Sidebar: Recycling

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Creation of green jobs has long been a component behind justifications for the state’s recycling programs. Such jobs are created as recyclable materials are collected and transformed into new products. The promise of such jobs, however, has not always been fulfilled to the same extent in the actual results for a variety of reasons.

Development of sustainable markets for the related green jobs is affected by the degree of both the consistency in quantity and quality of the material flows. In 2011, AB 341 raised the state’s recycling goal from 50% to 75% by 2020. The state’s overall recycling rate, however, has been going in the opposite direction. After reaching 50% in 2012-2014, CalRecycle’s data shows the state rate dipping to 47% in 2015, and 44% in 2016.

With few exceptions, these jobs rely on subsidies paid by households and employers in the form of monthly utility payments and through recycling fees paid on a wide range of products such as beverages, electronics, tires, mattresses, and others. These fees in turn are used to subsidize the collection and sorting which except for some items such as aluminum, are not sufficiently profitable to operate on their own based on revenues from selling the recycled materials. The matching of subsidy levels to required operating levels, however, is a heavily bureaucratic process while the market forces affecting the value of recycled materials is more immediate and affected by price swings in the underlying, competing virgin materials. Like any other central planning process, the state’s recycling agencies have often been slow to react to events such as recent drops in oil and commodity prices that undercut the value of recycled materials, producing a sharp drop in the related recycling jobs:

Mark Oldfield, communications director for CalRecycle, estimates that in peak years, there were between 2,200 and 2,300 recycling centers in the state, but as of today, the database shows 1,680. Processing centers, which take recyclables from these centers, have closed, too. There are 183 active ones in California, down from 196 in 2016 and 217 in 2015. “Recycling Centers Continue to Struggle, Driving California Recycling Rates Down,” San Jose Mercury-News, June 18, 2017

As with other green job industries, many of the jobs created by these green policies are not created within the state. In assessments of the green jobs potential from the new 75% goal (CalRecycle, 2013; Tellus, 2014), this point is explicitly addressed. The CalRecyle report acknowledges that the type and number of recycling jobs are affected by “issues such as the difficulty of siting and financing new manufacturing and composting or anaerobic digestion facilities in California.” While estimating that as many as 110,000 jobs could be created by the state’s new 75% goal, the Tellus report also states that “not all of the estimated job creation would take place within California or even the United States.”

Moreover, not even all of the current recycling jobs are created in the state. While the collection jobs are necessarily retained here, a large component of the reprocessing and remanufacturing jobs are shipped to other locations. Recent estimates by CalRecycle indicate a third of recycled materials are exported:

CalRecycle estimates that a third of all recyclable material generated in California annually is currently exported to foreign markets, and 62 percent of that goes to China. This movement
of materials is critical for allowing the state and local jurisdictions to reach their recycling and diversion goals.

"National Sword, China’s New Policy on Recyclable Material Imports, CalRecycle, http://www.calrecycle.ca.gov/Markets/NationalSword/

No comparable estimates on the percentage of California recyclables sent to other states for reprocessing and remanufacturing are available. This level of exports, however, reflects that the state’s environmental policies—in the absence of accompanying reforms to actually foster in-state green jobs—serve more to shift the location of environmental effects than to secure the potential economic benefits:

A documentary by Chinese filmmaker Jiu-Liang Wang, “Plastic China,” has captivated global audiences, including at this year’s Sundance Film Festival. The story follows an 11-year-old girl living and working among piles of imported scrap plastic in a workshop in the Chinese countryside, and it has drawn attention to China’s status as a waste-processing superpower and the toll that is taking on its people and environment.

“Oh, Scrap: China, the Biggest Buyer of America’s Trash, Wants No More,” Wall Street Journal, October 8, 2017

The continuation of this outlet, moreover, is now in doubt as a result of China’s recent “National Sword” policy. Going into effect in March 2018, this new policy limits the import of contaminated recyclable materials and increases inspections of all such imports. The expected results include reduced import demand from China, increased domestic costs for collection and sorting, still uncertain effects on overall recycling rates, and increased diversion of previously “recyclable” materials to disposal.