

Plastic Bag Ban Creates New Welfare Benefit

By Anthony van Leeuwen, 28 April 2013

Local ordinances that implement plastic carryout bag bans are very similar from one community to the next. The ordinances ban the distribution of plastic carryout bags and impose a fee of 10 or 25 cents on paper bags to discourage paper bag use and encourage the use of reusable shopping bags.

One of the more interesting parts of the ordinance is the exemption granted to families that participate in the California Special Supplemental Food Program for Women, Infants, and Children (WIC) or in the Supplemental Nutrition Assistance Program (SNAP) also known as the Food Stamp program. Participants in these programs are allowed to receive free paper bags when they shop; whereas, all others must purchase paper bags or purchase and use reusable bags. In addition, participants may be eligible for free reusable bags at the option of the store.

Due to economic conditions in the United States, the rolls of people who are on public assistance programs have swelled. In California, there are 3.97 million Food Stamp participants and 1.45 million WIC participants. All of these are eligible to receive free paper bags and potentially free reusable bags when they shop. The question is, who pays for these free paper and reusable bags?

In the past, when everyone used the cheaper plastic or the more expensive paper bags, the cost of those bags was passed on to shoppers through higher prices. Each shopper who received paper or plastic bags received a benefit for the higher merchandise prices paid.

Under the single-use carryout bag ordinances, Food Stamp and WIC participants will as “exempt” shoppers receive free paper carryout bags while all other “non-exempt” shoppers will pay a fee for each paper carryout bag.

The fee charged to “non-exempt” customers for paper bags is to be retained by the store and used to pay for (1) cost of paper bags and (2) the cost of complying with the ordinance and (3) cost associated with educational efforts to encourage the use of reusable bags. In other words, “non-exempt” customers who pay a fee for using paper bags will subsidize “exempt” customers by paying for the free paper bags they are given. Of course, if not enough people pay for paper bags the remaining cost of the free paper bags will be borne by all customers through higher prices.

Since the city has no intention of reimbursing the retail store for the free paper bags offered to “exempt” shoppers, the ordinance in effect creates a new benefit for SNAP and WIC participants paid for largely by “non-exempt” shoppers who are not eligible for this benefit.

In low income areas, stores will be burdened by giving away large numbers of the more expensive paper bags due to the higher proportion of the population receiving Food Stamps or WIC benefits than stores

in more affluent areas such as Beverly Hills. In low income areas, one would expect that fewer “non-exempt” shoppers would pay for paper bags in order to avoid paying the 10 or 25-cent paper bag fee. Therefore the amount of money collected from “non-exempt” customers would more than likely not cover the cost of all of the free paper bags issued. Hence, the cost of free paper bags would have to be passed on to customers in the form of higher food and merchandise prices.

Since the purpose of the ordinance is to eliminate plastic carryout bags, discourage the use of paper carryout bags and to promote the use of reusable bags, it would seem that there should be no exemptions to the ordinance. That the ordinance would apply equally to all people who shop in a store regulated by the ordinance.

Some of my objections include the following:

- The “exempt” shopper has no incentive to use reusable bags since a free paper bag will always be provided.
- The “exempt” shopper who is provided a free reusable bag has no incentive to bring the bag with them next time they shop since the store will always provide a free paper or reusable bag.
- The “exempt” shopper does not have to be concerned about bringing enough reusable bags, since free paper or reusable bags will always be provided.

By exempting families from paying for paper or reusable bags, not only is a new welfare benefit established, but a bad precedent is also set. These families will not be motivated to use reusable bags because free paper carryout bags will always be provided. This demonstrates that the goal to reduce paper bag usage is not serious and brings into question the environmental benefits supposedly achieved by the plastic carryout bag ban.