Why landlords ignore the law on recycling

By <u>Steve Thorngate</u> May 7, 2015

Weeks ago, the recycling carts disappeared from our alley. We live in a Chicago three-flat, and the City is supposed to provide single-stream blue carts for all residential buildings with four or fewer units. It hasn't replaced them yet.

Larger buildings are required to provide recycling services themselves, but this doesn't always happen, either. <u>Our local public radio station recently did some digging as to why</u>:

Jim Thom, who owns a 14-unit building in Avondale, says he'd like to offer recycling to his tenants but can't figure out how to make it work. His dumpster sits in a narrow gangway that runs all the way to the alley, leaving little room for another bin...

And, Thom says, when he looked into recycling, he found it could bump up his waste pick-up costs as much as 33 percent, from \$3,000 to \$4,000 a year.

"It's certainly something we think about," says Thom. "We just haven't seen a solution that's made us jump and say, 'Let's do it.'"

He says he's never been fined by the city for not providing recycling, and hasn't heard of any building owners or managers who have.

It turns out the recycling ordinance requires the buildings to provide recycling, but it only *allows* the City to enforce this with fines—it doesn't require it. So it's toothless, unless the City is motivated to give it some teeth. Why hasn't it been?

Even though waste hauling is typically a minor item on a building owner's balance sheet, any extra expense has to be justified.

"If it's gonna cost money to recycle and the residents of these buildings aren't pushing for it, most building owners are not going to spend more money when people aren't clamoring for it," [Josh Connell of Lakeshore Recycling Systems] says. "We have building owners that do pay for recycling because the residents want it."

As evinced by the popularity of MyBuildingDoesntRecycle.com, a lot of multi-unit building residents want it.

Well, the site evinces that a thousand or so Chicagoans care enough to shame their landlords on the internet. That's not necessarily the level of wanting it it would take to make it a political liability for city officials to ignore the problem—or a financial liability for building managers to ignore potential renters' needs.

In short, it's not clear that very many renters have the right combination of resources and interest to make this a priority. If a critical mass of apartment seekers were willing to pay a premium to live in a building that complies with this code, and/or to hound their aldermen about those that don't, we'd likely see a wider change. But that's not how most people behave; mostly we just recycle when it's easy and forget about it when it's even slightly hard. So the inaction of building owners—and of their soft-touch regulators—is a response to the market.

This reminds me of Megan McArdle's point that we should stop blaming airlines for nickel-and-diming us and squishing our legs. <u>We should blame ourselves</u>:

Ultimately, the reason airlines cram us into tiny seats and upcharge for everything is that we're out there on Expedia and Kayak, shopping on exactly one dimension: the price of the flight. To win business, airlines have to deliver the absolute lowest fare. And the way to do that is . . . to cram us into tiny seats and upcharge for everything. If American consumers were willing to pay more for a better experience, they'd deliver it. We're not, and they don't.

If you want a better flying experience, demand it with wallet. Short of that, the airline industry doesn't see much financial advantage to changing; like the Chicago landlords, it sees complaining but few dollars to back it up. At least, that's the market-focused response here. But these are also good case studies in the importance of good government regulation. As renters, people's failure to make recycling a priority might come from carelessness or selfishness or simply a long list of more pressing needs. As citizens, low recycling rates hurt us all. It's not entirely rational for air travelers with disposable income to accept a tiny amount of leg space in order to save 30 bucks; it's entirely *ir*rational for people to choose a flight based only on ticket price, not fees. But people do both, with bad results for practically everyone who flies.

That's because consumer behavior isn't all that rational. Which is why *in some situations* the government provides the best available solution. This doesn't have to be undemocratic; there's wide consensus by now that recycling is a good thing. It's just that this abstract consensus doesn't always play out in our concrete behavior—which means that if you rely on the market, it might not get done. Sometimes it takes regulation (and enforcement) to accomplish something the market can't. That's not tyranny; it's a collective solution to a collective action problem.