilitating accuracy in the market's pricing system.

Moreover, municipalities have a legitimate and enforceable role in public health and safety, ensuring that waste products are legally and safely managed. As such, local governments have traditionally borne the costs associated with managing waste, either by contracting for or directly providing collection and disposal services. Incorporating recycling programs into that role has been shown to reduce landfill costs, create jobs, and benefit the environment, while generating a domestic supply of raw material for the manufacturing sector.

Recycling represents one of those unique opportunities in which both public and private investment can cooperatively promote robust and sustainable economic activity while concurrently supporting environmental protection.



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Roles described in State Policy

Michigan's Solid Waste Policy promotes the perspective of viewing solid waste as a resource in a global economy and, rather than prescribing our choices, challenges us to make decisions based on the three principles of sustainability:

- Economic vitality
- Ecological integrity
- Improved quality of life

The State recognizes the distinct roles and responsibilities of public institutions (at all levels of government), the private sector, and individuals in encouraging and making choices related to solid waste management.

According to Michigan's Solid Waste Policy, the state should undertake the following actions that cannot be handled at the local level:

- Ensure statewide standards are met
- Ensure accountability
- Set statewide goals and minimum criteria
- Facilitate information sharing among local units of government
- Provide tools
- Facilitate solutions to conflicting roles
- Ensure that the format, criteria, and guidance for developing Solid Waste Management Plans are flexible and consider the needs and resources of individual planning areas
- Serve as an information clearinghouse for emerging technologies, practices, and funding opportunities

The Policy further states that to ensure that various units of government are equitably able to financially fulfill their responsibilities, Michigan should:

- Identify and implement a sustainable and equitable funding mechanism(s) to provide for a minimum level of solid waste management activities identified by the state.
- Develop and encourage the use of effective local funding mechanisms.
- Encourage development of financial and other incentives to promote collaboration.

The MRC: A Way Forward

The MRC's mission is to foster effective resource use and recovery in Michigan by developing, supporting and educating a coalition of business, government, non-profit and individual members working toward the common goals of waste reduction, recycling, reuse, composting and recycled-content purchasing.

The MRC urges the State of Michigan to adopt a comprehensive approach to recycling. This includes making the investment necessary for Michigan to accomplish adopted State goals and providing the leadership necessary to realize the economic and environmental benefits of improved recycling in Michigan.