

Picking Waste, Preserving Democracy Global Recycling and State Instability

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China was the world's largest importer of waste until it suddenly and severely restricted imports in 2018. There are several possible futures for the waste market, but the scenario that is most threatening to development, governance, and global stability is one in which waste is sent to labor-abundant democracies. The influx of waste to these states will likely spark environmental degradation, health crises, and corruption, ultimately fostering instability. U.S. development organizations can minimize the negative externalities of the waste trade by working with importing states to provide personal protective equipment, encourage waste worker unionization, and build capacity for customs enforcement.

Defining the Waste Market

The waste market exists due to global imbalances in waste disposal costs. Profit margins for non-hazardous, recyclable waste are impacted by the importance of purifying waste streams, which necessitates labor-intensive waste processing. Complying with weak environmental regulations in developing countries is less expensive than meeting higher standards common in developed countries. Strong regional or global economic growth creates high demand for recycled materials, which are less expensive to produce than refining virgin materials. Low waste transportation costs enable companies to move operations abroad and exploit global asymmetries in recycling costs.

Beginning in the 1990s, China's comparative advantage in labor, weak environmental regulations, and strong demand for recycled material increased its willingness to import waste. In 2018, however, Beijing restricted waste imports and announced its intent to ban all waste imports over the next two years. International rivalries, economic growth, and domestic politics motivated the ban of waste imports.

Challenges Arising from Changes in the Waste Market

Changes in the waste market have previously shifted which countries process waste. Historically, waste market changes challenged global stability by threatening the diplomatic relationships, domestic political stability, and domestic economic potential of the new importer states.

- *Threat to Diplomatic Relationships.* Illegally smuggling and dumping waste is an international problem that undermines trust between the non-consenting waste importers and exporters. Similarly, backlash against waste-exporting states inhibits global diplomacy.
- *Threat to Domestic Political Stability.* Recently, protests of the waste trade have increased in frequency within new waste-importing states. Conflicts between the members of the nascent recycling industry and the larger electorate may lead to policy paralysis regarding waste management in importer states.
- *Threat to Domestic Economic Potential.* The health impacts of waste mismanagement can limit the earning potential of individuals who would otherwise be in the workforce and lead to substantive land degradation with high remediation costs.

The Future of the Waste Market

Two variables are most likely to impact economic development and governance objective in the states that import scrap in the post-2018 waste market:

- *Regime Type.* The negative externalities of the waste trade primarily affect the poor, while its benefits mainly extend to the elite. In a democracy, popular pressure to ban will affect the legislative agenda. An authoritarian regime is unlikely to respond to popular pressure.
- *Factor Endowments.* Low-cost, unskilled labor currently dictates the profitability of recycling, as trash moves from high- to low-wage states. Factor endowments also act as a proxy for wealth, as capital-abundant states are typically wealthier than labor-abundant states. Although pollution initially increases as countries industrialize, at a certain point, wealth is positively correlated with environmental protections as well.

Waste imports pose a significant threat to labor-abundant democracies; these states are likely both to import waste and benefit from the assistance of U.S. governance and development organizations.

- *Short-term dangers:* Due to underfunding of regulatory agencies, there will be less stringent enforcement of laws regulating waste imports, recycling methods, and disposal procedures. States will likely be overwhelmed by imports, contributing to dangerous environmental and health outcomes in waste-processing areas. These problems, combined with demonstrable institutional failures to protect citizens and limit corruption, will lead to public protests.
- *Long-term dangers:* Responsive democracies may issue a waste ban following protests. However, weak enforcement capability will lead to an increase in crime and exacerbate corruption. Criminal activity, anti-regime protests, and environmental challenges limit new importer states' economic and democratic growth potential.

Policy Recommendations

Current policies addressing the waste market changes fail to address the root of the issue or shift the problems elsewhere. More robust policy action by U.S. development and governance organizations can limit the dangers *and* increase the benefits of the waste trade.

- *Ensure personal protective equipment (PPE) availability for individual workers.* Investing in PPE provision programs in waste-importing countries is a straightforward, immediate way of protecting the people directly exposed to the health risks of waste processing.
- *Support recycling workers' associations.* U.S. development organizations should support the formation of recycling workers' associations because they strengthen civil society and streamline the process of creating and implementing programs to address workers' concerns. This organizational model would also help channel workers' frustrations into conversations with companies and government, rather than protests.
- *Promote customs partnerships between waste exporters and importers.* Previous customs enforcement capacity-building programs have helped investigators develop anti-corruption and anti-smuggling strategies. Such a policy can limit corruption and crime stemming from the waste trade.

Conclusion

The recent changes in the global waste market pose a distinct threat to development and governance in new importer states. Labor-abundant democracies that begin importing waste risk instability that is driven by environmental degradation, health crises, and corruption. American organizations can prevent future instability in importer states by ensuring PPE provision and use, supporting recycling workers' associations, and promoting customs partnerships between waste importers and exporters.