

CASE STUDY REPORT TEMPLATE



Study location	Quito - Ecuador	
Organization or researcher that developed the case study	Manuel Aguilar Arteaga Cristina Paredes Pozo	Alianza Giro Alianza Giro
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A METHODOLOGY TO ASSESS THE LIVING INCOME OF WASTE PICKERS

Introduction & methodology

To determine the income of grassroots recyclers in Ecuador, Manuel Aguilar, and Cristina Paredes of Alianza Giro, in coordination with Sistemiq, collected primary data from forty organized and individual grassroots recyclers in the city of Quito.

The purpose of the primary and secondary information collected is to establish a baseline by applying a survey to obtain socioeconomic data on employment, income, and housing conditions. In the second stage, the aim is to estimate a decent income using data on the costs of a healthy diet, decent housing, health, education, savings, and safety equipment for their work; this information was obtained using the Anker methodology, World Bank data and surveys of grassroots recyclers. Lastly, a reference income is established for other economic activities that have the same characteristics as those of grassroots recyclers, such as agriculture, masonry, among others.

To achieve this, meetings were held at the collection centers of the associated recyclers' associations (Asociación de recicladores del Distrito Metropolitano de Quito and Asociación Manos Unidas), where nineteen grassroots recyclers were surveyed. While in the case of individual recyclers working individually, we conducted tours in the south, center and north of Quito, locating people around material recovery, at this stage we collected data from twenty-one recyclers and thus completed the forty interviews established by the methodology.

A - Establishing a Baseline

The baseline aims to establish the main socioeconomic and productive characteristics of the forty grassroots recyclers interviewed in the primary data collection during this research to understand their context, reality, and environment.

On average, the grassroots recyclers interviewed have been working in this activity for about 13 years, for several reasons, but there are two main ones: lack of employment (due to lack of education, age, etc.) and inheritance. Faced with this challenge, the people who engage in this activity can do it individually or in association. In some cases, six of the forty respondents stated that they have, sporadically, some other economic activity that complements the household income.

The main sources of material recovery, according to the survey conducted, are streets, homes, shopping centers and businesses. It is important to note that among the different actors interviewed, the places of recovery overlap, that is, they can obtain materials in more than one of the mentioned locations.

The work of the grassroots recycler takes up an average of eight hours a day and six days a week. If this is classified using the type of organization (individual and organized), the values change, since the information gathered shows that individuals work an average of 7 hours a day, while associates work 9 hours a day.

Although the work is hard and the road is long, grassroots recyclers, especially individuals, are not clear or do not keep records of how much they recover per month, they understand that they must meet certain

income of USD 7 to USD 15 per day, but they do not know the total volume of sales. In the case of the organizations, they have a clearer picture, and it is estimated that they recover between 4 and 10 tons per month.

The coordination with which they conduct their work is on foot; however, twenty-seven of the forty interviewees (67%) say they have some type of manual or motorized vehicle, which are: human-powered vehicles, vans, or trucks. Regarding the ownership of these vehicles, the human-powered vehicles belong to the associations or recyclers, while the motorized vehicles belong to intermediaries who collect the materials or to public or private institutions that contribute to transporting the materials to the processing sites.

The main buyers of the materials are intermediaries, especially in the case of individual recyclers due to their limited storage capacity, while the associated recyclers can sell directly to the industry for some materials such as cardboard or PET, due to the volumes they manage to collect.

B - Living Income Estimate

B1 - Healthy Diets Survey

To determine the expenses incurred by basic recyclers to achieve a healthy diet, two reference frameworks were considered. The first is the one proposed in this document, based on the principles of the Anker methodology. Thus, based on the study entitled: Living Wage Report in Ecuador (Janette et al., 2016) This study determines the cost of a healthy diet at USD 265 for a family of 4 people. Adjusting the accumulated inflation between 2016 and 2023 which is 7.66 (World Bank, 2024) this value reaches USD 285.30.

The second point of reference, which was mentioned in the presentation of the results, is based on an exploratory analysis based on primary information collected from grassroots recyclers and other studies conducted by Alianza Giro and establishes a value of USD 210 for a family of four people. Therefore, the two values are considered within the framework of the research.

B2 - Decent Housing Survey

According to the methodology proposed, the cost of access to decent housing is based on the cost of rent and payment of basic services. To collect this data, interviews were conducted with grassroots recyclers and people in the real estate sector in the city of Quito. Based on the above, the cost of decent housing was established at USD 180, which is divided into USD 130 for rent and USD 50 for payment of basic services. It is important to note that a considerable number, around fifteen of the forty people interviewed, stated that they owned their own home, on inherited land.

B3 - Healthcare Costs

Access to health care in Ecuador is universal and free, which is why the grassroots recyclers interviewed stated that when events that affect their health occur, they go to public health centers for treatment. However, from the interviews conducted, they mentioned that they do have health expenses, especially when there are vulnerable people in their families, the elderly and children, the expenses reach USD 20 per month, which are directed to medicines that are not found in public health centers.

B4 - Education Costs

Like access to health care, education in Ecuador is free through schools and colleges that cover children and adolescents from 5 to 17 years of age. Public educational services are sectorized and depend on the

students' place of residence. From the research conducted, it was determined that in an average family with two children or adolescents of school age, the costs reach USD 50 per month, which are mainly directed to transportation and some food, because there is a school meal plan that is given to children up to 12 years of age.

B5 - Costs of decent work

The cost of doing decent work is understood as the monthly payment made by the grassroots recyclers for equipment that allows them to conduct their work in an adequate and safe manner. This cost, in the case of Ecuador, reaches USD 10 per month, for two reasons: organized and associated grassroots recyclers have the support of different public and private companies that provide them with these implements and at the time of replenishment they maintain that they can spend those USD 10.

B6 - Saving

Savings represent 10% of the total expenses previously mentioned in this section, being USD 470 per family per month, so the savings expenditure would reach USD 47 per month.

C - Compiling Benchmark Incomes

According to the methodology established in the study to establish points of comparison and to relate the income of grassroots recyclers in Ecuador, the first step is to determine the poverty and extreme poverty line (World Bank, 2024), which for the country (upper middle income) is USD 2.15 per day, or USD 64.5 per month. While the poverty line is USD 6.85 per day or USD 205.5 per month.

In the national context, the basic salary for 2024 is taken into account, which for Ecuador (INEC, 2024) is USD 460; likewise, the average income of formal workers in the waste sector, who are the employees working directly in the Empresa Pública Metropolitana de Aseo de Quito (EMASEO), is taken as a reference, which can reach USD 550.

Finally, we compare the income of other economic activities with similar characteristics, such as agriculture and construction. In both cases, primary information was collected from people linked to each of the sectors and it was determined that informal employment in the agricultural sector earns up to USD 300 per month, while in construction the average income reaches USD 400 per month.

Observations & Lessons Learnt

Considering the above, there are several opportunities to increase the quality of life of grassroots recyclers, including: reduction of the intermediation chain, competitive prices, storage, and transportation.

Depending on the type of material marketed, the recycling value chain can have 3 to 4 links between the basic recycler and the industrial transformer (Alianza Giro, 2023). Each of these links, to maintain their costs, has a profit that justifies their activity, with those at the beginning of the value chain, the primary recyclers, being the most affected. Therefore, if the number of intermediaries can be reduced, it will be possible to increase the profits of those at the base of the chain and, therefore, improve their living conditions.

A reduction in the intermediation chain would make it possible to achieve what was proposed in point two, competitive prices, promoting greater material recovery, improving the working conditions of grassroots recyclers, and generating dynamics that optimize available resources.

Other alternatives that should be considered and that do not improve the living conditions of grassroots recyclers are storage and transportation. The former conditions the amount of material that can be accumulated, making it inaccessible to the processing industry and thus making it impossible for them to improve their income. On the other hand, the transportation of material from the recovery points and to the points of sale represents one of the most important expenses of the basic recyclers, affecting their logistical and management capacity.

How to improve this reality, from the public sector by developing policies that recognize the grassroots recycler not only as a productive agent, but also as a generator of environmental and social benefits associated with the reduction of waste, pollutants and GHG emissions. From the private sector, it is possible to encourage the accompaniment of grassroots recyclers, associates or individuals, and thus be able to: promote their skills (administrative, accounting and legal), improve working conditions (providing safety equipment for work), increase the volume of materials recovered and access the industry directly, through the creation of various collection points in different cities of the country.