

Why the Market Doesn't Take Care of Pollution

The market fails with respect to keeping pollution away from our rivers and lakes, off of our land, and out of our air.

The market drives businesses and industries to reduce costs and optimize profits. Waste that cannot be recycled or reused in an economically viable means is discarded in the easiest, cheapest, and quickest means possible. The built-in incentives of the market cause businesses and industries to externalize the costs of their pollution to other entities such as government, thereby not incurring the costs themselves. It costs money for scrubbers to clean the air, for treatment of waste before it is dumped down drains, and to haul garbage.

What that means is that the taxpayer is forced to bear the cost of discarding or disposing of the pollution and waste especially when it gets dumped into the environment. Pollution can be costly to clean up. Further, pollutants can affect the health and safety of the public.

Efforts to gain control of the pollution through regulatory processes result in claims by businesses, industries, and their industry groups that the regulation is burdensome, it is costly, it will reduce jobs, or a litany of other excuses. It is always cheaper to let "someone else" take care of pollution. It is always cheaper to demand lower taxes so that the public agencies are not able to clean-up pollution.

We have laws that tell drivers the speed limit, lines on pavement to keep people in their own lanes, stop signs and traffic signals to keep order on the road. Without those laws, travel would be chaotic and dangerous. Just like we have traffic laws to keep the public safe, we must have laws to keep the air clean, water free of pollution, land free of toxics and waste, and public safe from the harmful effects of pollution. Furthermore, these laws must be enforced.



Pollution on the Cedar River. Photo by Pam Mackey Taylor.