

## **Letterhead of Friends of the Earth**

### **No Time To Waste**

**Written by Mei Ng, Director Friends of the Earth 1998.12.6**

For many years the sustainability of the recycling industry has been hanging in the balance. The industry's contribution towards the society and the environment has never been fully recognized. Without policy and funding support, recycling has been existing as a fringe cottage industry. This reflects how backward Hong Kong's industry and environment policies were.

The latest collapse of a large paper recycling factory and the difficulties threatening the whole paper recycling trade is to be expected, it's just a matter of time. What can we say except to blame the Government for its lack of a sense of crisis, lacking priority commitment towards the environment and little concern for the survival of the grassroot industry? Should the Government just wait and see and attributes the collapse to bad business management or the economic downturn? Or should the Government intervene and subsidize the recycling industry?

In the past, Hong Kong Government has employed different approaches to solve various waste disposal issues. For example, it was the Government who paid for the setting up of the Tsing Yi Chemical Waste Treatment Centre (CWTC) and contracted out to a private waste management company to operate it. As industries relocate to the north across the border thus reducing the quantity of chemical wastes generated. To keep the CWTC alive and the operator happy, there were proposals of allowing the operator to collect chemical wastes outside Hong Kong.

In the case of the livestock wastes disposal, incentives were provided by the Government to improve the pig farms' disposal facilities and to raise the sewage discharge standards. Pig farmers could apply for a capital grant covering 50% of the costs and the rest is funded by a soft loan. Those who opted to close down business could apply for ex-gratia payment. As a result many small farms were closed. But in the recent years, large scale and highly productive pig farms have re-emerged. This new lease of life could have been brought about by the technological improvement made possible with the soft loan and capital grants.

Is it fair to subsidize the recycling business? First off all, recycling should not be considered as a purely commercial behaviour. It is, in fact, an integral part of the waste disposal and resource recovery service for the community. Subsidizing a community service is justifiable. But subsidizing a commercial behaviour is controversial. Realistically taxpayers are indirectly subsidizing profit-making companies and large multinational corporations by landfilling the endless quantities of beer bottles, mineral water bottles, foam and paper packaging from large electric appliances, computers and building materials. Yet the Government did not demand producers to shoulder their social and environmental responsibilities. In the spirit of the Polluter Pay Principle, producers of waste should be made to recover their wastes or paid for the recovery. Why can't Hong Kong adopt the same practice in other countries to enact legislation and policy to implement the producer responsibility? It is not too much to ask profit making waste producers to devote a small percentage of their revenue to set up a Recycling Fund which provides long term funding for community recycling programs or low interest loan to recyclers to upgrade equipment's and productivity.

The sustainability of the recycling industry depends on its competitiveness. Government needs to provide resource and support to help reduce their operation costs. Incentives could include recycling credits, tax cuts as well as cheaper land rentals. On the other hand, policy support is needed in the setting up of a territory wide recycling collection program with designated areas devoted to recyclable waste collection to ensure a stable source of recoverable wastes. Areas under the flyovers, next to the refuse transfer stations, inside the landfills or deserted or degraded lots could be considered for temporary storage of recyclables.

The other determining factor for the survival of the recycling industry is the viability of the recycled product market. Hong Kong Government as the biggest consumer should take the lead to adopt preferential green purchasing to help promote green consumerism. At the moment, Government procures supplies through tendering, and in the case of choosing toilet papers, the lowest tender counts. In fact our policy makers should change their value judgement about green purchase. Recycled products could sometimes be more expensive than ordinary ones, but consumers should consider the price they pay is more than for the product itself but also for the savings on the expenditure for end-of-the-pipe waste disposal and the inherent social and environmental benefit.

In the long term, it is advisable for the Government to consider setting up a Recycling Industry Park to promote a comprehensive recycling industry. The park could network and provide a base for tyre, waste oil, waste metal, waste paper, aluminum cans, plastics as well as food waste recycling. By providing land and low interest loans to recyclers to share and build communal sewage treatment, utilities and transport network would help the trade reduces operation cost and develops in line with the economy of scale. Possibility of a cross-border cooperation should be explored.

In fact, three years ago, Friends of the Earth (FoE) had raised this issue with the Guangzhou and Shenzhen authorities. There is sufficient demand and interest for recycling in China that our neighbours are willing to provide land and investment while Hong Kong side is to ensure a stable source of recyclables. Two months ago, FoE organized a roundtable meeting with various recyclers, including waste oil, metal, plastics, paper and food waste recovery operators. They welcome the idea of a recycling park idea and were talking about business expansion and opportunities for increasing employment.

We hope the Government would waste no time to set up the Waste Reduction Committee represented by trade operators, government officials, community as well as environmental groups. We urge the highest level of Government involvement to facilitate the cooperation of different government departments, housing and community sectors. In the past ten years, Friends of the Earth has been working with schools, housing estates, public parks, and the community to promote and implement recycling. We had been in constant contact with the recyclers and fully understand their operations and the difficulties that they face. Friends of the Earth is willing to facilitate the consensus building process to solve the waste disposal crisis.

“Pollution is nothing but the waste resources we did not harness” Humanist Buckminster Fuller.