

# What's in a bag?

*The decision by Environmental Affairs and Tourism Minister Valli Moosa to ban the production of thin plastic bags to prevent the pollution of our beautiful country could have unintended consequences. Deputy general secretary of Ceppwawu **Bengeza Mthombeni** explains what the socioeconomic impact of this move could be.*



**T**he Minister of Environment Affairs and Tourism Valli Moosa recently announced in Parliament new measures on the production of plastic bags. The intention of this move is to prevent people from polluting the environment with thin plastic bags that they throw away all too easily. The Chemical, Energy, Paper, Printing, Wood and Allied Workers Union (Ceppwawu) supports the vision of a cleaner, litter-free South Africa. However, there is always going to be tension between the need for a cleaner environment and development. It is our task therefore, to ensure we find a correct balance to achieve both.

Ceppwawu is very concerned about government's new regulation. We believe it has failed to establish a proper balance between a cleaner environment and the need for job retention and job creation. We predict enormous job losses unless

these regulations are amended. This is at a time when the South African economy is shedding jobs at an alarming rate and when the recent labour force survey has pointed out that unemployment is reaching catastrophic levels. Valli Moosa's intervention could lead to massive job loss, deindustrialisation and increased costs to consumers.

The new regulations will require local manufacturers to produce 30-micron plastic bags if they are unprinted and 80 micron, if printed. This poses some problems:

- Existing equipment to the value of about R120m will have to be scrapped.
- Significant capital investment will be required to convert current capacity in order to produce plastic bags of 30 microns.
- The consultants that did a jointly sponsored research by the Nedlac

constituencies pointed out that re-capitalisation may not take place because of the low margins in the industry.

Our major concerns about the regulations are as follows:

- Unless supplemented by other measures, the regulations will probably result in the larger retailers shifting to thicker plastic bags, since they cannot advertise on thin ones. Virtually no South African company can currently produce thick bags so retailers will have to import. The result could be an increase of over 1% in food prices – an unacceptable outcome, given the current devastating food inflation. Furthermore, if consumers then decide to re-use the bags (which is unlikely in the absence of any form of consumer or environmental education), we could lose up to

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- 70 000 jobs for supermarket packers.
  - A failure by the industry to recapitalise could result in some plastic manufactures simply going out of business. This will result in job losses and higher imports. The unions have questioned whether imported products will have to comply with this new standard. There have already been reports that a large number of the thin bags currently polluting the environment are in fact illegal imports.
  - The process of deciding on the regulations was deeply flawed. Government rejected the Nedlac research. Yet it has never published any other evidence to support its own positions. The arguments of both business and labour have been consistently ignored. The minister's only concession was to allow unprinted bags of 30mm – but the research report pointed out that 25mm was the cut off for most of the existing machinery. Moreover, as noted above, this concession was undermined; by refusing to permit printing on the thinner bags, making them unattractive to the formal retail industry.
  - Ceppwawu finds the costs of the regulation, especially for the poor through higher food prices and job losses, unacceptable. After all, the only expected benefits are reduced litter (but even this is questionable). Both business and labour have proposed specific plans for recycling, which would have a lower cost and create jobs.
- Ceppwawu did present alternatives to the proposed regulation. We proposed that we should work within the

framework of the White Paper on Integrated Pollution and Waste Management. This document specifically integrates environmental considerations with social, political and economic justice and development in addressing the needs and rights of all communities, sectors and individuals. Further, we support the principle contained in the white paper that mandates the policy and institutional framework to take account of the need to protect and create employment. Our endeavours to improve our environment need to be seen in the context of our position as a developing country where unemployment, under employment, inequality and poverty levels are exceptionally high.

The removal of litter caused by plastic bags needs to be addressed through a multi-pronged approach that includes decreasing the amount of plastic bags entering the waste stream and encouraging recycling and re-use of plastic bags.

We believe such an approach will address the problems of litter and will limit job losses. This will go a long way to ensure that consumers, specifically the poor, are not paying more for goods and services.

Ceppwawu proposes a minimum thickness of no more than 24 microns, which is supported by the industry. The rationale behind this is that a thicker bag will contain more goods and thus fewer bags will be used; it is more viable for recycling; it can be reused a number of times; existing machinery can be modified to produce bags at 24 microns but not above; the value of the bag will increase without loss of production so existing jobs will be safeguarded and

finally, the increase in the cost of the bag will be lower than other options put forward.

In order to ensure that domestic producers of plastic bags at 24 microns are not undermined by imports of thinner bags, government must ensure that customs and excise gets increased capacity and resources to monitor imports.

If government wants to encourage a culture of recycling, it will have to set up recycling points for collection of plastic bags. In addition, we need to increase the demand for recycled products by:

- ensuring state procurement supports higher recycled content, eg refuse bags;
- legislating the type of ink that can be used and the amount of print allowed on the bag to promote recycling;
- improving collection mechanisms so that plastic bags can be better collected for recycling.

### Conclusion

As a country we can and need to support the growth of the recycling industry specifically and the plastic industry more generally. This can be achieved through a sector summit, which can develop a vision to grow both sectors. Increasing municipal services, particularly in those areas most affected, must support collection of litter. (This would at the same time create employment while improving the quality of life of many South Africans.) Of equal importance, is to ensure that policies and regulations must always be sensitive to job creation and job retention.