

# On the Second-best Policing Effort against Illegal Disposal of Recyclable Waste

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## 概要

In this note, we construct a partial equilibrium model of a product market where the product can be manufactured by using a recycled material, as well as a virgin natural resource, and a household may resort to illicit disposal measures of its waste such as midnight dumping. Our particular focus here is on conducting a comparative static analysis on the second-best level of the government's policing effort to counter such illegal disposal. Specifically, we examine how such an effort level should be chosen by the authority in response to the changes in various exogenous conditions, such as the damage cost of illegal disposal and the social cost of landfill as well as the environmental cost associated with the extraction of the virgin input.

*Keywords:* illegal waste disposal, recycling, second-best policy.

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