LIVING INCOME – TOOLKIT

A step-by-step methodology that local NGOs and researchers can use to assess living incomes for informal waste picker communities.

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CONTEXT AND DOCUMENT STRUCTURE

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PURPOSE OF THIS DOCUMENT

Context:

In 2024, the Living Income study piloted a methodology with local NGOs to assess the concept of a “living income” for informal waste workers with the goal to create a practical methodology to promote the provision of a living income within these supply chains. Case surveys were developed in 2023 in locations in India, Ghana and Brazil.

This toolkit:

This toolkit was developed in the first half of 2024, as part of Phase 2 of the Living Income Assessment.
The toolkit is open to be used by anyone and can be used under the CC 4.0 license.

Purpose:

The purpose of the document is to provide a step-by-step methodology that local NGOs and researchers can use to assess living incomes for informal waste picker communities.

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Definition of “Living Income”:[1]

Living income is defined as the required earnings to afford a standard of living with all the components essential for a decent life. This concept acknowledges the right of every individual to earn an income that allows them to meet their basic needs, lead a dignified life and escape the cycle of poverty.

Why is it important:

An estimated 19-24 million individuals worldwide derive their livelihoods from collecting and recycling waste. Approximately 0.5-1% of the global workforce are engaged in this occupation. Despite their indispensable role in the global recycling system these workers are often underappreciated and underpaid.

Source: Fair Circularity Initiative, Systemiq (2024). A living income for the informal waste sector: A methodology to assess the living income of waste workers in the context of the Global Plastics Treaty

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NAVIGATION PAGE

The manual splits into three chapters and is accompanied by an Excel and Word template

Example of how a case study looks like	This sections shows the outcome of the living income assessment and the methodology once it has been conducted by the local project partner (Page X to Y)
Introduction to the methodology	This section introduces methodology and explains its concept & structure (Page X to Y)
Methodology guide	This section gives a step-to-step guide on how to implement the methodology (Page X to Y) • A- Establish a baseline – Explains how to estimate current earning of informal waste pickers (Page X to Y) • B - Calculating living income – Explains how to estimate living income levels • C - Compiling benchmarks – Explains how to compile benchmark wages (Page X to Y)
Excel document	The PowerPoint manual is accompanied by an Excel template that enables the project partner to enter their survey results.
Word document	The PowerPoint manual is accompanied by a World template that enables the project partner to submit their survey results and critical assumptions when undertaking the research.

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EXAMPLE OF HOW A CASE STUDY LOOKS LIKE

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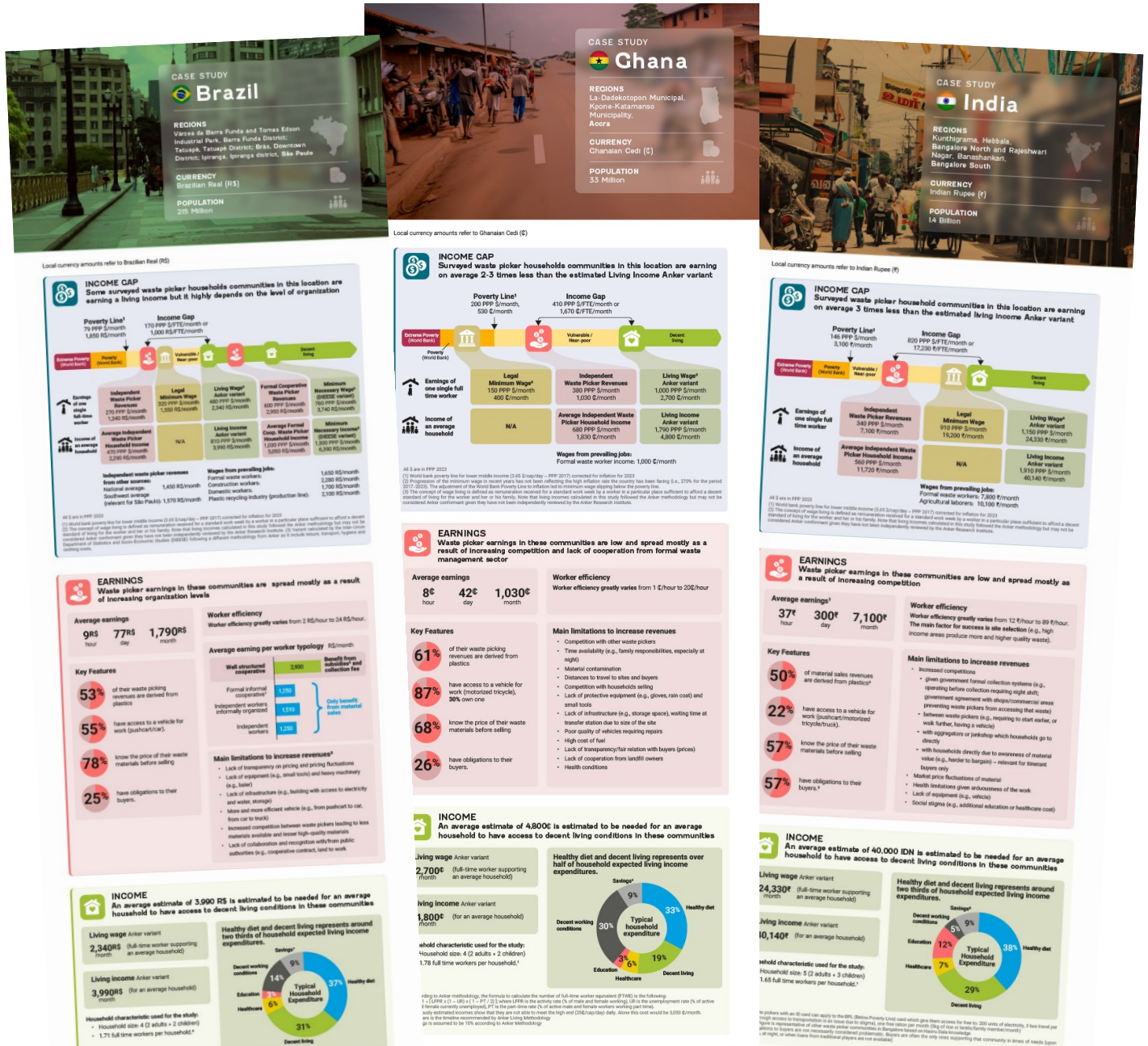
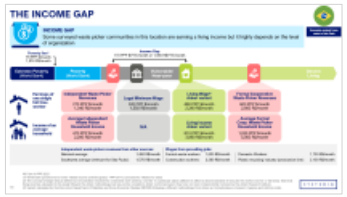
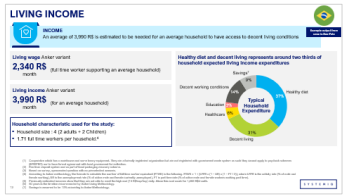
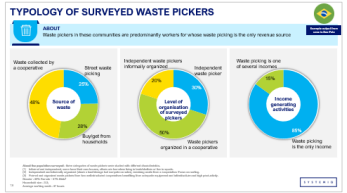
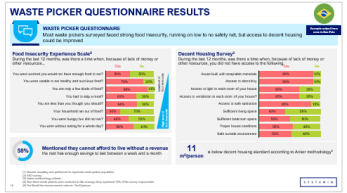
WHAT WE ARE AIMING FOR

During 2023, local project NGOs in India, Brazil and Ghana implemented the methodology, and the results were published in the Living Income Study.

This toolkit is meant to be a step-by-step guide to build similar case studies in different locations.



WHAT ARE WE TRYING TO BUILD IN EACH CASE STUDY? EACH CASE STUDY CONSISTS OF AN OVERVIEW OF THE INCOME COMPARISON AND DETAILED INFORMATION BOXES

Income Gap		Shows the income gap between current earnings and the living income
Earnings		Shows the current earnings of waste pickers by typology and the main limitations to increase revenues.
Living Income		Shows the living income for waste pickers in the locations
Typology		Shows the typology of waste pickers
Waste pickers questionnaire results		Shows key survey data for informal waste pickers

The next six pages show an example case study of informal waste picking communities in Sao Paolo, Brazil. Results for Ghana and India are available in the full report.

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Example output from case in Sao Palo

CASE STUDY

Brazil

REGIONS

Várzea da Barra Funda and Tomas Edson Industrial Park, Barra Funda District; Tatuapé, Tatuapé District; Brás, Downtown District; Ipiranga, Ipiranga district, **São Paulo**

CURRENCY

Brazilian Real (R$)

POPULATION

215 Million

THE INCOME GAP

Example output from case in Sao Palo

INCOME GAP

Some surveyed waste picker communities in this location are earning a living income but it highly depends on the level of organization

Poverty line[1]
79 PPP $/month
1,850 R$/month

Income Gap
170 PPP $/FTE/month or 1,000 R$/FTE/month

	Independent Waste Picker Revenues	Legal Minimum Wage	Living Wage[2] Anker variant	Formal Cooperative Waste Picker Revenues
Earnings of one single full time worker	270 PPP $/month 1,340 R$/month	320 PPP $/month 1,550 R$/month	480 PPP $/month 2,340 R$/month	600 PPP $/month 2,950 R$/month
Income of an average household	**Average Independent Waste Picker Household Income** 470 PPP $/month 2,290 R$/month	**N/A**	**Living Income Anker variant** 810 PPP $/month 3,990 R$/month	**Average Formal Coop. Waste Picker Household Income** 1,030 PPP $/month 5,050 R$/month

Independent waste picker revenues from other sources:

National average:	1,450 R$/month
Southwest average (relevant for São Paulo):	1,570 R$/month

Wages from prevailing jobs:

Formal waste workers:	1,650 R$/month	Domestic Workers:	1,700 R$/month
Construction workers:	2,280 R$/month	Plastic recycling industry (production line):	2,100 R$/month

All $ are in PPP 2023
(1) World bank poverty line for lower middle income (3.65 $/cap/day - PPP 2017) corrected for inflation for 2023
(2) The concept of wage living is defined as remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Note that living incomes calculated in this study followed the Anker methodology but may not be considered Anker conformant given they have not been independently reviewed by the Anker Research Institute.
(3) Variant calculated by the Inter-Union Department of Statistics and Socio-Economic Studies (DIEESE) following a different methodology from Anker as it include leisure, transport, hygiene and clothing costs.

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CURRENT WASTE PICKER EARNINGS

Example output from case in Sao Palo

EARNINGS

Waste picker earnings in these communities are spread mostly as a result of increasing organization levels

Average earnings

9 R$** hour **77 R$ day **1,790 R$** month

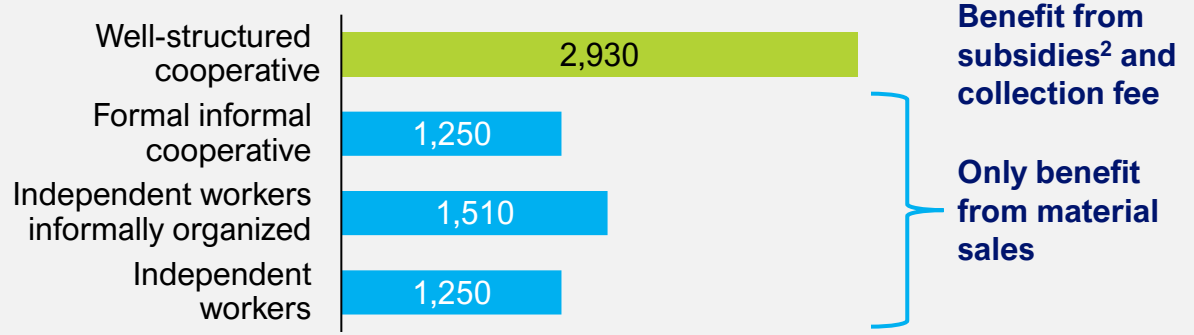
Worker efficiency

Worker efficiency greatly varies from 2 R$/hour to 24 R$/hour

Key Features

- **53%** of their waste picking revenues are derived from plastics versus other materials
- **55%** have access to a vehicle for work (pushcart/car)
- **78%** know the price of their waste materials before selling
- **25%** have obligations to their buyers

Average earning per worker typology, R$/month



Main limitation to increase revenues[3]

- Lack of transparency on pricing and pricing fluctuations
- Lack of equipment (e.g., small tools) and heavy machinery (e.g., baler)
- Lack of infrastructure (e.g., building with access to electricity and water, storage)
- More and more efficient vehicle (e.g., from pushcart to car, from car to truck)
- Increased competition between waste pickers leading to less materials available and lesser high-quality materials
- Lack of collaboration and recognition with/from public authorities (e.g., cooperative contract, land to work)

All $ are in PPP 2023

((1) cooperative which has a warehouse and some heavy equipment. They are a formally registered organization but are not registered with government waste system as such they cannot apply to pay-back schemes (EPR/PRO) nor to have formal agreement with local government for collection.
(2) fee from deposit system and as part of a local packaging recovery scheme
(3) Contracts signed between waste pickers' cooperatives and municipalities to provide collection and transport services for the collection of recyclables. These services may include, in whole or in part the following activities: selective household collection, waste transportation, environmental education campaigns, sorting of recyclable materials, and environmentally correct disposal
(4) based on survey, open-ended question with no pre-selected answers.

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LIVING INCOME

Example output from case in Sao Palo

INCOME

An average of 3,990 R$ is estimated to be needed for an average household to have access to decent living conditions

Living wage Anker variant

2,340 R$ month (full time worker supporting an average household)

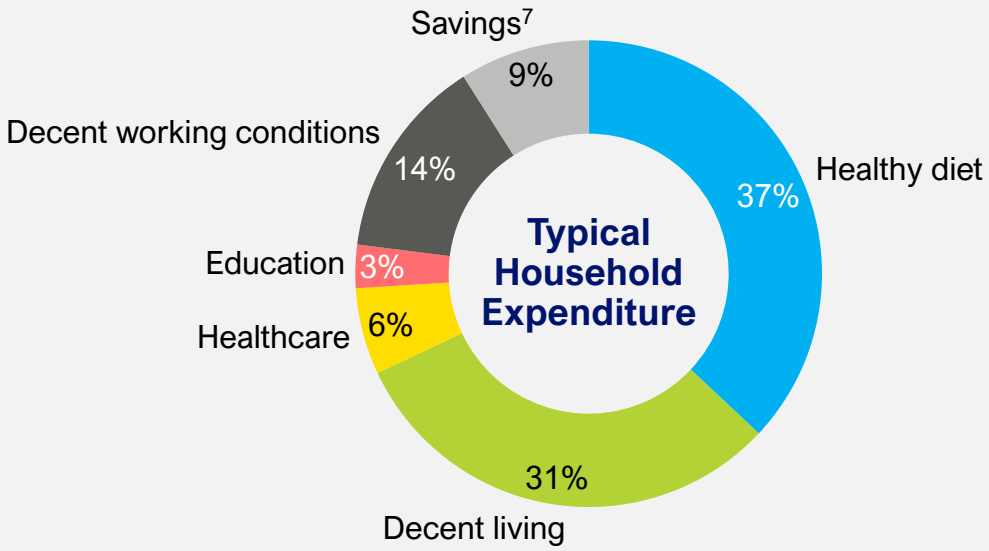
Living income Anker variant

3,990 R$ month (for an average household)

Household characteristic used for the study:

- Household size : 4 (2 adults + 2 Children)
- 1.71 full time workers per household.[4]

Healthy diet and decent living represents around two thirds of household expected living income expenditures



(1) Cooperative which has a warehouse and some heavy equipment. They are a formally registered organization but are not registered with government waste system as such they cannot apply to pay-back schemes (EPR/PRO) nor to have formal agreement with local government for collection.
(2) Fee from deposit system and as part of local packaging recovery scheme.
(3) Based on survey, open-ended question with no pre-selected answers.
(4) According to Anker methodology, the formula to calculate the number of full time worker equivalent (FTWE) is the following. FTWE = 1 + [LFPR x (1 – UR) x (1 – PT / 2)]; where LFPR is the activity rate (% of male and female working), UR is the unemployment rate (% of active male and female currently unemployed), PT is part time rate (% of active male and female workers working part time).
(5) Previously estimated incomes show that they are not able to meet the high end (15 R$/cap/day) daily. Alone this cost would be 1,450 R$/month.
(6) 50 years is the timeline recommended by Anker Living Methodology.
(7) Savings is assumed to be 10% according to Anker Methodology.

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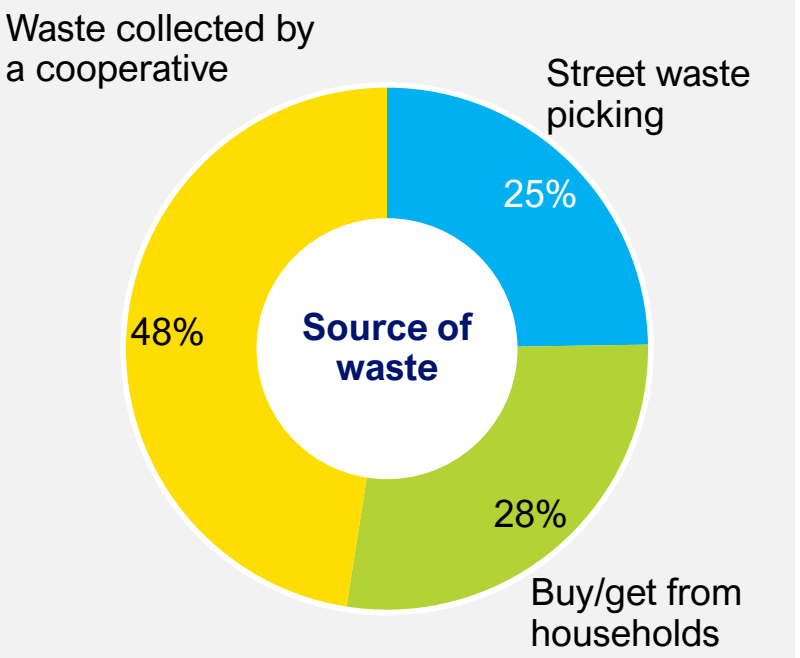
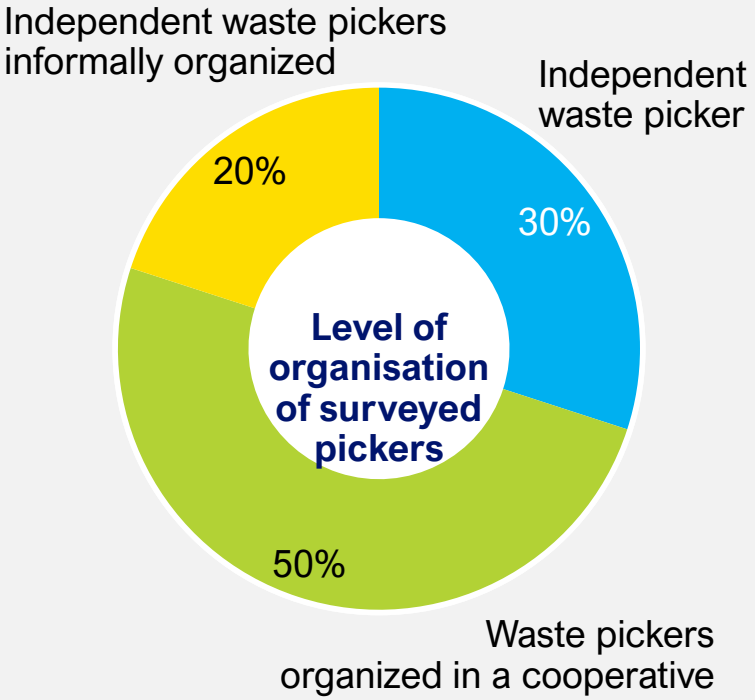
TYPOLOGY OF SURVEYED WASTE PICKERS

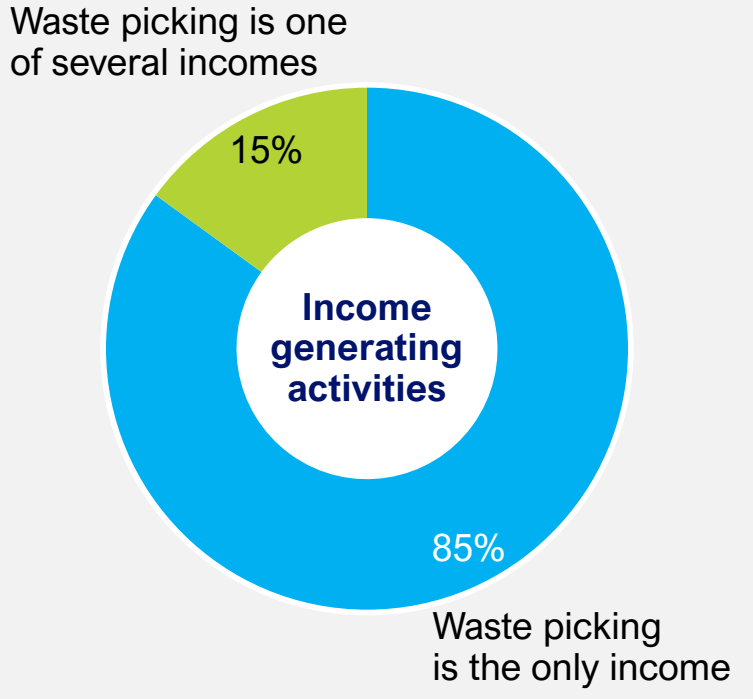
Example output from case in Sao Palo

ABOUT

Waste pickers in these communities are predominantly workers for whose waste picking is the only revenue source







About the population surveyed : three categories of waste pickers were studied with different characteristics.
(1) Informal and independent, some have their own houses, others are homeless living in tents/shelters or live in squats.
(2) Independent and informally organized (share a land/storage but compete on sales), receiving waste from a cooperative. Focus on sorting.
(3) Formal and organized waste pickers from two well-structured cooperatives benefiting from adequate equipment and infrastructure and high productivity.
Gender : 43% Female – 57% Male[1]
Household size : 3.3;
Average working week : 47 hours

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WASTE PICKER QUESTIONNAIRE RESULTS

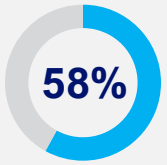
Example output from case in Sao Palo

WASTE PICKER QUESTIONNAIRE

Most waste pickers surveyed faced strong food insecurity, running on low to no safety net, but access to decent housing could be improved

Food Insecurity Experience Scale[2]

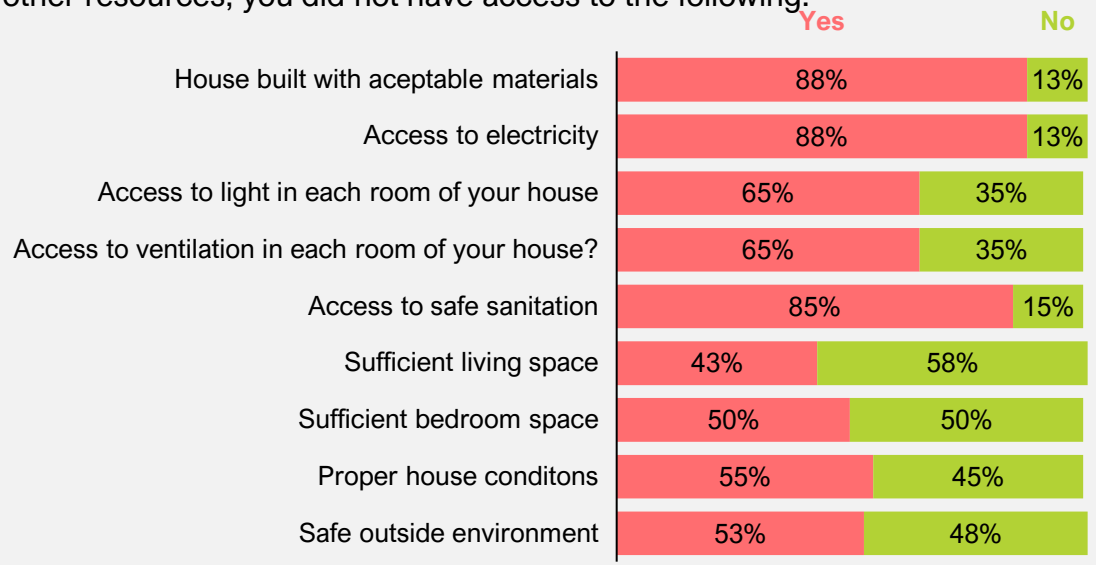
During the last 12 months, was there a time when, because of lack of money or other resources.,.



Mentioned they cannot afford to live without a revenue
the rest has enough savings to last between a week and a month

Decent Housing Survey[3]

During the last 12 months, was there a time when, because of lack of money or other resources, you did not have access to the following:



11 m²/person is below decent housing standard according to Anker methodology[5]

(1) Gender sampling was performed to represent waste picker population
(2) FAO survey
(3) Anker methodology criteria
(4) Homeless waste pickers were excluded in this average; they represent 10% of the survey respondents
(5) For Brazil the recommended value is 15m2/person;

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INTRODUCTION TO THE METHODOLOGY

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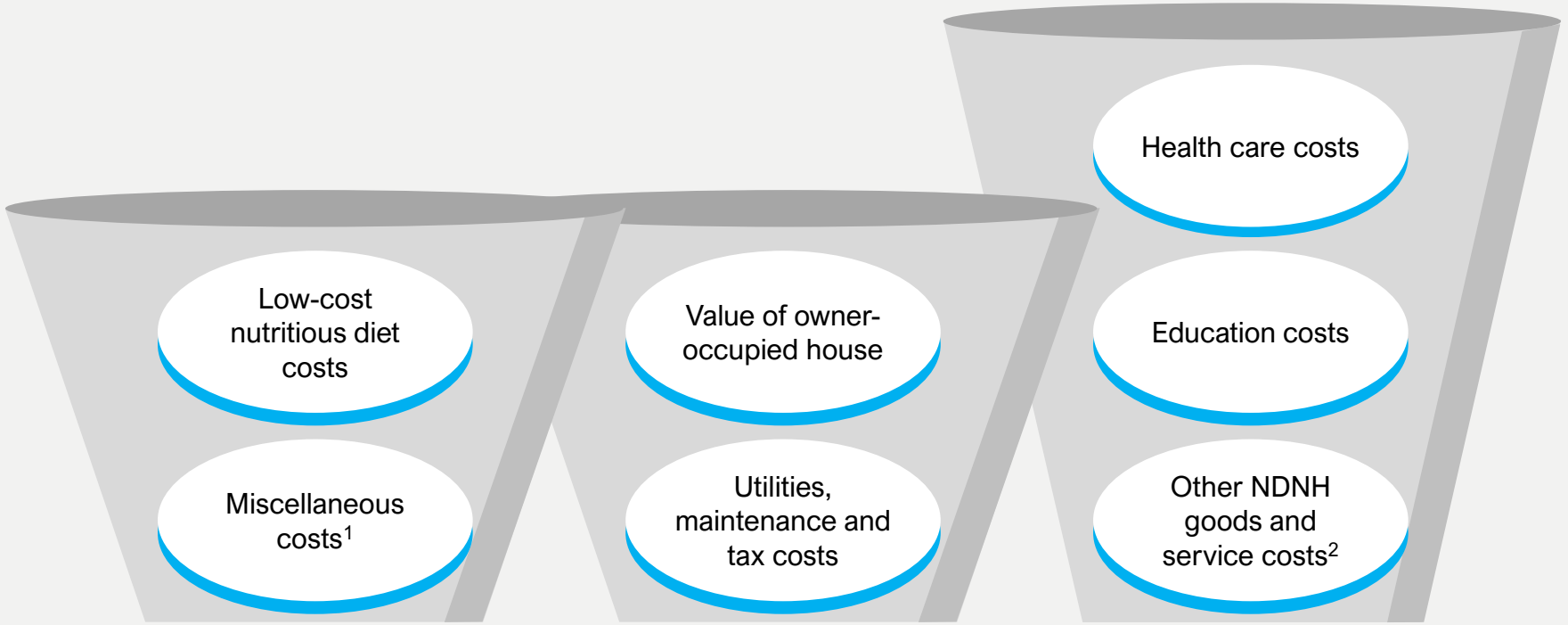
HOW DO WE CALCULATE THE LIVING INCOME?

The Anker methodology is a well-accepted standard to calculate Living Incomes

Unit: USD (or local currency) earnings per day per working adult



Living income = **Food costs** + **Housing costs** + **Non-food non-housing (NFNH) costs** + **Unforeseen costs[3]**

Source: van de Ven, G. W., de Valença, A., Marinus, W., de Jager, I., Descheemaeker, K. K., Hekman, W., ... & Giller, K. E. (2021). Living income benchmarking of rural households in low-income countries. Food Security, 13, 729-749.

1. is 16% of low-costs nutritious diet costs, 2, 20% of total Food, Housing and NFNH costs, 3. 10% of Living income

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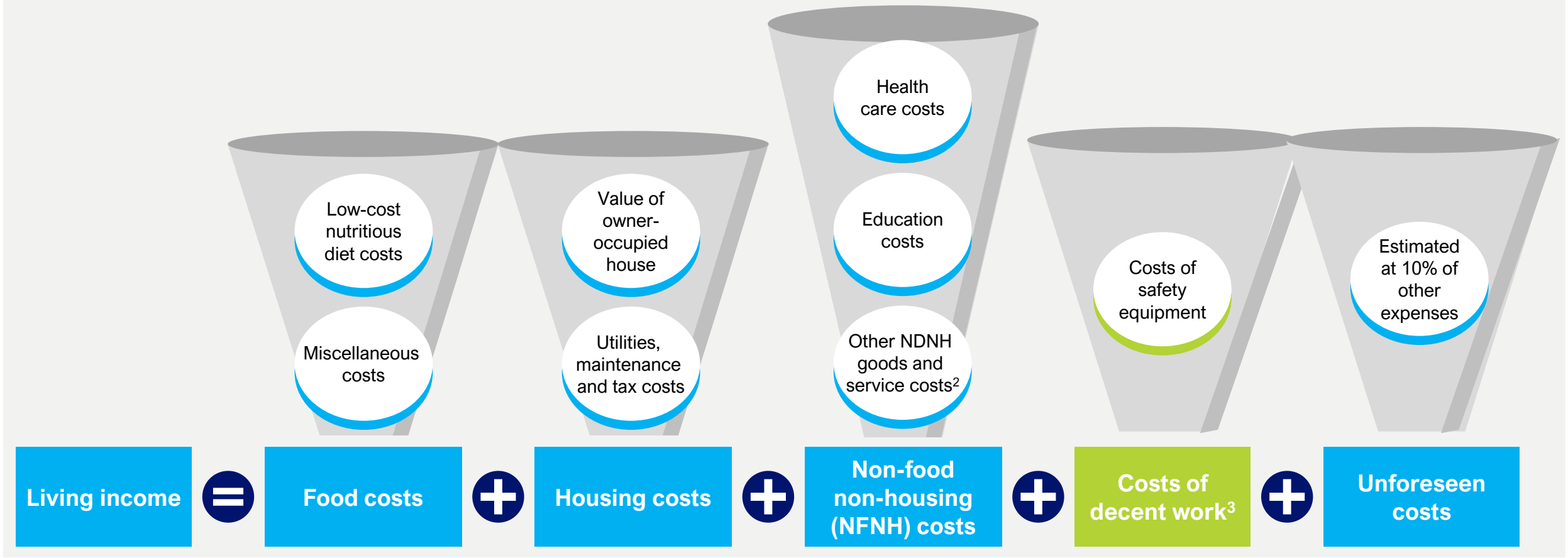
HOW DO WE CALCULATE THE LIVING INCOME IN THE CONTEXT OF THE INFORMAL WASTE PICKERS?

In this methodology, we build from the Anker methodology and add sector-specific challenges i.e. costs of decent work.

Unit: USD (or local currency) earnings per day per working adult



Note: Green indicates the added pillar of the adapted Anker methodology for informal waste picking communities

1.: is 16% of low-costs nutritious diet costs, 2. 20% of total Food, Housing and NFNH costs, 3. Costs of workplace safety equipment such as gloves and boots

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THE METHODOLOGY FOLLOWS 3 STEPS TO COMPARE A LIVING INCOME VERSUS CURRENT WASTE PICKER EARNINGS AND BENCHMARKS

	A Establishing a baseline	B Determining the need	C Building a benchmark
Goal	Define the current income earned by waste pickers or the salaries received by waste workers.	Calculate the locally applicable living income required to guarantee a decent standard of living for workers in informal and cooperatives settings.	Obtain minimum and prevailing wages in the location under study and assessment of the income situation of waste workers within the broader cultural economic landscape.
Key Measure	Current waste picker revenues	Living income	Legal minimum wage & prevailing incomes
Method	Via survey	Via survey and / or secondary research and data	Via survey and / or secondary research and data

Source: Fair Circularity Initiative, Systemiq (2024). A living income for the informal waste sector: A methodology to assess the living income of waste workers in the context of the Global Plastics Treaty

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FOR EACH STEP, WE ARE ADDRESSING THESE KEY QUESTIONS:

A Establish a baseline

Current waste picker income

Calculates what waste pickers currently earn.

Goal:

- Calculate how much would a waste picker earn today?

Key questions:

- How much does a waste picker earn today?
- How much of this income comes from plastic waste picking?
- How much of this income comes from waste picking vs other activities?
- How many hours do you work (on waste picking/waste management) a day?
- What are the local plastic prices?

B Establish need

Net living income Definition

Calculates a standard of living with all the components essential for a decent life.

Goal:

- Calculate how much would a worker need to earn to have a decent life?

Key questions:

- How much does a nutritious meal cost locally?
- How much does an affordable house cost locally?
- What are the costs associated with education locally?
- What are the costs associated with healthcare?
- What are the costs associated with safe working conditions?

C Establish benchmark

Minimum wage and comparable local incomes Definition

Calculates comparable incomes in other jobs or government minimum wages.

Goal:

- How much do comparable jobs offer locally?

Key questions:

- Is there a minimum wage locally, if so, how much is it?
- How much do local government waste workers earn?
- How **much income are local alternative job opportunities offering** (e.g., construction work, agricultural work, logistic and trade work etc.)
- What is the average household expenditure from comparable income level?

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WHY TO USE THIS METHODOLOGY?

Goal

The goal of this methodology is to support stakeholders with practical tools to assess the income level of informal waste picker communities and to create awareness of these income gaps to put pressure on the government and the value chain to improve waste picker conditions.

Advantages of the methodology:

The methodology provides data-driven insights for governments, brands, and waste management companies to take action to close the income gap. It has several key advantages:

- Provides a common unbiased approach that organizations around the world can use to assess and explain income gaps in their waste picker communities.
- Enables global consistency of survey results and the ability to compare results with other countries.
- Enables participation in a network of global organizations including global companies (see full list of FCI members here) and leading NGOs such as WIEGO.

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METHODOLOGY GUIDE

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USERS NEED TO BALANCE ASSUMPTIONS AND COLLECTED DATA WHEN IMPLEMENTING THE LIVING INCOME ASSESSMENT

Usual process for developing a case study:

Gather data:
Conduct survey and collect key data points

Process data:
Aggregate data according to outlined principles

Draw insights:
Build data visualizations and collect findings

Draw conclusions:
Synthesise data visualizations and findings

When processing the survey data and drawing insights, researchers need to **balance the fact that data may have suboptimal quality and therefore make critical assumptions** to draw insights:

- **Data may be limited and fragmented** and there may only be a small number of data points for certain dimensions.
- There may also be significant **outliers** because of incorrect statements, errors, or other factors.

- **Assumptions will be needed** because of the fragmentation and suboptimal availability of data in many locations.
- It is important to document and **record these assumptions** for future review.
- **Understanding the local realities and context is fundamental** to be able to make these assumptions.

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DURING THE ITERATIVE PROCESS, THE LOCAL CONTEXT OF THE METHODOLOGY NEEDS TO BE ACCOUNTED FOR

Examples of factors to consider for the local context of living income assessment:

1. 

   Adapt to the local culture to ensure that surveyed waste pickers do not feel embarrassed or insecure about answering personal questions e.g., on food safety

2. 

   Adapt to the knowledge level of the waste picker, e.g., they might not know the exact prices of plastic material.

3. 

   Adapt to the local political context and ensure that informal waste pickers' identities and activities are protected

The definition of what constitutes a decent life needs to be locally specific,
while adhering to certain components of what to consider when calculating a living income (explained on Pages X-Y)

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A) ESTABLISH A BASELINE

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WASTE PICKER SURVEY – METHOD

Conducting questionnaire with waste pickers

Conduct interview with the provided questions, using a sample of around 40 waste pickers

Sample

- **~40 local waste picker interviews. Interviews are anonymous.**
- **Ensure sample is representative of local waste pickers by:**
  i. Gender representation
  ii. Age balance
  iii. Relevant mix of organizational types and worker configurations (see worker typology in Slide X)

Best practices

- Interview to be run individually, although group interviews is also possible.
- Interviews should be run respectfully and constructively. Rephrasing may be necessary. Questions order may be changed to create the feeling of an informal discussion.
- Compensation to waste pickers for their time is recommended.
- Possible tools for survey: pen and paper, notes on phone or tablet.

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AGGREGATING DATA AND PREPARING OUTPUT

THE DATA THEN IS AGGREGATED BY THE LOCAL PROJECT PARTNER IN THE PROVIDED EXCEL TEMPLATE

STEP 1

Collect around 40 survey interviews and input in the provided Excel sheet template (link).

STEP 2

Separate survey data by typology, which is specific to the location.

STEP 3

Conduct data quality review and discuss outliers for each typology. This means to remove outliers if the data is assessed to be flawed (if applicable).

STEP 4

Draw the average for relevant typologies

STEP 5

Draw key insights from data

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WASTE PICKERS QUESTIONNAIRE (1/3)

Section 1: About the interviewee

1. **Gender**
2. **Age group**
3. **Household size**
4. When did you start waste picking? *(optional question)*
5. Why did you start waste picking? *(optional question)*

Section 2: Waste management working conditions and organization

6. **Where do you get your waste from?** *(streets, household (for free), household (buy), dumpsite, landfills, businesses, market, others)*
7. **Are you an independent worker or organized with peers?** *(independent workers, independent but part of a cooperative, hired by a junkshop/local aggregator, hired by a formal waste system, other)*
8. **Is waste picking your only income generating activity?**
9. **What other income generating activities do you have?**
10. **How many hours do you work (on waste picking/waste management) a day?**
11. **How many days do you work on waste picking a week?**

Section 3: Revenues from waste management activities

12. **How often do you sell your materials?**
13. **Who do you sell to?**
    (cooperative, junkshop; waste bank, etc.)
14. How do you choose your buyer? *(optional question)*
15. **Do you have access to a vehicle? If so which one.**
    (none, pushcart, bicycle, motorized bicycle, other)
16. **Who own the vehicle (e.g., a pushcart or a car)?** (I own the vehicle, I co-own it, I rent it)
17. How far do you travel to the buyer? *(optional question)*
18. **How much do you earn selling your materials?**
    (per sale, per day or per week)
19. **Out of your total waste picking earnings, how much comes from selling plastic material?**
    (per sale, per day or per week)
20. **What volumes of materials do you sell?**
    (kg per sale, day, or week)
21. **What volumes of plastic materials do you sell?**
    (kg per sale, day, or week)
22. **What selling price do you get for each category of waste you sell?**
    (as many answers as necessary)

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WASTE PICKERS QUESTIONNAIRE (2/3)

Waste picker questionnaire

Section 3 (continuation from previous Page): Revenues from waste management activities

23. Has the price of plastic changed over the past year? If so how much?

24. Do you know the price before selling?

25. Do you have debt or obligations to your buyers?

26. What is your main limitation to increase revenues from waste activities? (time availability, quality of material available, volumes of material available, competition from other waste pickers, physical conditions, lack of equipment e.g., pushcart/bicycle)

Section 4: Expenses from waste management activities

27. What cost do you have for operating your activity? *(e.g., gas/fuel, cost of buying materials from household or businesses, cost to access specific areas, cost of maintenance of vehicle, gloves, boots, else)*

28. If you own a vehicle, how much did it cost you?

Optional questions may be added by local project partners. They will not inform the outcome of the study directly. They may be helpful for:

- **Creating trust** during the interview (more personal)
- Obtain data from the **social context** for qualitative social studies outside of the context of this study
- Obtain **more granular data** to better understand some of the other data points

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WASTE PICKERS QUESTIONNAIRE (3/3)

Waste picker questionnaire

Section 5: Living expenses and conditions

29. **How much do you spend on food for yourself or your household (specify which) everyday?**
30. **Food Security Experience Scale.** During the last 12 months, was there a time when, because of lack of money or other resources (Yes/No):
    1. You were worried you would not have enough food to eat?
    2. You were unable to eat healthy and nutritious food?
    3. You ate only a few kinds of foods?
    4. You had to skip a meal?
    5. You ate less than you thought you should?
    6. Your household ran out of food?
    7. You were hungry but did not eat?
    8. You went without eating for a whole day?
31. **Do you own/have access to any of the following: a house built with acceptable materials, access to electricity, proper lighting, proper ventilation, safe sanitation, sufficient living space, sufficient bedroom space, proper house conditions, safe outside environment, no production in the house?**
32. **Does your work mean that you stay outside the home? If so, where, how would you describe your accommodation**

Section 6: Miscellaneous questions

33. **What alternative job opportunity do you have?**
34. Why do you waste pick over another job?
35. **How many days could you afford to live without a revenue?**
36. Are you able to save money for unforeseen event?
37. What is the worst part of your job? *(optional question)*
38. What is the best part of your job? *(optional question)*

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EXAMPLE OF THE FIVE STEPS WHEN CONDUCTING SURVEYS FROM CASE STUDY IN BRAZIL

Example output from case in Sao Palo

Example survey data (extract from Brazilian Case)

Number	Typology	Monthly Income
01	Cooperative member	R$ 1,900.00
02	Independent worker	R$ 800
03	Cooperative member	R$ 2,300.00
04	Cooperative member	R$ 1,250.00
~~05~~	~~Cooperative member~~	~~R$ 5,000.00~~
06	Informal group member	R$ 2,300.00
07	Informal group member	R$ 2,300.00
08	Independent worker	R$ 1,200.00
... (total number is 40)	…	…

STEP 1 The researcher in Brazil conducted the interviews and input the data in the Excel template sheet (extract above).

STEP 2 The survey is divided by typology. This is important because the data point may vary significantly between different worker types. In the Brazilian case the cooperative members have a much higher monthly income than independent workers.

STEP 3 The Brazilian team conducted quality review and removed the outlier Number 05 (see crossed out row). This is because the monthly income was reviewed and deemed to be unrealistically high. The outlier was removed from the data aggregation

STEP 4 For each worker type, the average was then calculated (excluding the outliers).

STEP 5 The current earnings were then visualized using the “income ladder” that is shown on Slide X. For Brazil, the final numbers were R$1,340 for independent waste pickers and R$2,950 for cooperative waste pickers.

SYSTEMIQ

If applicable, these are example typologies by which the survey data could be segmented

	Informal and independent	Informal and organized	Formal and organized
Waste Pickers *Focus on picking high value materials only*	• Independent street or dumpsite waste pickers • *Example: most waste pickers in Indonesia, Ghana*	• Waste bank workers • Independent street or dumpsite waste pickers organized in cooperative or similar • Hired waste pickers by junkshop or local aggregators • *Examples: waste pickers in India*	• Waste bank workers • Street or dumpsite waste pickers organized in cooperative or similar • *Examples: waste pickers in Brazil*
Waste collection workers *Focus on collecting all MSW waste from households and businesses*	• Independent collection worker picking up waste from households or business for a fee • *Example: in areas where waste management is not a basic service and demand is not large enough to grow a business (e.g., rural areas)*	• Independent local entrepreneur with a team picking up waste from households or businesses for a fee • *Example: in area where waste management is not a basic service and demand is large enough to grow a business (e.g., cities)*	• Registered organization hired by government to pick up waste from households or businesses • Government-owned waste collection • *Example: Project STOP, local waste management staff from any government owning waste collection vehicles*

Workers and organizations in these categories have no contracts or agreement with the local government and operate independently. They may be registered businesses or not (i.e., informal organization).

Local government or organizations having a contract or agreement with the local government

The above categories are in scope for the living income assessment. If applicable, please use the above categories as a guidance for typologies that could be used to when surveying informal waste pickers.

SYSTEMIQ

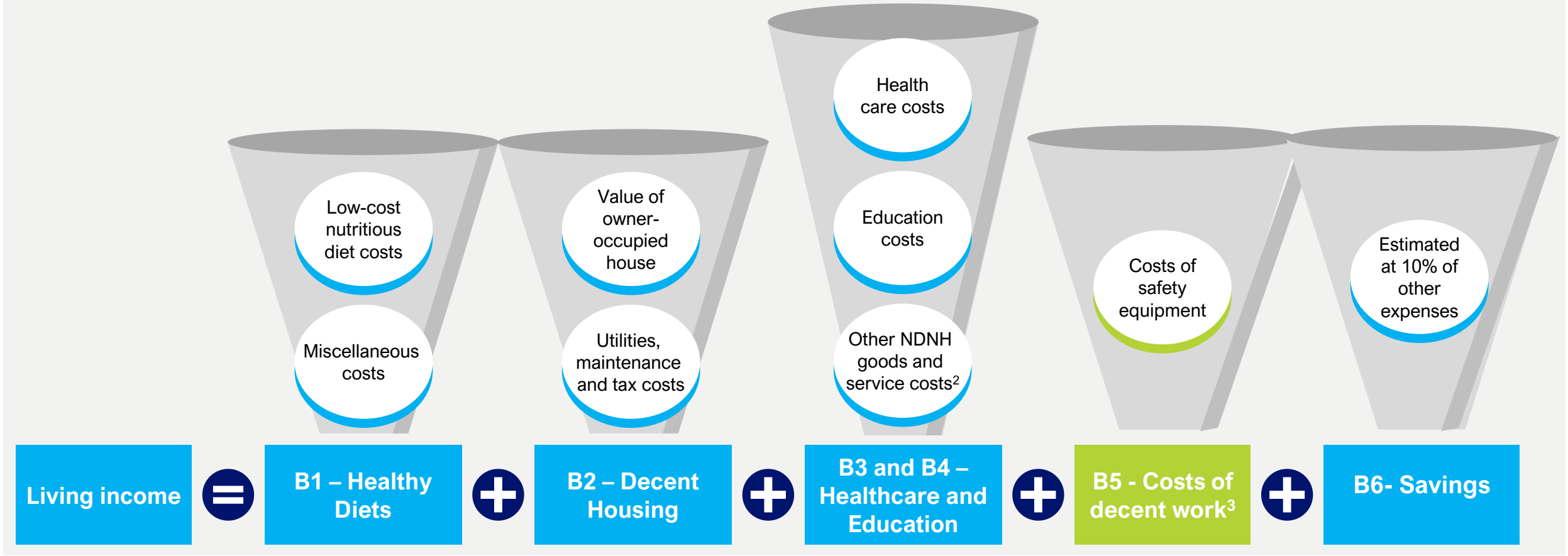
B) CALCULATING LIVING INCOME

SYSTEMIQ

HOW TO ESTIMATE THE LIVING INCOME ACCORDING TO THE ANKER METHODOLOGY

In this methodology, we build from the Anker methodology and add sector-specific challenges i.e. costs of decent work.

Unit: USD (or local currency) earnings per day per working adult



Note: Green indicates the added pillar of the adapted Anker methodology for informal waste picking communities

1.: is 16% of low-costs nutritious diet costs, 2. 20% of total Food, Housing and NFNH costs, 3. Costs of workplace safety equipment such as gloves and boots

SYSTEMIQ

THE LIVING INCOME ESTIMATE IS COMPOSED OF 6 ITEMS

B1 | Healthy Diets

- Costs of a healthy diet per day –Food costs are estimated based on: a low-cost nutritious diet that meets recommendations on calories, macronutrients, and micronutrients and is consistent with local food preferences (see Page x).

B2 | Decent Housing

- Costs of decent housing – Housing costs are estimated based on: costs of renting or buying decent housing that follows specific parameters (see page x).

B3 | Healthcare Costs

- Costs of access to healthcare – Healthcare costs are estimated based on the costs of accessing healthcare

B4 | Education Costs

- Costs of education

B5 | Costs of Decent Working Conditions

- Costs of having decent working conditions

B6 | Savings

- Costs of savings for unexpected life event

SYSTEMIQ

THE LIVING INCOME ESTIMATE IS COMPOSED OF 6 ITEMS

B1 | Healthy Diets

- Costs of a healthy diet per day – this represents the costs for healthy and nutritious diet (see Page x)

B2 | Decent Housing

- Costs of decent housing - this represents

B3 | Healthcare Costs

- Costs of access to healthcare

B4 | Education Costs

- Costs of education

B5 | Costs of Decent Working Conditions

- Costs of having decent working conditions

B6 | Savings

- Costs of savings for unexpected life event

The B1, B2, B3 and B4, B5 components of the living income need to be estimated by the local project partner (highlighted in red)

The B6 components do not need to be calculated by the local project partner, as the data is pre-calculated (highlighted in blue)

The metric of the components is the local currency and additionally the PPP conversion factor to USD

SYSTEMIQ

B1 – HEALTHY DIET

This needs to be estimated by the local project partner

B Establish need

Food Cost

Via secondary data

- For local in-country partners, we suggest relying on secondary data rather than performing extensive local surveys on food diet. The data is available for most country and the sources can be found in the accompanying Excel sheet. The local project partner should assess the validity of the provided numbers for their project location. They may need to be updated or need an inflation adjustment.
- Project partners can also use local surveys to estimate to local costs of a local data if the Anker data cannot be used.

Example Data points

Metric	Unit	Ghana (Lower Volta)	Location: Brazil (Minas Gerais South)	Location: Brazil (São Paulo State)	Location: India (Tiruppur City)	Location: India (Nilgiris, Tamil Nadu)
Cost of a healthy diet	Local currency/ cap/day	12.92	9.14	11.47	65.33	99.30
Cost of a healthy diet	PPP$/cap/day	4.4	1.86	2.34	3.1	4.65
Cost of a healthy diet	PPP$/cap/month	134	57	71	95	142

Note: cells highlighted in blue are the relevant locations for the estimated results

Source

The data for your locations can estimated using the Excel sheet. (Tab 3 - Healthy Diets).

Note: All $ are in PPP 2023

1. PPP conversion factor 2023 INR to USD is 0.04682 USD
   PPP conversion factor 2023 BRL to USD is 0.20359 USD
   PPP conversion factor 2023 GHS to USD is 0.34112 USD

SYSTEMIQ

B2 – DECENT HOUSING – QUESTIONS AND PARAMETERS

This needs to be estimated by the local project partner

Housing Cost

Housing costs are a central component of living expenses for a decent living. What are housing costs in the context of living income?

These questions that the local project partner should try and answer :

1. **How much does it cost to build or rent decent housing that fulfils the parameters below?**
2. **How much do the utilities cost including water and electricity per month?**

These are the key parameters that define decent housing

- Walls from durable materials without leaks (e.g., well-joined bricks or cements)
- Roof from durable materials without leaks (e.g., cement, tile, zinc/iron sheets)
- Floor from durable materials without leaks (e.g., cement, stone, tile, wood – cannot be mud or dung)
- Safe sanitation (Flush toilet, pit latrine with slab, or VIP toilet; in or near the house; shared by <15 people)
- Safe drinking water not far from home (Piped into house/yard, pump, public tap, protected well, or bore hole)
- Good ventilation quality (≥1 window per room; adequate evacuation of fumes when cooking indoors)
- Adequate lighting (>1 window per room or another light source (e.g. electricity, kerosene, or dry cells)
- Comfortable ambient temperature (Indoor heating or air conditioning in areas with extreme temperatures)
- Sufficient living space (36-60 m2 ; Ceiling ≥2 m)
- Sufficient bedrooms (max 3pers/bedroom)
- Proper house conditions (house in good state of repairs and good foundations)
- Safe outside environment (No risk of landslides, flood zones, industrial pollution, surface water drainage, etc.)
- Separated from production (animal housing outside of the house)

Housing costs also include utilities such as water, electricity, cooking fuel, heat; lighting, or others.

SYSTEMIQ

B2 – HOUSING COSTS – DATA COLLECTION

This needs to be estimated by the local project partner

After explaining the key questions and parameters for housing costs

	Costs	Primary data	Secondary data
Housing costs	Building or Buying Housing - or -	Building costs for acceptable local housing. This is estimated by taking the monthly depreciation costs of the building over the average building lifetime, plus maintenance costs.	Average real estate prices in the local area
	Rent	Rent for acceptable local housing or user cost of owner-occupied housing in locations with small rental market.	Average renting price for buildings in different regions
	Utilities	Surveys of local utility costs per household e.g. monthly expenditure on water, gas, electricity etc.	Percentage of household expenditure for utilities from household expenditure survey

- If results from the sample varies greatly, interview 3-5 more.
- Those may be available from national statistic offices in which cases fewer interviews may be sufficient to confirm those numbers.
- Research local housing standards to check whether aligned with the decent housing parameters explained in the previous page.
- Local project partners should choose the appropriate data source, depending on the local circumstances. For example, informal waste pickers in the area might not have the opportunity to build their own house and rather need to rent.

SYSTEMIQ

B2 – HOUSING COSTS – HOW WAS THE DATA COLLECTED?

Example output from case in Sao Palo

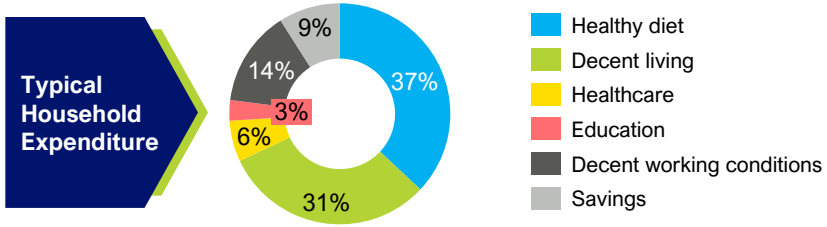
Example from locations in Sao Paulo, Brazil

	Costs	Indian Approach	Result (in US Dollars PPP)[1]	Result in local currency (in Reais)
Housing costs	Rent	To estimate the cost of rent, the Brazilian researcher used one of the largest collaborative platforms that brings together a database on different aspects of the cost of living in Brazilian cities. (Cost of Living Index for the Municipality of São Paulo - ICV-DIEESE August 2023 - General Index)	200$ per month	980 R$ per month
	Utilities	The Brazil team asked four workers from different occupations (formal waste collector, business office maid, informal domestic laborer and formalized domestic worker) about their monthly utilities costs (electricity, water, gas)	54$ per month	270 R$ per month
	Total costs	The Brazil team then took the average for the two categories (rent and utilities) and added them up for the total housing costs.	**254$ per month**	**1250 R$ per month**

In the Brazilian case, the researchers only took the renting costs because building a home was determined not to be a feasible options for informal waste pickers due to high costs

Housing costs represent 31% of the final living income. The final number is 254$ per month per household

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023

1. PPP conversion factor 2023 BRL to USD is 0.20359 USD

SYSTEMIQ

B2 – HOUSING COSTS – HOW WAS THE DATA COLLECTED?

Example from locations in Bangalore, India

Example output from case in Bangalore

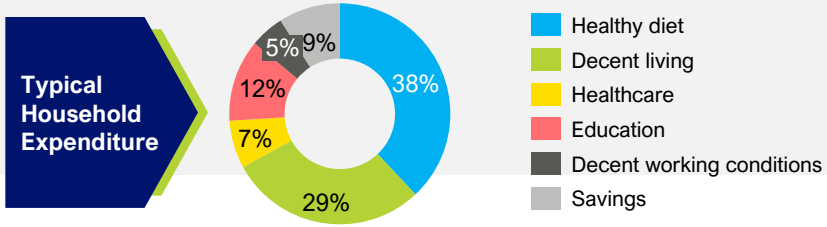
Housing costs

Costs	Indian Approach	Result (in US Dollars PPP)[1]	Result in local currency (Rupees)
Rent	The India team conducted secondary research to get the average renting prices for the location. They then complemented the data for informal waste pickers and their renting costs.	470$ per month	10,000 Rupees per month
Utilities	The India team asked 4 respondents on their average utility costs and the took the average among the respondents. They split the utility costs in electricity costs, water costs, firewood costs and gas costs.	81$ per month	100 (Water) 1190 (Electricity) 250 (Gas) 230 (Firewood) Total: 1770 Rupees per month
Total costs	The India team then added the two categories (rent and utilities) up.	**551$ per month**	**1,170 Rupees per month**

In the Indian case, the researchers again took the renting costs rather than building costs as a best estimate for informal waste pickers

Housing costs represent 29% of the final living income. The final number is 551$ per month per household

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023

1. PPP conversion factor 2023 INR to USD is 0.04682 USD

SYSTEMIQ

B3 – HEALTHCARE COSTS - QUESTIONS

This needs to be estimated by the local project partner

HEALTHCARE COST

The aim of this step is to calculate the average healthcare costs, as part of the living income, per waste picker

Goal: The aim of this step is to calculate the average healthcare costs, as part of the living income, per waste picker

- **Cost of exclusion (if applicable):**
  - Are waste pickers excluded from certain services which could results in higher cost of living? (e.g., healthcare, education or others) if so which ones and what cost does it represent?
- **Healthcare:**
  - Is basic health care insurance available for waste pickers?
  - What is the cost of basic health care insurance?
  - What health care services are included?
  - For health care services which are not covered by health care insurance?
    - What are the top 5 most common diseases/situation when healthcare services are required?
    - What is the average unit cost for each? (e.g., consultation, medicine)
    - What is the average number of treatment per year?

If results from the sample varies greatly interview 3-5 more.

Those may be available from national statistic offices in which cases fewer interviews may be sufficient to confirm those numbers.

SYSTEMIQ

B3 – HEALTHCARE COSTS – HOW IS THE DATA COLLECTED?

This needs to be estimated by the local project partner

What are the key questions and parameters for housing costs

		Costs	Primary data	Secondary data
Costs of exclusion		Costs of exclusion	Interviews with respondents to investigate whether informal waste pickers are excluded from certain services and how much it costs informal waste pickers.	Local secondary research from NGOs, academia and other institutions that investigates whether local informal waste pickers are excluded from certain services and how much it costs informal waste pickers
Healthcare Costs	Basic costs	Availability of basic healthcare insurance	Interviews with respondents (mostly informal waste pickers) to investigate whether informal waste pickers have basic healthcare insurance available.	Local secondary research from NGOs and others that investigates whether local informal waste pickers have basic health insurance available. Alternatively, government information on insurance availability.
		Costs of basic healthcare insurance	Interviews with respondents to investigate the costs of basic healthcare insurance for informal waste pickers	Local secondary research from NGOs and others that investigates basic health insurance costs. Alternatively, government information on costs.
		Coverage of basic healthcare insurance	Interviews with respondents (mostly informal waste pickers) to investigate what services are included in basic coverage	Local secondary research from NGOs and others that investigates the coverage basic health insurance for informal waste pickers. Alternatively, government information on coverage
	Extra costs	What are the top 5 most common diseases/situations when healthcare services are required? (for services not covered by basic health insurance)	Interviews with respondents (mostly informal waste pickers) to investigate what the 5 most common diseases/situations when healthcare services are required. This applied to services that are outside of basic health insurance.	N/A
		What is the average unit cost for each? (e.g., consultation, medicine)	Interviews with respondents (mostly informal waste pickers) to investigate the average unit costs for each of the above top 5 diseases/situations	Local secondary research from NGOs and others that investigates the unit costs for the top 5 diseases/situations.
		What is the average number of treatments per year?	Interviews with respondents (mostly informal waste pickers) to investigate the average number of treatments per year or the above top 5 diseases	Local secondary research from NGOs and others that investigates the average number of treatments of the top 5 diseases/situations per year.

SYSTEMIQ

B3 – HEALTHCARE COSTS – HOW WAS THE DATA COLLECTED?

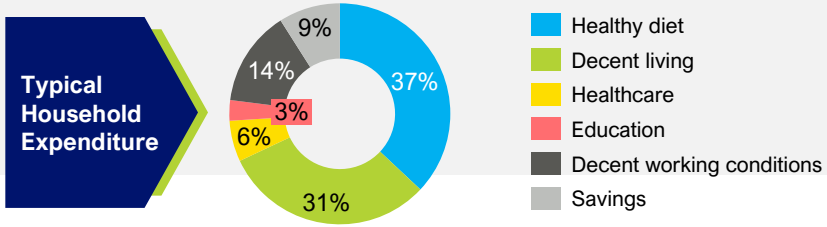
Example from locations in Sao Paulo, Brazil

Example output from case in Sao Palo

	Costs	Brazilian Approach	Result (in PPP US Dollars)[1]	Result in local currency (Reais)
Healthcare costs	Costs of exclusion	Based on existing legislation, informal waste pickers have access to the universal healthcare system in Brazil that covers all diseases is the right of all Brazilians, from pregnancy onwards and throughout their lives. Brazilian waste pickers often decide not to use public healthcare because of social stigmatization and a lack of accessibility.	None	None
Basic costs	Basic healthcare costs	Based on existing legislation, informal waste pickers have access to the universal healthcare system in Brazil that covers all diseases is the right of all Brazilians, from pregnancy onwards and throughout their lives. Some	None	None
Extra costs	Extra healthcare costs	The Brazilian team used secondary data from the local area to estimate the total healthcare costs. This costs is incurred by household even though they are covered by universal health insurance. Some people decide against universal healthcare because of long waiting times, social stigma and other factors. The data comes from the costs of living index for the local area. (Cost of Living Index for the Municipality of São Paulo - ICV-DIEESE August 2023 - General Index)	51$ per month	250 R$ per month
	Total costs	The only costs came for the extra healthcare costs,	**51$ per month**	**250 R$ per month**

Healthcare costs represent 6% of the final living income. The final number is 51$ per month per household

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023
1. PPP conversion factor 2023 BRL to USD is 0.20359 USD

SYSTEMIQ

B3 – HEALTHCARE COSTS – HOW WAS THE DATA COLLECTED?

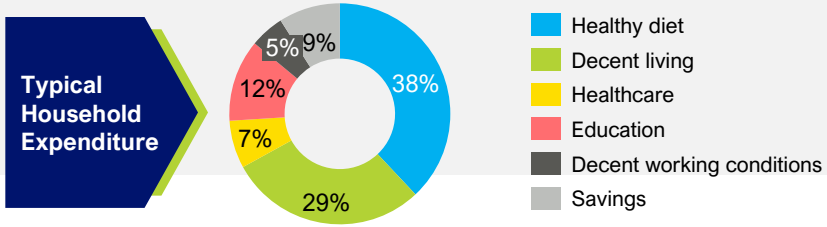
Example from locations in Bangalore, India

Example output from case in Bangalore

	Costs	Indian Approach	Result (in PPP Dollars)[1]	Results in local currency (Rupees)
Healthcare costs	Costs of exclusion	The India team notes that this came not up in interviews	None	None
Basic costs	Healthcare costs	Surveys with relevant informal waste pickers revealed the top-down estimation of state healthcare. Most do not have access to subsidized public healthcare (often due to a lack of documentation) and therefore rely on private healthcare.	$19 – 235 per year	400 – 5000 Rupees per year
Extra costs	Top 5 most common diseases/situations	Surveys with 3-4 informal waste pickers revealed bottom-up costs of extra healthcare costs since waste pickers tend to use private healthcare.	1. Allergies-skin. 2. Body ache-back pain-knee pain. 3. Gastric – stomachache. 4. Women's issues – childbirth. 5. Disability issues	
Extra costs	What is the average unit costs of each treatment of the above		17.7$ on average per treatment (ranging from $5-164)	100 – 3500 Rupees per treatment
Extra costs	Average number of treatments per year		7-8 times per worker	
	Total costs	The final costs is an estimate of the unit costs per treatment, multiplied by the number of treatments per year.	17.7$ (average unit costs per treatment) x 7 (number of treatments per year) = **124$ per month**	**2650 Rupees per month**

Healthcare represent 7% of the final living income. The final number is 124$ per month per household.

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023

1. PPP conversion factor 2023 INR to USD is 0.04682 USD

SYSTEMIQ

B4 – EDUCATION COSTS – QUESTIONS

This needs to be estimated by the local project partner

EDUCATION COSTS

The aim of this step is to calculate the average education costs for the household's children, as part of the living income, per waste picker.

What are the household out-of-pocket expenses per child for one year for public primary school and lower secondary school?

- School fee (and other charges such as exam fee when applicable)
- Clothing (e.g., uniforms, shoes, schoolbag)
- Materials (books and supplies)

If results from the sample varies greatly, interview 3-5 more.

Those may be available from national statistic offices in which cases fewer interviews may be sufficient to confirm those numbers.

SYSTEMIQ

B4 – EDUCATION COSTS – DATA COLLECTION

This needs to be estimated by the local project partner

Educational Costs

Costs	Primary data	Secondary data
Primary school costs	Typical local cost for education of children until the end of primary school through discussions with workers, school personnel, and other key informants.	Local secondary research from NGOs and others that investigates primary education costs. Alternatively, government information on costs.
Secondary school costs	Typical local cost for education of children until the end of secondary school through discussions with workers, school personnel, and other key informants.	Local secondary research from NGOs and others that investigates secondary education costs. Alternatively, government information on costs.
School items	Typical costs of key items for education such as school uniforms, stationery, books and others through discussions with workers, school personnel and others.	Local secondary research from NGOs and others that investigates typical costs of school items.
Exam fees	Typical costs of exams taken in both primary and secondary school through discussions with workers, school personnel and others.	Local secondary research from NGOs and others that investigates typical costs of school exams.

SYSTEMIQ

B4 – EDUCATION COSTS – HOW IS THE DATA COLLECTED?

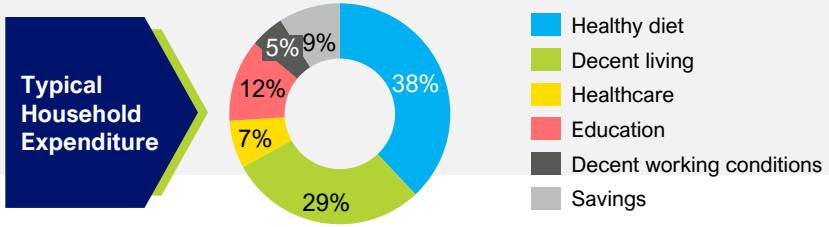
Example from locations in Bangalore, India

Example output from case in Bangalore

	Costs	Indian Approach	Result (PPP US Dollars)[1]	Result in local currency (Rupees)
Education Costs	Primary School	Surveyed 3-4 respondents with children in primary education on the costs of prim. education per child. Lower end of costs for government subsidised education	Average costs of 300$ per year (ranging from $234 – 1600) per year	Ranging from 5000 - 35000 Rupees per year
	Secondary School	Surveyed 3-4 respondents with children in secondary education on the costs of secon. education per child. Lower end of costs for government subsidised education	Average costs of 400$ per year (ranging from $470 - 2100 per year)	10000 – 45000 Rupees
	School items (e.g., clothes and books)	Government school uniforms are free but stitching needs to be paid by the family.	70$ per year	1500 Rupees per year
	School exam fees	Surveyed 3-4 respondents with children in education on the costs of school exams	Average exam costs of164$ per year	Primary school: Rs 1000-1800 Secondary school: Rs 6,000 -7,000
	Average number of children per household	Based on Anker data that can be found here (LINK)	3 children	
	Total costs per month	The Indian team took the approximate average for the primary and secondary school fees and added an average for the unform and exam costs	Average primary & secondary costs: 700$ Average unform and exam costs: 234$ Total yearly costs: 934$ This was then multiplied by the number of children and divided by 12 for the monthly costs **Final costs: 234$**	**5000 Rupees**

Education represent 12% of the final living income. The final number is 234$ per month per household

Healthy diet and decent living represents around two thirds of household expected living income expenditures



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1. PPP conversion factor 2023 INR to USD is 0.04682 USD

SYSTEMIQ

B5 – COSTS OF DECENT WORK – QUESTIONS

This needs to be estimated by the local project partner

COSTS OF DECENT WORK

Costs of decent work:

- What are the costs of gloves?
- What are the costs of masks?
- What are the costs of boots?
- What are the costs of a work uniform?
- What are the costs of safe transport (this could include e.g., public transport, a pushcart, private vehicle. Depending on local context) ?
- What are the costs of aprons?

SYSTEMIQ

B5 – COSTS OF DECENT WORK– HOW WAS THE DATA COLLECTED?

Example from locations in Bangalore, India

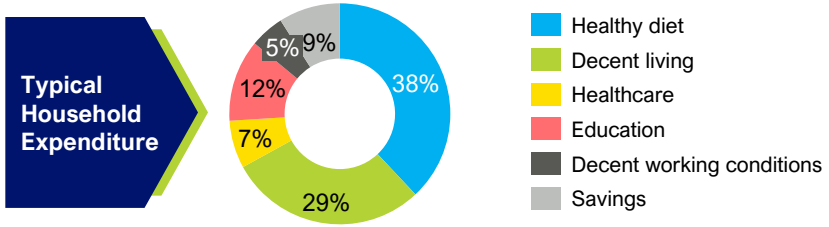
Example output from case in Bangalore

Costs of Decent work

Costs	Indian Approach	Result (in PPP Dollars)[1]	Result in local currency (Rupees)
Gloves	Estimated the unit costs of gloves in the location from surveying relevant shops. Informal waste pickers are assumed to use four gloves per moth	7$ per month	156 Rupees per month
Masks	Estimated the unit costs of masks in the location from surveying relevant shops. Informal waste pickers are assumed to use four masks per month.	3$ per month	61 Rupees per month
Boots	Information was not available	Information was not available	Information was not available
Uniform	Estimated the unit costs of a suitable uniform in the location from surveying relevant shops. Informal waste pickers are assumed to buy two uniforms per year.	31$ per year	661 Rupees per year
Apron	Estimated the unit costs of safe transport to the waste picking location by surveying 3-4 informal waste pickers.	23$ per year	500 Rupees per year
Safe transport	Estimated the monthly costs of safe transport for informal waste pickers to the areas that they work at. Deduced via average prices for public transport or auto rickshaw	35$ per month	758 Rupees per month
Total costs	Added the total costs of safe work for all categories. This was then multiplied by the Full time worker equivalent (FTWE) per household that is specific to India and explained in Slide X. This is because all workers in the household require protection.	55$ per month x 1.65 (FTWE) = 90$	1160 Rupees per month x 1.65 (FTWE) = 1928 Rupees per month

Costs of decent work represent 5% of the final living income. The final number is 90$ per month per household

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023

1. PPP conversion factor 2023 INR to USD is 0.04682 USD.

SYSTEMIQ

B6 – SAVINGS

This needs to be estimated by the local project partner

Savings

Savings:

- Savings are estimated at 10% of the final living income estimate for the surveyed locations
- The savings are then added to the final living income estimate

SYSTEMIQ

AVERAGE HOUSEHOLD SIZE, HH INCOME VS WORKER WAGE

Household size

Surveys and benchmark data will allow us to access the basic living income or amount a worker needs to be paid to ensure a decent living on their own.

To calculate a relevant living income, household size needs to be accounted for.
To simplify, we suggest using average household size locally available (or available from Anker methodology) from statistical agencies: The number of full time equivalent workers in the family is provided by the Anker methodology. The sources can be found in this Excel sheet.

- **The living wage is defined as the required earnings to have a decent life per full time worker.**
- **The living income is defined as the required earnings to have a decent life per household.**

Formula to translate obtained data into a living wage

Unit: USD (or local currency) earnings per day per working adult

$$Living\ wage = \frac{Living\ income}{Typical\ number\ of\ full-time\ equivalent\ workers\ in\ the\ family}$$

Note: this formula is based on our understanding on the Anker methodology for calculating a living income.

SYSTEMIQ

B1 TO B6 - FINAL ESTIMATE OF LIVING INCOME PER HOUSEHOLD AND PER FULL TIME WORKER EQUIVALENT

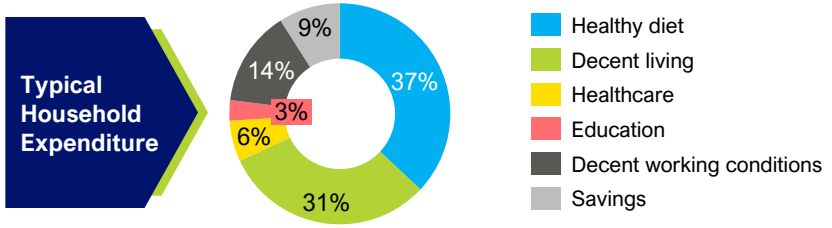
Example from locations in Sao Paulo, Brazil

Example output from case in Sao Palo

Costs per household	Result (in PPP US Dollars)[1]	Result in local currency (Reais)
B1 – Healthy Diets	281$ per month	1464 R$ per month
B2 – Decent Housing	254$ per month	1250 R$ per month
B3 – Healthcare Costs	51$ per month	250 R$ per month
B4 - Education Costs	24$ per month	117 R$ per month
B5 – Costs of Decent work	112$ per month	550 R$ per month
B6 – Savings	74$ per month	363 R$ per month
Total costs per household	**813$ per month**	**3994 R$ per month**

Costs per Full Time Worker Equivalent	Result (in PPP US Dollars)[1]	Result in local currency (Reais)
B1 – Healthy Diets	174$ per month	856 R$ per month
B2 – Decent Housing	149$ per month	731 R$ per month
B3 – Healthcare Costs	30$ per month	146 R$ per month
B4 - Education Costs	14$ per month	68 R$ per month
B5 – Costs of Decent work	66$ per month	322 R$ per month
B6 – Savings	43$ per month	212 R$ per month
Total costs per full time worker equivalent	**476$ per month**	**3994 R$ per month**

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023

1. PPP conversion factor 2023 BRL to USD is 0.20359 USD

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B1 TO B6 - FINAL ESTIMATE OF LIVING INCOME PER HOUSEHOLD AND PER FULL TIME WORKER EQUIVALENT

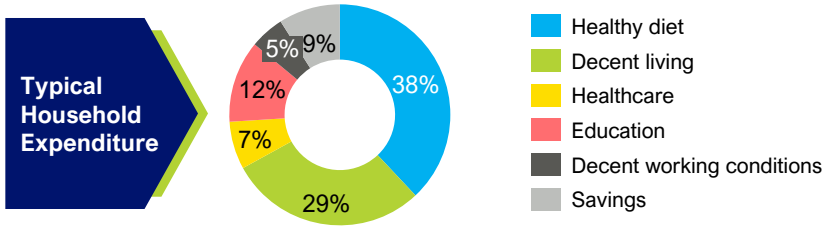
Example from locations in Sao Paulo, Brazil

Example output from case in Bangalore

Costs per household	Result (in PPP US Dollars)[1]	Result in local currency (Rupees)
B1 – Healthy Diets	709$ per month	15143 Rs per month
B2 – Decent Housing	551$ per month	11770 Rs per month
B3 – Healthcare Costs	124$ per month	2650 Rs per month
B4 - Education Costs	234$ per month	5000 Rs per month
B5 – Costs of Decent work	90$ per month	1928 Rs per month
B6 – Savings	171$ per month	3649 Rs per month
Total costs per household	**1880$ per month**	**40140 Rs per month**

Costs per Full Time Worker Equivalent	Result (in PPP US Dollars)[1]	Result in local currency (Reais)
B1 – Healthy Diets	430$ per month	9178 Rs per month
B2 – Decent Housing	34$ per month	7133 Rs per month
B3 – Healthcare Costs	75$ per month	1606 Rs per month
B4 - Education Costs	142$ per month	3030 Rs per month
B5 – Costs of Decent work	55$ per month	1169 R$ per month
B6 – Savings	104$ per month	2212 R$ per month
Total costs per full time worker equivalent	**1139$ per month**	**24328 R$ per month**

Healthy diet and decent living represents around two thirds of household expected living income expenditures



Note: All $ are in PPP 2023

1. PPP conversion factor 2023 INR to USD is 0.04682 USD

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OTHER LIVING INCOME ESTIMATES HELP SENSE CHECK

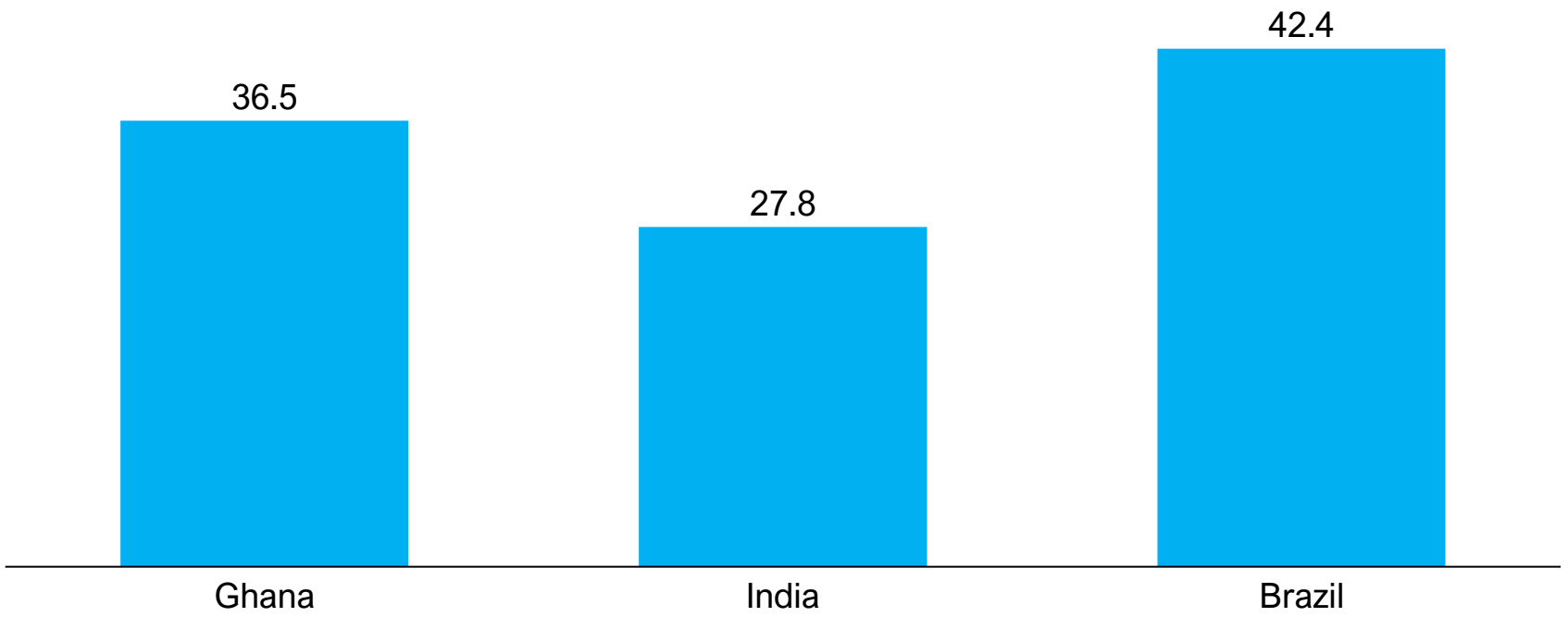
Living income data available

Via secondary data

- We can use existing Anker data available as benchmark although those are not a national average and may not be locally relevant.

Living wage available from Anker methodology

PPP $/day, corrected for 2022



Living income benchmarks prepared for the Global Living Wage Coalition (GLWC) using the Anker Methodology in rural areas of Ghana (Smith et al. 2017), Brazil (De Freitas Barbosa et al. 2016), India (Mamkoottam and Kaicker 2016). All data converted to 2017 values to make them comparable.

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C) COMPILING BENCHMARK INCOMES

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OBJECTIVE OF BENCHMARK DATA: DEFINITION, GOAL, KEY QUESTIONS AND METRIC

Establish benchmark

Minimum wage and comparable local incomes

Via primary and secondary data

Definition	Establishing a benchmark is used to build an income ladder of benchmark incomes, current earnings and the living income. The benchmark consists of the minimum wage and comparable local income.
Goal	How much do comparable jobs offer locally?
Key questions	▪ Is there a minimum wage locally, if so, how much is it? ▪ How much do local government waste workers earn? ▪ How **much income are local alternative job opportunities offering** (e.g., construction work, agricultural work, logistic and trade work etc.)
Metric	Salary in local currency and PPP USD per month

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HOW TO CALCULATE THE BENCHMARK DATA

We suggest relying on government statistics and surveys based on available data.

- Official government statistics can usually be accessed through government websites.

If existing secondary data is not available, we then suggest to conduct surveys with local experts to answer the key questions.

- The same size for the interviews does not have to be as big as for the waste pickers surveys (max. 10 experts). The surveys should be conducted with respondents that have insights into local wages (either because they work in those sectors or employ in those sectors). Biases should be avoided by asking a diversity of respondents.

See the next page for the Bangalore example for actual benchmark data that was collected.

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EXAMPLE: HOW TO CALCULATE THE BENCHMARK DATA

Example output from case in Bangalore

Example from locations in Bangalore, India

A Establish baseline / benchmark

	Minimum wage	Government wage	Average prevailing incomes for other comparable sectors
	The lowest remuneration that employers are legally required to pay workers	The prevailing remuneration that is paid by the local government to workers	Prevailing average remuneration for comparable sectors such as agriculture
Benchmark earnings	▪ Via government statistics Put action number	▪ Via government partner ▪ Indian Example: Legal Minimum Wage 910 PPP $/month 19,200 ₹/month	▪ Via survey (max. 10 respondents) ▪ Income generated through waste picking, construction work, agricultural labour ▪ Indian Example: Wages from prevailing jobs: Formal waste workers: 7,800 ₹/month Agricultural laborers: 10,100 ₹/month
Sources	▪ The minimum wage can usually be accessed through official government websites.	▪ The prevailing government wage can usually be accessed through official government websites.	▪ Conduct survey of max. 10 respondents on prevailing wages in sectors such as formal waste worker and agricultural labourers.

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