

Press Release

For immediate release

28 October 2015



South African Institute of Race Relations
The power of ideas

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Could the circular economy be the solution to youth unemployment?

The Institute of Race Relations (IRR) has completed a new study on the benefits of the circular economy in South Africa. Findings show that major economic and environmental benefits can be gained from turning ‘waste into worth’ – using the Recycling and Economic Development Initiative of South Africa (REDISA) as a case study as to how this has already successfully been realised.

The report findings are timely as the jobless crisis is particularly acute among young people aged 15 to 25, where the unemployment rate exceeds 50%. This is worse than that experienced in many other emerging markets; South Africa is home to 0.7% of the world’s young people but alarmingly has almost 2% of the world’s unemployed youth.

Should South Africa do more to ‘monetise’ the waste products currently being deposited in landfills and other dumps, this would create local jobs and support the emergence of local entrepreneurs, while cleaning up the environment.

The *Circular Economies – Turning waste into worth* report provides a fact-base to inform the choices that need to be made going forward, it presents for the first time, a vision of how the circular economy could overcome the unemployment crisis in the country.

For REDISA, the case study dealt with in the IRR report, the circular economy means balancing economic growth, infrastructure development and creating small business and job opportunities - while lowering our emissions and overall impact on the environment. Environmental degradation and resource depletion threaten the sustainability of economic growth in the developed world, and build enormous pressures in the developing world as it strives to match the West’s prodigal lifestyle. Both issues can be addressed by the circular economy if the generation of waste is reduced, resources are reused and recycled, and recycling initiatives are made economically attractive.

According to REDISA, CEO Hermann Erdmann, “On a planet of finite resources, the circular economy is not optional, it is inevitable. In under three years we have developed a circular economy within the tyre industry in South Africa and have seen tangible results: over 2 600 new jobs, and over 200 SMMEs developed and supported. The implementation of circular economies will lead to unprecedented opportunities, the creation of reverse logistics networks, new processes and new industries using the recovered resources.”

IRR CEO Frans Cronjé says: “The jobless crisis in South Africa is acute with more than 50% of 15 to 25-year-olds not in education, employment or training. Youth unemployment in South Africa is also worse than that experienced in many other emerging markets, for the country is home to 0.7% of the world’s young people but has almost 2% of the world’s unemployed youth. The process of collecting, transporting, and recycling waste could generate hundreds of thousands of sustainable jobs and viable small businesses, thereby tackling one of South Africa’s greatest challenges – joblessness.”

More...

REDISA has since its inception stood on the foundation that we can turn our 'Waste into Worth', that everything used still maintains its value and that waste can be organised to produce jobs for thousands of people as well as substantially reduce carbon emissions into the atmosphere. REDISA has therefore taken on its shoulders the task of incubating a whole industry, starting with tyres as a proof of concept.

To read the full report, visit: <http://tinyurl.com/q5e4x2m>

About REDISA

REDISA, by implementing a circular economy model, has already been able to support the SA economy through 80% of the waste management fees collected invested back into industry, specifically focusing on building, growing and supporting the tyre recycling industry. The world-first REDISA Plan has gained accolades and recognition both locally and internationally and is contributing to the growing recognition of the need to implement circular economy approaches to ensure sustainable economic development across the world.

About IRR

The IRR produces, disseminates, and promotes the new ideas that South African policy makers need in order to promote the investment and economic growth that will draw poor people into jobs and build a more prosperous South Africa.

Key steps to introducing a circular economy approach successfully:

1. *Monies collected need to be ring-fenced, and not included in the fiscus*
2. *Organisations collecting and processing waste should be independent private sector companies*
3. *The key to success lies in a public-private collaboration*
4. *The State needs to provide an enabling policy landscape, but not implement*
5. *An efficient IT system to manage appointing, paying, assisting, and overseeing the supply chain network*

Ends.
