

Preliminary results from a forthcoming paper

Moving towards a living income for workers in informal and cooperative settings

Key recommendations

Achieving a living income for waste pickers should be a key aim in efforts to secure a Just Transition through the UN treaty. The treaty should:

- define key terms, including ‘waste pickers’, and ‘workers in informal and cooperative settings’;
- include an annex setting out key principles for the design of effective Extended Producer Responsibility (EPR) systems, including to promote social inclusiveness and fairness, by involving waste pickers and other informal workers upfront – and by improving health, safety, welfare and income of these workers;
- align provisions to improve waste management with the provisions on a Just Transition;
- include strong language to ensure that workers in the entire value chain benefit from recognition and legitimisation through basic social programs.

Context: The Fair Circularity Initiative (FCI) and Systemiq are releasing highlights of a forthcoming study to inform treaty negotiations regarding how to assess and move towards a living income

Waste pickers play a substantial and valuable role in the collection, sorting and recycling of packaging waste and other materials. At the same time, they are vulnerable to a broad range of severe human rights impacts, including inadequate income for their households (far from the metric of a ‘living income’¹). An estimated 19-24 million individuals derive their livelihoods from collecting and recycling waste, and about 80% are in the informal economy².

This study (from The Fair Circularity Initiative and Systemiq, together with local partners and an Advisory Board of experts³) intends to define a practical methodology for estimating a living income in the context of waste value chains; and offer insights for how a living income might be achieved. In so doing, it aims to support efforts to secure a just transition for waste pickers through the UN treaty on plastic pollution, as well as to inform companies’ implementation of the Fair Circularity Principles⁴.

¹ A living income is a corollary to a living wage, but calculated at the household level, accounting for self-employed (non-waged) workers.

² WIEGO (2013), “Waste Pickers: The Right to be Recognised as Workers”; ILO (2013), “Sustainable development, decent work and green jobs.” International Labour Conference, 102nd Session, 2013, Report V; ILO infographic (2017) https://www.ilo.org/global/topics/green-jobs/events-training/WCMS_538802/lang--en/index.htm (last consulted on 11/09/2023)

³ Including as advisors, Tearfund, The Circulate Initiative, the Alliance of Indian Waste Pickers, Women In Informal Employment Globalising and Organising (WIEGO), and Dr Costas Velis of the University of Leeds.

⁴ These principles apply the expectations and responsibilities outlined in the UN Guiding Principles on Business and Human Rights to the informal waste sector. See faircircularity.org for more information.

Preliminary results: action on plastics can play a key role in moving towards living incomes

We developed a methodology to evaluate workers' existing incomes and estimate living incomes in select neighborhoods of Bangalore, India; Accra, Ghana; and São Paulo, Brazil; for three types of worker (independent waste pickers, informally organised waste pickers, and waste pickers organised in cooperatives).

Our preliminary results indicate that waste pickers are typically not earning a living income in the three contexts studied, with the precise level of the gap between actual incomes and a living income varying between contexts. This contributes to a range of human rights impacts, including food insecurity and inability to access decent housing. For example, many of those surveyed in these locations reported going at least a whole day without eating at some point in the last 12 months, and many also indicated that they would not have enough money for the next day's expenses without working.

Waste picker incomes also vary significantly within each context, according to factors such as workers' level of organisation, age and disability, and the location where they collect waste.

In the three geographies studied, most waste pickers were earning more than half of their income from plastics. Regulation of plastics use and management can therefore have a strong bearing on future waste picker incomes. Positive outcomes from legislation are possible but by no means guaranteed, for example our survey in Brazil suggests that workers in successful cooperative settings earn higher incomes, in part because they have been able to benefit from legislation on EPR and waste management.

The imperative: building systems to support a Just Transition

Achieving a living income for waste pickers should be a key aim and also a metric of success for efforts to secure a Just Transition through the UN treaty. The full report of this study will describe actions that governments and businesses can take – in partnership with and empowering waste pickers and their organisations – to achieve this.

Ahead of the next round of treaty negotiations at INC-3, it is important to highlight the importance of treaty provisions on both EPR and waste management to achieve this goal. A Just Transition must be made operational in the specific treaty provisions and obligations. In this regard, an annex to the treaty should set out key principles for the design of effective EPR systems, including that EPR systems should be designed to promote social inclusiveness and fairness, especially in transitional markets, by involving workers in informal and cooperative settings upfront and as equal partners – and by improving health, safety welfare and income of these workers^{5,6}.

⁵There is already a body of evidence from workers' organisations that this annex should draw on, for example Cass Talbott, Chandran, Allen, Narayan and Boamong (2022), 'Extended Producer Responsibility (EPR) and Waste Pickers'. WIEGO Technical Brief No. 15. Manchester, UK: WIEGO. <https://www.wiego.org/publications/extended-producer-responsibility-epr-and-waste-pickers>; and Global Alliance of Waste Pickers, and WIEGO (2021) 'The Global Alliance of Waste Pickers Position on EPR – What is EPR?' Available at <https://epr.globalrec.org/position-on-epr/>

⁶ This point is also supported by the Business Coalition for a Global Plastics Treaty and academics (e.g. Velis, Hardesty, Cotton and Wilcox (2022), 'Enabling the informal recycling sector to prevent plastic pollution and deliver an inclusive circular economy', *Environmental Science and Policy* Vol. 138, <https://www.sciencedirect.com/science/article/pii/S1462901122002866>; and Velis (2021),

The treaty provisions on waste collection are also highly relevant: the treaty text on waste management and collection needs to clearly cross reference the separate section on Just Transition. And provisions on reporting and monitoring must also include elements relevant to a Just Transition.

The lack of formal recognition of waste pickers and other waste workers often leads to unsafe working conditions, lack of access to public services and ultimately to a financial cost of exclusion. The Treaty would benefit from stronger wording and targets to ensure that the entire value chain including currently informal workers benefit from recognition and legitimisation through basic social programs (e.g. occupational identity cards, administrative documents, independent worker status). In order to make the just transition provisions operational, it is also imperative for the treaty to define key terms, including the phrases 'waste pickers', 'informal waste and recycling sector,' and 'workers in informal and cooperative settings'.

Finally, companies also have a key role to play. The Fair Circularity Initiative is working with key partners (such as The Circulate Initiative⁷) to create an ecosystem to implement the Fair Circularity Principles within plastic value chains⁸ and within global, regional and national policy, to ensure the human rights of workers within the informal waste sector are respected and their critical role in circular value chains is recognised. We invite other brands and value chain actors to join us in this endeavour.

How people can keep in touch and use the Living Income Methodology

The full report will be published at the end of 2023. Our intention is to make the methodology we have developed available for anyone to use. We will be arranging a series of webinars to discuss the results and methodology in due course, if you would like to keep in touch, please complete the 'register interest' form on our website (faircircularity.org).

⁶ 'Plastic pollution treaty to cover waste pickers and open burning', *Waste Management and Research* Vol. 40, <https://journals.sagepub.com/doi/full/10.1177/0734242X211069583>

⁷ The Circulate Initiative is developing a harmonised framework for the responsible sourcing of plastics, through multi-stakeholder participation. The first version will be available in 2024.

⁸ Our focus is on plastic in the FCI's set up phase given businesses' PCR plastic targets, but our ambition is to broaden our focus to other materials once the FCI has matured as an organisation.