



Position paper on the current crisis of the sector, and policies to implement

The secondary textiles sector is facing an important crisis, due to several types of factors; this crisis is threatening the survival of many social enterprises, but can also be a chance for them, if specific measures are taken.

Crisis of the textile sector

Due to different types of factors:

- Deterioration of the quality of the original material collected,
- In consequence, the percentage of good quality, that can be sold as second-hand clothes, is decreasing (it is now 40% where it used to be 60%); 60% of the quantities collected have to be recycled (which is not profitable), or disposed of,
- In the same time, the cost of the textile waste (landfill or incineration) increase to reach about 100 euros/tonne,
- Competition on the national markets, and on the export markets, of very cheap new clothes,
- On the exports markets (which represent 30% of the quantities sold), have to be faced,
- Competition of Asian countries, and of the USA (boosted by a very low dollar),
- Political crisis in Africa, (Ivory Coast in 2003), that have totally disturbed the markets.

Consequences of this crisis:

Several sorting companies decided, either to stop completely their activity in the sorting of second-hand clothing (for example in France: HERSAND, SOFRAMA), or to stop it partially (in France; Sud-Est Classage)

For those to decide to continue, and had to face an important deterioration of their profitability, they choose:

- To transfer their sorting factories in countries where cost of labour is lower: North Africa, East of Europe,
- To invest in mechanical chains,
- Both strategies have for consequence reduction of employment in this sector that used to employ a lot of low-skilled people.

For the social-economy, this crisis is very threatening:

Traditionally, social economy was present on this market: collection of second-hand textiles has always been linked with the idea of giving (clothing for homeless people). The role of the social economy actors is predominant in the collection process of textile.



In some European countries such as Italy, France, Belgium, Netherlands, Germany and Spain there are hundreds of social enterprises, which provide jobs for thousands, disadvantaged persons. Collecting and sorting textile is an activity that provides jobs to unemployed and low-skilled people, to women, ex addicted, ex prisoners, handicapped and immigrants.

Our social organisations aim at two objectives: reducing the production of waste and providing "jobs" for disadvantaged workers. Putting social and environmental objectives instead of making profit is the main difference from the other private actors in the textile market. Profit made in social enterprises is reinvested in its activities.

Each year more then 300.000 tons of second hand clothing is collected by social enterprises. The concept of reuse makes small but important effort to reduce the quantity of waste.

But this crisis can also be an opportunity for social economy:

As this crisis implies deterioration of the profitability of this sector, private enterprises, for whom profit is the goal, are turning away from it, and this can lead to a control of this sector by non profit organisations; nevertheless, if those non-profit enterprises want to survive, financial support is needed to finance a sector whose profitability is threatened, but whose role in decreasing global textile waste is fundamental.

Tax to ensure professional and sustainable sorting

Actors of this sector claim for a tax that would sustain sorting (the idea is to sustain sorting and not collection: if collection is supported, this will provoke surplus in quantities of textiles collected, whereas the problem is to finance professional actors able to sort.)

Who could pay for this tax?

3 solutions exist:

- Producers and importers: that would be in accordance with the principle of producer responsibility applied in other fields of recycling and reuse
- Consumer or tax payer
- Public authorities

RREUSE proposes:

1. The more coherent solution is to set up a tax paid by producer and importers, because it is the best way to make them concerned by the question of recycling and waste of textiles.
2. If this first priority can't be implemented, the way to follow is to stimulate reuse and recycling, by financing reused and recycled part of textile with public funds from regional or national authorities.

The last possibility that could help the sector, and that has to be implemented **only if the two previous solutions are not possible in the short to medium term**, is to have textile disposal free of charge:



- That implies to make local authorities aware of the role of collectors and sorters of textiles: original textiles collected are sorted, in different categories to optimise re-use, and recycling; 15% of the quantities collected are disposed of, at the end of the process. If this process didn't exist, the majority of secondary textiles would go directly to landfill or incineration.
- Therefore, if local authorities accept not to charge our enterprises for their waste, it wouldn't be a cost for them, because they already have saved a lot of money with the action of re-use and recycling done by us.

This disposal free of charge is only a transitional solution that will help social economy organisations to follow their activities in the short to medium term, by waiting the implementation of one of the both priorities described before.

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