

# Poetry and Profits Elusive in Russian Garbage

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Most Muscovites would be happy to separate their garbage for recycling, but there is no process in place, yet. **Vladimir Filonov**

The great 20th-century poet Anna Akhmatova once said that even garbage can inspire poetry, referring to her desire to create verse from the marginal events of daily life.

Today in Akhmatova's native Russia the volume of unwanted garbage is so big that its recycling problem has become a subject of almost daily prose.

While the country continues to spend millions of dollars building waste incinerators and creating huge landfill sites where homeless people search for discarded belongings steeped in the stench of methane coming from decomposed garbage, the legal infrastructure to create a Western-style recycling industry is absent.

"The rubbish dumps are a dirty business in the making," said professor Lazar Shubov, a

Moscow-based specialist in waste recycling and an author of several research papers on the subject. “What we need is a business concept, supported on the Moscow municipal level at least. You can’t win the battle with just a cavalry attack.”

Shubov’s latest public call to arms was an open letter to Mayor Sergei Sobyenin, recently published in TBO magazine, an industry journal dedicated to waste recycling.

The letter, co-authored with Oleg Petrukov, a former deputy head of the Moscow region government’s environmental department, urges Sobyenin to create a task force of recycling specialists. The matter is urgent: Some experts predict that the issue, if left unaddressed, could trigger a “garbage war” between Moscow and the surrounding region because about 85 percent of the capital’s waste is disposed of in Moscow region dumps.

Shubov estimates that 97 percent of all household waste in Russia goes to landfills, compared with 20 percent in the European Union. In Moscow alone, out of 3.8 million tons of garbage collected annually, 730,000 tons are incinerated and only 50,000 tons are recycled — of which 10,000 tons come from households.

Many Russians simply throw their garbage in trash bins located near their houses, but Shubov doesn’t blame the local mentality for failing to separate garbage. According to his research, about 65 percent of Muscovites would be happy to separate their refuse if asked.

Instead of the complicated systems of several containers common in some Western European countries, he proposes a simple two-bin system — one for ordinary waste, another for glass, paper and other recyclable materials. “But with the absence of sorting complexes all of this would end up [back together] in dumps,” said Shubov, who advocates the construction of garbage-separation complexes that would benefit both the city and the region.

Shubov and Petrukov sent their letter to the office of Deputy Mayor Pyotr Biryukov, who oversees the communal services sector. Biryukov, a holdover from the administration of previous Mayor Yury Luzhkov, has said proposals they advocated were “not needed” — a response Shubov described as “typical.”

Shubov said Luzhkov’s government addressed garbage-related problems by building more garbage-burning plants, despite a protest from Muscovites. Under Luzhkov, the city intended to build six such plants, though plans were shelved because of the 2008 economic crisis.

Natural Resources and Environment Minister Yury Trutnev echoed Shubov’s sentiments when he addressed the same problem in December. “It is not hard to teach people to recycle trash, the problem is what to do with it afterward,” he told reporters, adding that out of 389 garbage-processing plants in the country, only 160 deal with recycled garbage, which is simply not enough.

Trutnev’s answer to the garbage problem is to create more garbage dumps where garbage is reprocessed and later used for construction or other needs.

Olga Deyashkina, editor-in-chief of TBO, said dumps can become a cheap and convenient option if you use the right approach, but Russian reality throws a monkey wrench in the works. Due to the absence of a standardized recycling system in the country, rubbish

containing mercury, hazardous chemicals and other dangerous materials can easily be mixed in with common garbage.

Deyashkina also said official dumps are hard to organize because of the resistance of locals who understandably don't like the idea of living next door. But, paradoxically, illegal dumps prove hard to close down, Deyashkina added, citing the example of the infamous Shemyakinskaya dump located near Sheremetyevo Airport.

Nearby residents protested, publicly demanding that the dump be moved. They even took their cause to the Supreme Court. Despite their having support from airport management, who said birds attracted to the dump were disrupting flights, the dump was only liquidated after an order by Prime Minister Vladimir Putin in June 2010.

For some people the fight against garbage dumps can be life-threatening. In spring 2010, Konstantin Fetisov, an environmental activist from the Moscow region who protested a garbage dump in his area, was savagely beaten by thugs near his house. Investigators said the attackers acted under orders of a Moscow region government official.

While not referring to Fetisov's case directly, Sergei Shoigu, governor-in-waiting of the Moscow region, said getting Sobyenin's administration to build a garbage-recycling plant within city limits would be a priority for him.

The situation in other regions is also complicated. Companies looking to organize efficient garbage collection and processing struggle to find common ground with local authorities.

In 2008, the regional government in Ulyanovsk, the birthplace of Soviet leader Vladimir Lenin, announced a joint venture with Germany's Remondis International to build a \$12 million garbage-collection and recycling plant. But Ulyanovsk authorities backed out when the German side asked for a controlling stake in the venture.

Today only a few companies dealing with garbage processing are prepared to take the risk of operating on the unregulated market, and when they do it is usually with the blessing of regional authorities.

"Every governor will welcome you if you don't want anything from him," said Sergei Khoroshayev, general director of the National Ecological Co., which operates processing plants in the Stavropol, Tula and Oryol regions. The company says it uses environmentally friendly technology and even runs its own laboratory to test components of expired medicine to find better ways to reprocess it.

The National Ecological Co., where Khoroshayev is one of the shareholders, is controlled by ROEL Group, which invests in various industries, including machinery and food processing.

According to Khoroshayev, it costs more than \$3 million to build a garbage-processing complex, while businesses like his are suffering from low regional tariffs for garbage processing. In the Oryol region, he makes about 150 rubles (\$5) to collect a cubic meter of waste — not enough to cover recycling costs.

The rate should be raised to about 500 rubles (\$15) to make recycling profitable, Khoroshayev said.

The tariff for garbage separation is also quite low — 100 rubles per cubic meter.

“Taking the current rates into account, the [recycling] business today is less attractive,” Khoroshayev said.

A lack of sufficient federal oversight and legislation and an absence of political will are hindering businesses from building networks of waste-processing plants and attracting foreign investors, he said.

“This garbage industry today ... is handled by municipalities,” he said.

Anyone interested in getting into garbage processing should not be “romantic,” he said. “Some say that it is a gold mine, but you should be very careful,” Khoroshayev said, adding that beginners should look for investors from the start, most likely from among companies that already have several garbage-recycling plants.

At the federal level, waste disposal is currently overseen by the Federal Inspection Service for Natural Resources Use, a watchdog agency within the Natural Resources and Environment Ministry whose main goal is fighting illegal dumps.

But the National Ecological Co.’s experience in dealing with waste has attracted the attention of Russian Technologies, a state corporation headed by Kremlin-connected technocrat Sergei Chemezov. Russian Technologies has announced plans to create a national waste-recycling company with assets whose 2011 turnover is estimated at \$1.8 billion.

The project has been blessed by the ruling United Russia party, and the Skolkovo foundation is in talks about joining, Skolkovo spokesman Sergei Naumov said, Kommersant reported in August. But a source familiar with the project told The Moscow Times that the negotiations are ongoing.

While environmentalists, industry insiders and government officials might see the process of garbage processing and collection differently, all agree that the recycling sector is suffering from a lack of regulation.

New rules are in the pipeline, with amendments to a federal law on the regulation of waste processing passing in a first reading in the State Duma in October. The new legislation will regulate business development in the sector, create a federal body to oversee waste processing and make producers of packaging financially responsible for recycling it.

Similar legislation is already in place in many European countries, where packaging producers are a primary source of funding for the garbage-processing lifecycle.

Alexander Torshin, a Federation Council senator who took part in drafting the amendments, said both packaging importers and producers should pay 2 percent of their profits into new state funds that would deal with garbage recycling and processing.

“If this legislation is passed, it could also create a self-regulating institution of market players that would work together collecting, transporting and recycling waste,” said Devyashkina of TBO magazine. “The amount of dumped waste would decrease and new jobs in the small and medium business sector would be created. So let’s hope that at least some of

the garbage problems will be resolved.”

But while industry players generally support the legislation, they also said it does not provide a clear definition of what constitutes leftover packaging materials.

They also see a problem in the fact that the bill makes no demands on importers from Kazakhstan and Belarus that, together with Russia, are members of the Customs Union.

A letter expressing concerns with the bill was signed by several packaging producers, including Nestle, Unilever and Procter & Gamble, and sent to various government officials last September. A spokeswoman from one of the companies said the Duma responded by creating a task force on the matter. “But the legislation now has been postponed indefinitely,” she said.

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