

ECOLOGY AND BUSINESS

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Human life and industrial activity entail great amounts of organic wastes which can be found in dumps around big cities taking up huge areas. All these wastes are greatly responsible for contamination of natural environment (land, water and air). Nevertheless technologies that allow turning ordinary garbage into source of energy, make useful secondary materials from it such as glass, metals etc are already developed. So it is possible to apply these technologies and make money from waste utilization.

Due to different governmental programs aimed at gradual reduction of garbage dumps and increased investments in recycling of waste materials have created the situation where business is getting more and more interested in waste utilization

Nowadays there are two main generally accepted business schemes to dispose and recycle waste materials in the world: American and European. In the USA "waste producers" have to make a separate payment for waste collecting themselves, while in Europe this sum is already included in the product's price. These two schemes have a different impact on companies which produce packages. The American system has a mere influence, because those are consumers who are to pay this tax. The European system especially German "Green Dot" acts differently. It prompts companies reduce their package volumes, because money allocations (licenses), which are included in the product's prime cost are to be paid by companies. Consequently they are interested to reduce volume of packaging materials.

Owing to governmental support, activities with solid wastes in EU is rather profitable. For example, 2/3 of the price for waste disposal in landfills is covered by the local waste disposal tax and 1/3 is paid by goods producers. Waste recycling is a less profitable business. Its costs are covered by producers and consumers. Garbage incineration in Europe is extremely expensive and not profitable business because of strict limitation rules set by governments. Especially they concern emission of carbon dioxide and heavy metals which are emitted in the course of incineration. To encourage environment-friendly methods of waste utilization state encourages recycling by system of additional payments.

Unfortunately out of all elements of garbage utilization business only waste collection with further burial in landfills are extensively used in Ukraine. Currently there are two acting waste incinerating plants and one waste sorting factory in our country. Financial problems are inherent to almost all enterprises of this sphere.

Nowadays in Ukraine there are more than 35 billion tons of industrial and consumption wastes. The general area of dumps takes up 135 thousand hectares of land. Only 8% of all garbage in our country is recycled and used as secondary material. Though operating and resource costs have risen considerably, transportation and burial expenditures of solid wastes have been unchangeable for more than 6 years and do not allow enterprises to keep to the norms and rules of waste disposal sphere. As the result the enterprises are unprofitable and are balancing on the verge of collapse. If government sets up reasonable prices and conducts support policy, this will help enterprises reimburse funds into new equipment and work more efficiently. Ukrainian refuse tippers have less tonnage and a lower waste compression capability; this inevitably leads to greater fuel consumption per lower transportation volume. Organizational infrastructure needs modernization too.

Concerning polymer wastes the situation is comparatively good. China's demand caused the rise up of prices on wastes of this kind. The business becomes even more profitable because polymer bottles are collected on unfairly low prices.

The situation with used paper is not as good due to purchase price for secondary materials.

Separate collecting of garbage its transportation, recycling or incinerating, production of bio gasses may be defined as profitable spheres for business. But like any undertaking in its initial stage all these will demand huge investments. But we also should keep in mind that these costs will not be compensated quickly because Ukraine lacks developed system of separate garbage collecting, collecting and recycling tariffs are low as well as percentage of useful secondary materials (5-9%).

There are already some foreign investors ready to create recycling enterprises in Ukraine but the main problems for implementation of their projects are high price and low profitability. Only in 10 – 15 years they will start getting profits. The problem may be solved in case if:

- tariff policy is changed;
- the Law about Package Materials is adopted. This would help business earn more money and introduce garbage tax;
- improve economic education, inform people on ecological issues and raise their consciousness, encourage activity of ecological organizations.

The main thing for today to remember is that garbage recycling is a much promising undertaking which is able to bring huge profits in the future.