



# Waste management and the circular economy



By *Elisabetta Perrotta*  
 Director, FISE  
 Assoambiente

FISE Assoambiente is an association representing Italian companies that are involved in municipal hygiene services, the management of municipal and industrial waste, and soil remediation at national and European level. FISE Assoambiente works together with FISE UNIRE - the association representing, through its different members, Italian companies engaged in the recovery and recycling field (paper, glass, steel, end of life vehicles and tyres, WEEE, waste from construction and demolition, used clothes and accessories, oils and batteries). The two organisations work to develop the necessary conditions that allow fair competition in the market and the industrialisation of the waste sector, aiding the transition from the traditional, small-scale nature of waste management to a more comprehensive and structured industry.

## Waste as a resource

In Italy, the waste management sector has taken on an important role in moving towards a circular economy, bringing together the over-arching aims of secure access to resources, societal welfare, economic growth and environmental protection. It is not only an essential public service because of its immediate impact on the environment and health in urban contexts, but also an important part of the production industry, providing materials and energy (from recycling and recovery activities) to the manufacturing sector. The fast-growing waste management industry enables the use of waste as a resource as well as the ability to recover raw materials from waste.

An updated model of development and governance of the waste sector represents an essential step towards a model of circular economy, which is a new approach in challenging the crisis. The Italian companies involved in waste recovery have in recent years registered significant growth, also in terms of employment (see report: "Italia del riciclo", 2015 - FISE UNIRE), compared to the negative economic trend reported in the manufacturing industry, and this can

be considered as a concrete indicator of the ongoing process towards a green economy.

But Europe's move towards a circular economy is still vulnerable on a number of fronts, despite all the hard work put in by the waste and resource management sector to improve the quantity and quality of recycling. Businesses are still failing in the wake of soft global prices for some recyclates - which barely cover the up-front cost of collection and processing - along with acute price volatility and intense competition from lower-priced virgin material. This exposes the fragility of our transition to a circular economy. Because a viable business model for the creation of secondary raw material depends on reliable and predictable off-take markets, any weakness in those markets will affect the entire supply chain, down to the collection of secondary raw material. There is little point in collecting the material if no end market can be found for it.

## Regulation needed

This makes the need for a modern environmental policy and for appropriate regulation even clearer. In order to provide a serious policy for the industrialisation of the waste management sector, conditions must be created to encourage growth in investment and a wider adoption of green public procurement practices. The waste management sector must be respectful not only of environmental protection, but also of basic rules and market principles: efficiency, return on investment and quality of service.

It is absolutely necessary for this sector to adopt a new, more pragmatic, approach that will allow companies to improve their environmental sustainability while ensuring continuing economic development. ■