



A METHODOLOGY TO ASSESS THE LIVING INCOME OF WASTE PICKERS

Study location

Región de La Araucanía, Chile

**Organization or researcher that developed
the case study**

Cooperativa de Trabajo Araucanía Hub

Dates

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Introduction and Methodology

The purpose of this research is to thoroughly examine the living and working conditions of informal waste pickers to establish a minimum income standard necessary for a dignified life and identify critical areas that need improvement. This study was conducted by the Cooperativa de Trabajo Araucanía Hub in the region of La Araucanía, Chile. Araucanía Hub is committed to the social and economic development of territories, going beyond just forming cooperatives. Its mission is to positively impact work, income, and quality of life by fostering associativity, promoting social capital, and encouraging economic development in the most vulnerable sectors of Chile. Established in 2012 and officially formed as a cooperative in 2017, Araucanía Hub's partners have over 30 years of experience in social innovation and nine years working with cooperatives, supporting over 100 cooperatives in Chile and impacting more than 2,000 people.

To conduct the study, a focus group methodology was used, employing group interviews with base recyclers. This technique allowed for in-depth data collection through dynamic interaction and perspective exchange among participants, facilitating a comprehensive understanding of their experiences and challenges. The research sample consisted of 40 recyclers, carefully selected to ensure accurate representation of the recycler population in the region.

To validate and cross-check the obtained information, official government databases were consulted, contributing to the robustness and credibility of the data. The interviews were conducted directly and in person, fostering closer contact with participants and allowing for immediate resolution of any questions that might arise during the process. The data collection phase was carried out over three weeks, considered adequate to ensure significant participation and obtain a comprehensive and detailed data set.

Establishment of a Baseline

The most experienced recycler began their activity in 1978, although, on average (for this study), base recyclers started in 2004. Their primary motivation is the need to generate income to support their households, generally consisting of four people. In Chile, most base recyclers work independently. However, in recent years, the cooperative movement has experienced significant growth, providing many recyclers the opportunity to improve their working and living conditions substantially. This growth has been largely driven by strategic and collaborative initiatives. Since 2021, Araucanía Hub has played a crucial role in promoting and proliferating cooperatives in collaboration with renowned organizations such as Fundación Avina, Latitud R, and ANARCH. These alliances have enhanced the cooperative movement and strengthened the organizational and operational structure of cooperatives, improving the sustainability and resilience of base recyclers in Chile's economic and social ecosystem. Integrating these cooperatives into a collaborative framework has facilitated access to resources, training, and fair markets, creating a more equitable and conducive environment for the economic and social development of their members.

Recyclers primarily obtain waste from streets and household collections. Only 32.5% of respondents have an alternative or secondary source of income, making their work as recyclers their primary economic sustenance. Those with a second job often engage in selling at open markets or receive some type of pension.

Regarding their relationship with buyers, there are no contractual obligations, and the selection criterion is based on price, always seeking the buyer who pays the most for their waste. A problem affecting their

production level is the lack of time to generate more sales, as they dedicate all their available time to recycling. Additionally, they lack adequate equipment and transportation to perform their work more efficiently.

Base recyclers express feeling free in their work as it allows them to manage their time and efforts autonomously. They value the opportunity to contribute to environmental preservation. Through their work, they not only generate income but also form bonds and friendships with their coworkers, creating a supportive community over the years.

In terms of sanitary and housing conditions, recyclers live in houses made of acceptable materials and have access to electricity, sewerage systems, and ventilation. However, there are cases where these conditions are not fully met.

Estimation of Vital Income

In Chile, the costs of a healthy diet are based on the Basic Food Basket, which includes essential products such as cereals, proteins, dairy products, fruits, vegetables, legumes, nuts, oils, and other staple foods. To estimate these costs, critical factors such as national average prices, constant availability of food throughout the year, average consumption habits without special diets, absence of food waste, and equitable access to markets were considered. Economies of scale for large families, inflation adjustments, or price variability were not taken into account, which can significantly affect individual circumstances.

The monthly average of 400,000 Chilean pesos represents the cost of dignified housing according to the average prices published in the survey area. This value covers the rent of a house that meets basic habitability standards, including access to essential services such as water, electricity, and sewerage, as well as safety and comfort conditions. The estimation of these costs was based on regional average prices without considering significant variations between different areas. It was assumed that all houses meet habitability standards and that the rental market is stable. Additionally, an adequate house size for a typical family was considered without adjustments for larger or smaller sizes, and the houses are located in areas with good accessibility to public services, transportation, and job opportunities.

Health care costs, calculated from surveys of base recyclers, are determined by the proportional health discount applied to each person. These costs include medical consultations, medications, hospitalizations, and other necessary services under the assumption of uniform discounts and equitable access to coverage. In the educational field, although state institutions may offer free education, there are additional expenses such as school materials, uniforms, and transportation, estimated at 35,000 Chilean pesos per month per student. These costs were assumed to be consistent and not subject to significant variations.

To estimate decent work costs for base recyclers, necessary implements such as safety shoes and appropriate clothing were analyzed. It was assumed that the prices of these items are uniform and possible discounts or donations were not considered. Finally, it was established that the necessary savings should represent 10% of the total of these expenses to ensure a reserve fund for emergencies and future needs.

Compilation of Reference Incomes

To compile the reference incomes of base recyclers, official Chilean state statistics obtained from previous studies were used. Comparative reference incomes in sectors such as construction and agriculture were also obtained from official reports from the Office of Agricultural Studies and Policies (ODEPA) and the Chilean Construction Chamber. In compiling these incomes, several critical assumptions were made. First, the reliability of official Chilean state statistics and reports from ODEPA and the Chilean Construction Chamber was trusted, considering them accurate and up-to-date. It was considered that the obtained data was representative of the economic reality of base recyclers and comparative sectors without significant biases. It was assumed that economic and labor conditions remained stable during the data collection period without drastic fluctuations. It was also assumed that the reported incomes reflect a representative average and are not affected by seasonal peaks or unique events. Finally, it was considered that base recyclers have similar access to markets where they can sell recycled materials at fair prices comparable to other sectors. These critical assumptions provide a solid basis for compiling reference incomes, although it is essential to consider possible individual and regional variations that may influence the final results.

Observations and Lessons Learned

Base recyclers in Chile play a fundamental role in waste management and the circular economy but face significant challenges in terms of income, working conditions, and social recognition. Below are the main learnings and recommendations to improve their livelihoods and the systems around them:

- Formalization and Regulation: Promote the formalization of base recyclers so that they can access labor benefits, health insurance, and social protection. This can be achieved through the creation of cooperatives and associations that facilitate their integration into the formal system.
- Training and Education: Provide training and education programs focused on recycling techniques, business management, and the use of new technologies to improve their efficiency and productivity.
- Infrastructure and Equipment: Invest in adequate infrastructure and provide necessary equipment such as safety clothing, work tools, and vehicles to improve working conditions and increase the capacity for collecting and processing recyclable materials.
- Access to Fair Markets: Establish direct and fair sales channels that allow recyclers to obtain more competitive prices for recycled materials, eliminating intermediaries that reduce their profit margins.
- Awareness and Social Recognition: Promote awareness campaigns to recognize the work of recyclers and their contribution to the environment, improving their social perception and dignifying their labor.

Recommended Actions

To improve the living conditions of local recyclers, both local governments and the private sector must take specific and coordinated measures. The recommended actions for each actor are as follows:

Actions for Local Governments

- Implementation of Inclusion Policies: Develop and implement public policies that promote the formalization and social protection of base recyclers, including access to health insurance, pensions, and other labor benefits.
- Incorporation into Municipal Waste Management: Integrate base recyclers into municipal waste management systems, ensuring their active and fair participation in recycling programs and adequate compensation for their work.
- Provision of Infrastructure and Equipment: Establish well-equipped and safe collection and recycling centers where recyclers can carry out their work efficiently and in adequate safety and hygiene conditions.
- Training and Education: Implement continuous training programs in recycling techniques, business management, and the use of technologies to improve recyclers' productivity and efficiency.
- Awareness and Recognition Campaigns: Promote public awareness campaigns to improve the social perception of recyclers and recognize their contribution to the environment and the circular economy.

Actions for the Private Sector

- Creation of Strategic Alliances: Establish alliances with cooperatives and recycler associations to ensure a constant and fair supply of recyclable materials, promoting ethical business practices.
- Corporate Social Responsibility (CSR): Invest in CSR programs that support the development and training of recyclers, improving their living and working conditions.
- Development of Recyclable Products: Innovate and promote the production of recyclable goods, facilitating the work of recyclers and increasing the demand for recycled materials.
- Financial and Technical Support: Provide financial and technical support to base recyclers so that they can acquire equipment and technology that improve their efficiency and safety at work.
- Active Participation in the REP Law: Comply with the obligations of the Extended Producer Responsibility Law (REP Law), ensuring that base recyclers are integrated into the formal waste management system with a constant and safe flow of recyclable materials and access to resources.

Collaboration and coordination between local governments and the private sector are essential to effectively implement these actions. Establishing working groups and coordination committees that include all relevant actors, including base recyclers, will allow for the development of comprehensive and sustainable strategies to improve the living and working conditions of local recyclers.