



COMMODITY INDUSTRIES, BRAND-OWNERS AND TRADE ASSOCIATIONS HAVE ALL BEEN SETTING VARIOUS RECYCLING AND RECOVERY GOALS IN RECENT YEARS AND, THOUGH THEIR STOCK SUPPLY ALL COME FROM THE SAME PLACE – HOUSEHOLDS, BUSINESSES AND INSTITUTIONS – THERE IS LITTLE TO NO COORDINATION BETWEEN THESE PARTIES. OUR AUTHOR DETAILS THOSE DISPARATE GOALS AND SHOWS HOW TO GET THOSE SETTING THEM ALL ON THE SAME PAGE.

In the late 1980s, state governments engaged in a frenzy of recycling goal-setting. State goals were often further passed down as mandates to local governments in their traditional role as waste managers. The main idea was to drive activity that, in turn, reduced dependence on landfilling. There was scant concern for what recycling markets would bear, or for what it would take to reach the goals – or even if the goals were realistic and achievable.

Now, as government goals recede in relevance, there is a fresh wave of goal-setting – but this time by the private sector. Commodity industries, individual corporations and trade associations are putting forth recycling, material usage and sustainability goals of all kinds. These new publicly-stated objectives, either numerical or qualitative in nature, are again designed to spur action. But this latest goal-setting suffers similar ills as in the previous government era. It is, as Yogi Berra said, “déjà vu all over again.”

The previous government goals and the current industry objectives have a number of things in common:

- They reflect a true need and thus are set at ambitious levels.
- Generally, they have been preceded by a lack of transparent analysis.
- They are individualistic and uncoordinated with other

plans and goals.

- They are generally not supported by a detailed strategy on how to actually achieve the goals.

For all the similarities of the government and industry goals, there are also two critical differences. First, the earlier government-phase was centered on the issue of waste management, whereas the current goal setting is about materials management. Thus these two phases symbolize the evolution of the purposes of recycling in the past two decades.

The second difference is in the initial obstacles faced by the goal-makers. In the early 1990s, state governments immediately hit the wall of weak material markets and so they were forced to engage in market development activities, such as passing recycled content laws, starting market development efforts and creating loan and grant programs. By contrast, industry goal-setting is hitting the opposite side of the same wall – weak material supply. It remains to be seen if, and how, industry will act to grow that supply, and to what degree industry will address the fundamental issues of the supply system.

Let’s take a look at a sample of private sector goals. They range from recycling rate and recycled content numerical targets to

broader commitments related to packaging sustainability. Here are some examples from commodity trade associations:

- The American Forest & Paper Association has set successive goals for paper recovery, announcing recently that the 63.4 percent recycling rate for 2009 exceeded its 60 percent recovery goal three years ahead of schedule. But this apparent success has a significant back story, helped by a large decline in the denominator – paper generation fell by a whopping 18 percent in the last two years.
- The Glass Packaging Institute stated in 2008 a goal of using at least 50 percent recycled glass in the manufacture of new glass bottles and jars by 2013. The U.S. Environmental Protection Agency (EPA) estimated the national glass recycling rate to be 26 percent in 2009.
- The Aluminum Association wants to increase the recycling rate for used aluminum beverage containers to 75 percent by 2015. UBC recovery in 2009 was estimated at 57.4 percent.
- The Association of Postconsumer Plastic Recyclers (APR) has not set a recycling goal per se but has stated that “our goal is simple – we want to increase the amount of plastic material that is recycled in North America.” Less than a third of plastic bottles are currently collected for recycling.
- The Carton Council, like APR, has not announced specific numerical targets, but also states that it “is specifically committed to increasing carton recycling in the United States.” Most recycling programs in the U.S. do not collect cartons.

In addition to commodity trade associations, individual companies are also articulating goals ultimately dependent on the fate of material recovery activity and infrastructure development in the coming years. Here are some examples from the brand-owner community:

- Nestlé has set a goal of achieving a 60 percent recycling rate for all PET plastic beverage containers in the U.S. by 2018, which would represent basically a doubling of the current rate in seven years.
- Unilever is targeting an increase in recovery rates “on average by 5 percent by 2015, and by 15 percent by 2020” in its top 14 market countries. As Unilever notes on its website: “For some this means doubling, or even

tripling, existing recycling rates.”

- ConAgra has put forth company goals “to increase the amount of packaging made of renewable resources from 45 percent to more than 50 percent” and to “increase recycled content in packaging overall by 25 percent.”
- Coca-Cola has publicly announced a goal of achieving a 100 percent recycling rate for its packaging by 2020.
- Proctor & Gamble has committed to “using 100 percent renewable or recycled materials for all products and packaging” and to helping make sure that its packaging materials “end up in a valued waste stream.”

Across the corporate world, many targets are also being set for greenhouse gas reduction and other aspects of sustainability. Under the auspices of the Sustainable Packaging Coalition and with prodding from Walmart and from other major drivers, leading brand-owners and their suppliers are trying to hit higher green benchmarks with their packaging materials. Increasingly, those discussions are focusing on end-of-life management as a cornerstone issue.

A positive effect of goal-setting is that it can motivate action. Some industry actors have indeed been engaged in a range of activities to address the supply question. Examples range from small efforts such as recycling bin grants to relatively larger and more direct interventions, such as investment in sorting technology at materials recovery facilities and targeted promotional campaigns. In general, the past three years has seen a stirring of industry initiatives as the various goal-setters do what states did earlier – try to live up to their publicly-stated objectives.

Grade: Unsatisfactory

The industry supply initiatives manifest motivation, but how far and how deep will the efforts go? A quick assessment shows major “room for improvement” in at least four areas:

1. Industry initiatives are not coordinated – this is especially true among commodity groups, even though their main supplies come from basically the same sources. The lack of partnerships and collaboration may be due in part to the need to connect brand to recycling and in part to traditional material competition. Yet even simple initiatives like bin grants and promotional activities are not in sync. At least one potential collaborative frame-

work, the Curbside Value Partnership, has struggled to attract support beyond the aluminum industry, even though glass, plastic, steel and paper also have a stake in curbside success.

2. Industry is not investing in material supply – especially in comparison to the investments of state and local governments in building the basic supply infrastructure over the past two decades. Industry goal-setters have yet to put real dollars behind improvements that lead to permanent new material flow.

3. Industry displays a general lack of understanding of the constraints on the current major supply actors, in particular local governments. Community recycling programs are making progress in many areas, but it is disjointed, incremental and subject to limitations of political will and budget priority competition. To date, not only has industry failed to invest significant *financial* capital in supply, it has spent even less *political* capital on traditional supply policy initiatives: e.g., deposit legislation, disposal taxes, disposal bans or recycling mandates.

4. To date, industry has been largely unwilling to address the basic framework of the U.S. recycling system. Industry seems satisfied with the government-taxpayer approach to system financing despite evidence that it is failing to deliver the goods – literally. Objective analysis of another kind of framework – the producer-consumer approach – so far has received ambivalent and in some cases hostile response from key industry groups.

Like state governments in the late 1980s, the industry recycling and sustainability goal-setters of the modern era must now wrestle with how to meet their targets. The implications of achieving or not achieving those goals are serious and increasingly consequential to their own business models. The need for a coordinated effort is more urgent than ever. Recent EPA studies once again document recycling’s huge capacity to reduce greenhouse gases while other studies continue to demonstrate recycling’s economic development potential, including the creation of much-needed jobs.

The way forward

In this light, what are some potential paths forward? How can industry avoid the mistakes of the previous era of government goal-setting? At least five inter-related

initiatives could make a difference:

- 1. Immediately establish a broad intra-industry discussion and possibly a permanent third party mechanism for coordinating industry goals.**
- 2. Conduct a coordinated public and comprehensive analysis of the current material supply situation and infrastructure.** To date, industry analyses of material generation, recycling access and processing capacity have not been conducted collaboratively nor always transparently.
- 3. Join with EPA to produce an annual, reliable measurement of commodity recovery rates.** Such an effort would ideally employ a singular, stakeholder-

vetted methodology across all materials and across all packaging types.

- 4. Collaborate on meaningful, well-funded supply initiatives untied to branding and in coordination with government stake-holders.** These initiatives should be on par with government infrastructure investments to date and should complement those investments.
- 5. Conduct a coordinated analysis of the U.S. material recovery system** versus those in Canada and Europe focused on the objective measures of cost, tonnage results and the effects on overall material sustainability.

Government recycling professionals will be both anxiously watching and seeking engagement with our industry counterparts as they wrestle with the daunting supply barriers standing between them and their goals. **RR**

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