



Nordic Council
of Ministers

Policy Brief

Exports of Nordic Used Textiles: Fate, benefits and impacts



EXPORTS OF NORDIC USED TEXTILES:

Fate, benefits and impacts

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Nordic co-operation has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

Nordic co-operation seeks to safeguard Nordic and regional interests and principles in the global community. Common Nordic values help the region solidify its position as one of the world's most innovative and competitive.

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CONTENTS

- 7 Introduction
- 8 Key Findings
- 10 Recommendations for policy makers
- 11 Recommendations for exporters of textiles
- 12 Flows of exported textiles
- 14 Narrow margins ensure the waste hierarchy is followed
- 15 Environmental impacts from exported textiles
- 16 Social and economic impacts from exported textiles
- 17 The potential of codes of conduct



Introduction

The Nordic Council of Ministers' Green Growth Initiative highlighted the need for comprehensive collection, reuse and recycling of used textiles as part of a growing circular economy.

Over 100 000 tonnes of used textiles are already collected each year in Denmark, Finland, Norway and Sweden. This is for the most part carried out by charities to fund their charitable activities. Around three quarters of these textiles are sold on global markets.

Does the export of used Nordic textiles support the circular economy through reuse and recycling, or are we simply exporting waste to countries that don't have the facilities to deal with it? And does the export have a negative effect on the textile industries in receiving countries, for example, in Africa?

A recently completed NCM study answered these questions by tracking the flows of exports to their final destinations, and by estimating the socio-economic and environmental impacts arising from their subsequent treatment.

The study was carried out in close cooperation with the 13 largest Nordic exporters of used textiles. Additional investigations were conducted in three sample countries – Poland, Malawi and Pakistan. The full report can be downloaded here: <http://urn.kb.se/resolve?urn=urn:nbn:se:norden:org:diva-4691>

Key Findings

- At a global level, used textiles tend to flow from richer countries to poorer ones in the search for buyers in a cascade of quality and value. End markets are under constant change as economies progress.
- The export of Nordic textiles is estimated to give strong net environmental benefits. Social and economic effects are more complex.
- Narrow economic margins in the used textile sector ensure a high level of reuse and recycling and resulting environmental benefits. Everything that can be reused is reused and most of what can be recycled is recycled.
- There is little export of waste to countries that are unable to deal with it. Non-reusable/non-recyclable textile and non-textile wastes are removed in sorting facilities prior to export from the EU.
- The reuse and recycling of the exported textiles leads to annual net savings of around 190 000 tonnes CO₂_{equiv} of greenhouse gases and offset 70 million cubic metres of water use by offsetting production of new textiles/materials.
- The Nordic exports support thousands of jobs in the formal and informal sectors and are an important vehicle for poverty reduction in developing countries.
- The same narrow margins that ensure environmental optimisation, can also encourage buyers to cut corners in working conditions and decent pay. However, if exporters require their buyers to adhere to strict Codes of Conduct these risks are reduced.
- Used textiles may present a challenge to local textile production in some African economies. However, if the import were restricted the gap would likely be filled by increasing imports of cheap new clothing from Asia, not by resurgence in local production.





Recommendations for policy makers

Polymakers in Nordic countries are recommended to:

- Develop guidelines for collectors and exporters on interpretation of national, European and international regulations on the transport of used textiles
- Assist in the further development of, and encourage the adoption by collectors of the Nordic Council of Ministers pilot certification system and performance standard for collectors and sorters: <http://www.textilecommitment.org/?lang=en>
- Assist developing countries in improving systems for collection and treatment of household waste
- Establish strategies, seeding projects, innovation funding pools etc. to encouraging stronger markets for reuse and recycling of textiles in Nordic markets, though without compromising the waste hierarchy
- Increase support for increased collection of used textiles both for the Nordic and export markets.

Recommendations for exporters of textiles

Collectors and exporters of used textiles in Nordic countries are recommended to:

- Adapt or adopt a Code of Conduct for own operations and for downstream operators with emphasis on:
 - Working conditions, wages and health and safety
 - Goals for reuse and recycling shares and treatment options for remaining waste
 - Effective and regular monitoring, reporting and follow-up
- Assist, as far as possible, existing buyers to meet CoC requirements rather than switching buyers as soon as there is non-compliance
- Where possible prioritise buyers with their own retail shops rather than wholesalers to improve or simplify traceability
- Where possible nurture long-term relationships with buyers to ensure that exports are matched to needs and waste is avoided
- Remove obvious textile and non-textile waste from unsorted textiles ('original') prior to export
- Prioritise EU and EEA countries for sorting of exported textiles
- Investigate opportunities to support better collection and treatment of post-consumer textiles in developing countries
- Engage in projects with the aim of increasing reuse and recycling within Nordic markets.

Flows of exported textiles

Exports of used textiles from Nordic countries increased from 60 000 to 75 000 tonnes between 2011 and 2014. In 2014 direct exports were to more than 100 countries; but 80% was exported to just 10 countries, 9 of which lie in the EU.

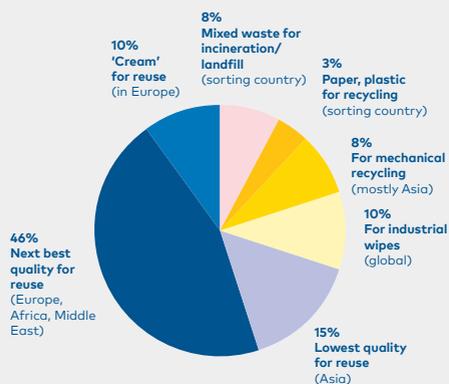
Three quarters are exported unsorted in the original bags that they were donated in (so-called 'original'). The remaining quarter has been skimmed of the best 10% quality (the 'cream') for resale in Nordic countries but is otherwise largely untouched. *Detailed sorting is too labour-intensive to be economically viable in Nordic countries.*

The first destination is typically a large sorting facility or wholesaler in Eastern Europe. From there the sorted fractions are resold for reuse and recycling on global markets. The cream is sold in Europe and the next best quality in Europe, Africa and the Middle East. Lower quality reusable textiles are exported for reuse in Asia.

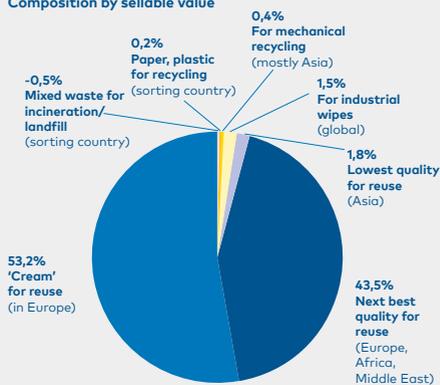
Where waste (either textile or non-textile) is mixed in with Nordic exports this either remains in Europe in the sorting country, where it is assumed to be treated responsibly, or is exported to Eastern Asia - primarily India and Pakistan - for mechanical recycling. Very little textile waste is found in exports to African countries.

TYPICAL POST-SORTED COMPOSITION OF EXPORTED NORDIC TEXTILES
(WITH EVENTUAL DESTINATIONS IN BRACKETS)

Composition by weight

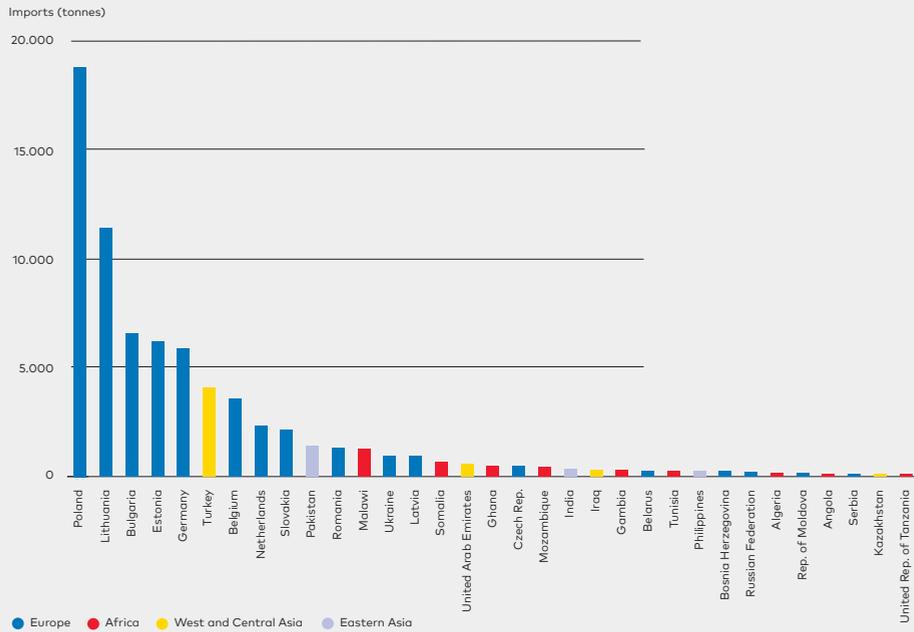


Composition by sellable value

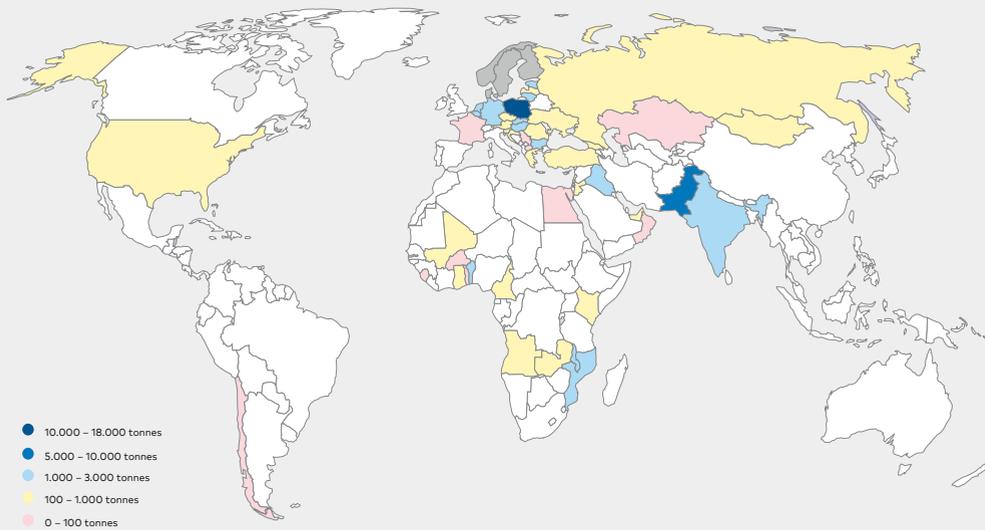


The blue shaded fractions are for reuse; the yellow shaded fractions are for recycling.

FIRST DESTINATIONS FOR NORDIC EXPORTS OF USED TEXTILES, 2014



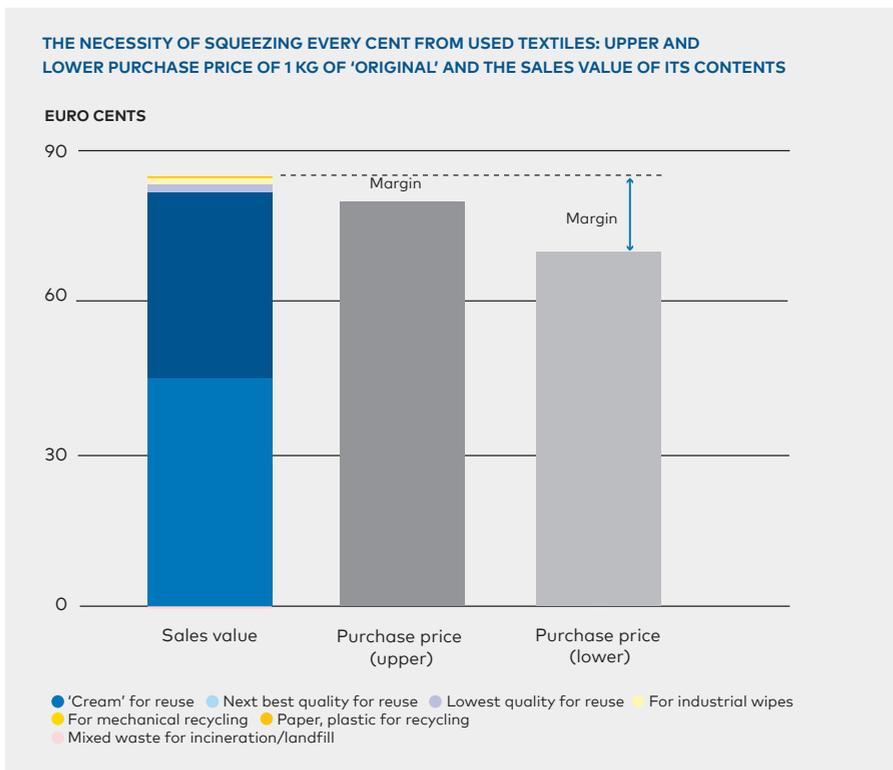
FINAL DESTINATIONS OF TRACEABLE EXPORTED NORDIC USED TEXTILES, 2014



Narrow margins ensure the waste hierarchy is followed

Falling prices for used textiles in recent years have ensured that a high share of used textiles are reused and recycled. Collectors and sorters of used textiles can no longer make ends meet by just selling the 'cream' and next best quality

for reuse. They need to squeeze out every last penny by also selling the lowest grades for reuse and recycling. Even non-textile wastes such as plastic bags are sold to recyclers since other waste treatments cost money.



Environmental impacts from exported textiles

Significant global environmental benefits

Nordic exports of used textiles are estimated to give an annual net saving of 193 000 tonnes CO_{2equiv} of greenhouse gases and 72 million cubic metres of water use, along with a host of other environmental benefits.

The benefits arise from the reuse and recycling of used textiles, which offsets new production of textile products and other materials. These benefits are far higher than the impacts caused by the transportation and processing of used textiles.

The benefits are far higher than would have been achieved if the textiles had remained in Nordic countries. In this case the most likely fate would be incineration; domestic demand doesn't currently exist for an additional 75 000 tonnes of used textiles.

Local environmental impacts

Almost all non-reusable/non-recyclable textiles and non-textile waste are removed at sorting facilities in EU

Member States prior to export to the rest of the world. The waste is assumed to be treated responsibly since almost all waste treatment facilities in the EU now comply with minimum standards.

Imported Nordic textiles for second-hand markets may lead indirectly to local environmental impacts in Africa and Asia once their second lives are over and they finally reach their end of life. This is no different than for imports of new textile to the same countries. This should be tackled by assisting with waste management improvements in these countries, not by stopping imports.

Social and economic impacts from exported textiles

Job creation

Exports of Nordic used textiles is estimated to lead to the creation of approximately 9000 full time jobs in formal sectors in receiving countries: 1500 in sorting, 2000 in wholesale and 5500 in retail.

Employment in the informal sector in developing countries could be even higher. *The 12 000 tonnes of Nordic textiles exported to the African continent alone each year, are estimated to support more than 10 000 market sellers and their families.*

Impacts on domestic textile industries

In Africa and other regions imports of used textiles provide cheap and good quality clothing for those who otherwise may not be able to afford it. On the other hand, they may also have contributed to the decline of local textile industries.

This decline may have happened anyway. The ageing and inefficient domestic industries in much of Africa have been unable to compete with cheap production in Asia as trade barriers were progressively dismantled during the late 1990s and early 2000s. Both used and new textile imports have increased rapidly since then across sub-Saharan Africa. *In the absence of used textile imports the gap would most likely be filled by additional imports of cheap new textiles from Asia.*

Nevertheless, a number of countries inhibit imports of used textiles via bans, restrictions or prohibitively high taxes. Such restrictions may be a sticking plaster rather than a real solution to the decline in local industries. Restrictions can also have negative side effects by encouraging smuggling and associated loss of import duties and by eroding the informal second-hand sector that has pulled tens of thousands of families out of poverty.

The potential of codes of conduct

The tight economic margins in the sorting industry that on the one hand ensure that all fractions of used textiles are put to good use also run the risk of driving owners of sorting facilities to pay low wages and cut corners in health and safety.

Increased traceability and Codes of Conduct imposed by Nordic collectors on their buyers could be a potential solution. In order for CoCs to have an

effect, implementation must be regularly monitored and enforced. Where such CoCs are in place they have proved to be effective though have limited influence on the informal sector.

Although economics currently ensure that reuse and recycling are prioritised, CoCs can also become important tools in ensuring that the waste hierarchy is adhered to in the future.





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Does the export of used Nordic textiles support the circular economy through reuse and recycling, or are we simply exporting waste to countries that don't have the facilities to deal with it? And does the export have a negative effect on the textile industries in receiving countries, for example, in Africa?

This Policy Brief presents the key messages from a project that attempted to answer these questions. It makes recommendations for both policy makers and textile collectors on how they can optimise the socio-economic and environmental benefits from exports of textiles.

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