

# Negotiating the Recycling Bonus Law: Waste Pickers and Collective Bargaining in Minas Gerais, Brazil

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## Collective Bargaining in the Informal Economy

“Negotiating the Recycling Bonus Law: Waste Pickers and Collective Bargaining in Minas Gerais, Brazil” is one in a set of five case studies examining collective bargaining by informal workers. This research was conceived by Women in the Informal Economy: Globalizing and Organizing and supported by the Solidarity Centre. Each of the case studies covers a different category of informal workers in a different country. Please see a list of case study titles and their authors below.

- “Negotiating the Recycling Bonus Law: Waste Pickers and Collective Bargaining in Minas Gerais, Brazil.” by Vera Alice Cardoso Silva
- “Collective Bargaining and Domestic Workers in Uruguay.” by Mary R. Goldsmith
- “Collective Bargaining by Workers of the Indian Unorganized Sector: Struggle, Process, Achievements and Learnings.” by the Indian Academy For Self Employed Women
- “Collective Bargaining among Transport Workers in Georgia.” by Elza Jgerenaia
- “Collective Bargaining Negotiations Between Street Vendors and City Government in Monrovia, Liberia.” by Milton A. Weeks

To access these case studies, as well as, the summary of these case studies titled, “Informal Workers and Collective Bargaining: Five Case Studies” by Debbie Budlender, please visit [www.wiego.org](http://www.wiego.org).

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# Context

The collective bargaining that will be described below took place in Minas Gerais State, a member of the Brazilian federation. The waste pickers are the informal workers at the center of the bargaining. The objective of the bargaining is the demand that waste picking be recognized as a service provided to the State thus entitling the providers (waste pickers) to regular payment. Since 2001, this demand has been the main demand of the Waste Pickers' National Movement (Movimento Nacional dos Catadores de Recicláveis), or MNCR. As of today, there is no national law in Brazil stating that waste picking is an economic activity providing a service to the State.

There are estimates or informal records of waste picking in every state of the Brazilian federation. But there are not reliable and complete statistical data concerning the total number of waste pickers and their number in each of the 26 states of the Brazilian federation. Despite the existence of a national movement and of national leaders, there is no systematic information concerning the number of cooperatives and workers' associations in each state.

Since the 1990s, the waste pickers' movement in Minas Gerais has become widely known for its initiatives in the advancement of waste pickers' demands. The leaders in the state promote annual events, the Waste and Citizenship Festivals, which attract both diverse supporters of their causes and the waste pickers themselves. The supporters of their causes meet in panels, workshops, exhibitions, plays, and shows that are part of the festivals' programmes. Supporters represent professional organizations (architects, urban planners, sociologists, anthropologists, economists, environmental engineers, lawyers) and non-governmental organizations engaged in promoting human rights and social justice. A number of professionals from show business join the festivals and help to call public attention to the waste pickers' causes. Among the supporters, the Catholic Church played a decisive role in the original idealization of the festivals in the early 1990s and is today a strategic supporter of the waste pickers' causes and their political initiatives.

Summing up, when collective bargaining took place in 2011-2012, waste pickers, their work, and their demands were well known among a diverse public and enjoyed the support of important intellectual, professional, and political groups in Minas Gerais and in Brazil.

# Summary of the Bargaining Achievement

In November 2011, the House of Representatives of Minas Gerais, Brazil approved a state law establishing a monetary incentive to be paid by the state government to waste pickers who are members of a cooperative or workers' association. The payment is due at the end of a three-month period of work. This law became known as the Recycling Bonus Law. It is the first law approved in the country that authorizes the use of public money for ongoing payments for work done by waste pickers. The authorization represents one option for formal inclusion of waste picking in the state policy of management of solid waste.

Another option already in practice in Brazil is the signing of limited duration agreements through which municipal governments include waste pickers' cooperatives and associations in the local system of waste management. This option implies the incorporation of waste pickers' cooperatives and associations in the municipal system of waste management. The prevailing pattern in most cities where waste pickers have been incorporated into the urban management of waste is a division of labour in which waste pickers are responsible for specified activities within the overall management of waste. These activities are detailed in agreements binding cooperatives or associations directly to the municipal agency in charge of the waste policy. The agreements must be respected by the provider of the overall service, a private firm or a consortium of firms. These firms sign limited duration contracts with the local government for provision of the service. Whenever this arrangement prevails, that is, separate contracts within the same system of waste management, the privilege of access to recyclables is granted to waste pickers' cooperatives and associations.

The law under study brings in a new pattern of relationship between the government and the waste pickers. By providing for a monetary incentive linked to the commercialization of recyclables, the law aims at reducing the amount of loss of reusable materials and the reintroduction of raw materials into the industrial circuit. It does not regulate waste management as a whole.

According to the law, the amount of money each worker will receive is defined by the quantity and kind of recyclables he/she collects and then sells. The calculation of each one's production is based on daily records of production and commercial transactions covering 90 days (three months). The funds for the payment come from the state treasury. The total amount per year reserved for financing the incentive is determined by the state government, based on its investment priorities and fiscal capacity.

The law was well received by the majority of waste picker leaders, public authorities and spokespeople for organizations that support waste pickers' associations in their struggle for recognition in the economic, social, and political spheres. The waste pickers and supporters saw the law as representing real progress towards full recognition of waste picking as the provision

of a service within public structures of solid waste management and not something peripheral. Among the waste pickers, some critics of the law emphasize the limits of the recognition given the conditions attached to granting of the monetary incentive. These critics highlight, for example, that the law does not establish a specified percentage of the state budget to be allocated for this purpose; that it does not change rules prevailing in the market of recyclables (this market undervalues some kinds of recyclables and the buyers are free to choose from whom they buy); and that it does not secure protection and prioritization for waste picking against incineration as the approach to solid waste management.

To better understand the bargaining process that led to the passing of the law as well the criticism it received, some information concerning the political organization of waste pickers in Minas Gerais is provided below.

## Waste Picker Organization

While the Movimento Nacional de Catadores de Recicláveis (MNCR) reports the existence of a million pickers in Brazil, data collected by Brazil's official statistical system show that over a quarter million persons in Brazil are engaged in waste picking (Crivellari et al.). While perhaps small in numbers considering the size of the country, these workers are responsible for the high rates of recycling in Brazil. It is also relevant to point out that this data consists of estimates, not absolute numbers. The same statistical system provides information for states in the country and a number of 14, 029 waste pickers were found for the state of Minas Gerais.

The number of members in the majority of registered cooperatives varies between 20 and 30. Membership rarely exceeds 50 people. Only one cooperative has had more than one hundred members. Among workers' associations, the number of members is seldom larger than ten. The difference between these two forms of organization is that the law regulating cooperatives requires a minimum of ten members for registration purposes; this rule does not apply to associations of workers. Another difference is that within associations, the workers are not bound by the principles of solidarity in respect of the division of labour and monetary income. In Minas Gerais, there is no clear predominance of one sex within cooperatives or associations.

The reasons why waste pickers choose to organize under the form of worker associations are primarily practical. A number of people decide to share the work and decide which territory to cover daily, a decision based on their knowledge of localities within the city where waste picking brings good results. Members also share knowledge of personal networks through which each member of the group secures privileged access to sources of waste (for example, condominiums, small businesses, public offices). Given the territorial dispersion of these personal networks, the number of people in a group tends to be small – not enough to form a cooperative.

Despite the lack of information concerning the total number of waste pickers, it is known that the majority of these workers choose to work on their own and do not join cooperatives or associations. These are independent workers. The main reason for choosing this option seems to be economic, that is, the individual gets more money on a daily basis if he /she sells recyclables directly to organized businesses. In this case, seller and buyer are usually bound by some sort of informal contract. The unwritten terms of such contracts include the lending of carts, the provision of space for sorting the recyclables and, in some cases, the negotiation of different prices for different solid waste items. The payment is always in cash and immediate. Given the variation in the individual monetary income between members of cooperatives and workers' associations, waste pickers' leaders note that there is a trend of diminishing numbers of organized waste pickers. One purpose of the law under study is precisely to change this trend by encouraging the individual waste pickers to join cooperatives and workers' associations; for those who are already members, the monetary incentive is presented as a bonus that will increase the income already secured through routine work.

There are at least 119 cooperatives and workers' associations presently functioning in Minas Gerais within the metropolitan area of Belo Horizonte (34 municipalities). The leaders of waste picker movements come from those associations. There is no formal representation of the independent waste pickers. However, when acting at the political level, the movements present their causes and demands for the group as a whole and not only for the organized workers.

The waste pickers' movement in Minas Gerais is part of a national movement, the MNCR, which has been active since 2001 and, as a state movement, has played a lead role in the organization of the national movement. The contribution of leaders coming from Minas Gerais was essential in the shaping of the demands of waste pickers as presented to the federal, state, and municipal governments across the country. The first initiatives towards political organization of waste pickers in Minas Gerais date back to the middle of the 1990s. In the early days, the Catholic Church provided organizational and financial assistance to waste pickers, both men and women, who accepted the challenge of leading fellow workers in the struggles for citizenship rights. The movement became politically visible mainly through promotion of a yearly event in Belo Horizonte, the capital city of Minas Gerais – the Waste and Citizenship Festival. In Brazil, waste was already a prominent topic in the political agenda of governments and of scientific and social organizations. In the 1990s, many social thinkers and environmentalists were building arguments linking solid waste management to the ideal of sustainable development. In this wider context, the waste picker movements acquired legitimacy and ample support.

In 2003, waste picking was formally recognized as a job in the National Register of Professions and Jobs. From 2002 onwards, the federal government authorized the use of large amounts of public revenue for improving working conditions of waste pickers. Funds were allocated for programmes and projects aiming at buying trucks, buying machinery for compressing waste and for the preparation of recyclables for the market, provision of loans for the construction or



leasing of warehouses, and for financing the training of waste pickers in the use of new technologies for treating solid waste and preparation of recyclables for the market.

In the late 1990s and early 2000s, some municipal governments in Minas Gerais began contracting waste pickers' cooperatives as providers of service within the local management system of solid waste. This was the case in Belo Horizonte, Itaúna and Contagem, for example. In these cities, waste pickers' cooperatives became responsible for part of the daily management of the city waste. Their responsibilities were detailed in agreements. They were allowed to use the collected solid waste for recycling and selling in the private recyclable market. In the three cities mentioned above, the agreements have been regularly renewed till today.

In this favorable political context, the waste picker movements at the national level and within states and cities were empowered. The friendly political environment persists today and is especially evident at the national level of politics. Since the late 1990s, the waste picker leaders and their supporters (urban planners, environmentalists, the Catholic Church, and promoters of human rights and of the principles of the solidarity economy) have taken up the opportunity to organize and publicize a political agenda built with the active participation of member-based organizations (cooperatives, worker associations, state and municipal forums of waste picking and of the solidarity economy). An important priority in this agenda is that waste picking be recognized in a federal law as the provision of a service within the municipal system of solid waste management and that it be recognized in state laws that define guidelines for governmental contracts with private providers of waste management services. If such a law is federal, its provisions become mandatory for state and municipal governments.

Presently, this demand is linked with two political causes of the waste picker national movement. The first is the defense of waste picking as the best strategy for promoting the social and economic inclusion of street dwellers and other categories of very poor people. The second is the struggle against use of incineration for solid waste management. In this context, waste picking is presented as a virtuous policy of social inclusion as well as of advancement of the ideal of sustainable economic growth.

The national leadership of waste pickers stresses the strategy of promoting waste pickers' demands at lower levels of political organization, that is, the state and the municipality. Following this directive, the leaders in Minas Gerais took the opportunity created by a friendly political coalition in charge of the state government since 2008 to introduce into the legislative agenda the debate over waste management policies, including waste picking as a job providing this service. This proposition was extensively advocated during the Waste and Citizenship Festivals in 2008, 2009, and 2010. The strongest support in the political dealings leading to formalizing the demand into a bill to be discussed in the House of Representatives came mainly from two sources: the non-governmental organization the Instituto Nenuca para o Desenvolvimento Sustentável (Nenuca Institute for Sustainable Development – INSEA) and from the Centro Mineiro de Referência em Resíduos (Reference Center on Solid Waste of Minas Gerais – CMRR). The latter is an office created in 2008 by the government of Minas Gerais with

the mission to accomplish two objectives: to offer administrative and organizational support to waste pickers in Minas Gerais and to act as linkage between their organizations and the state government. Worth mentioning here is that the Center's executive director since 2008 is a former member of the Catholic Church's organization that was instrumental in the initial mobilization of waste pickers in Belo Horizonte. The Church's initiatives culminated in the creation of the first waste picker cooperative in the state, one that is still the largest and best organized, the *Cooperativa de Catadores de Papel e Materiais Recicláveis* (Paper and Recyclables Pickers' Cooperative – ASMARE).

In the House of Representatives, the waste pickers counted on the support of two representatives and their advisory staff, one belonging to the governor's party (Brazilian Social Democratic Party), and the other belonging to the party of the President of the Republic (Workers' Party). This parliamentary support was important both in the presentation of the bill and in the negotiations of the voting procedures that followed. The deliberative process, from the initial phase when the bill was included in the voting agenda until the last debate and final voting, took six months (June to November 2011). This short span of time for the whole legislative process is quite unusual. The approval of the law without opposition is another indication that the matter enjoyed a great deal of legitimacy among the formal political elite within the state (party leaders, governmental authorities, and people with influence in the formation of public opinion). It did not require massive protests and demonstrations aimed at creating public support and exerting pressure on the representatives.

# Antecedents of the Recycling Bonus Law: Waste Pickers' Economic and Social Identity 2008-2012

One fundamental problem facing waste pickers in Minas Gerais and elsewhere in Brazil is related to their identity as workers and to the nature of the job they perform. This problem may be summarized as follows. Waste picking is an economic activity allowing individuals to earn money. But the work they do falls within the scope of the responsibilities of public authorities, that is, the management of the city / town waste. The items waste pickers collect are recyclables, that is, they have commercial value and may be sold in the market. Waste pickers do not cover the full range of waste management, but their picking has an economic meaning that was recognized long before the contemporary debate centered in the ideal of sustainable development became global.

Nowadays, in Brazil, work relations are part of political debates about citizenship rights. In this context, the struggle for the recognition of the waste picker as a worker who performs a specialized service within the public system of waste management acquires strong political legitimacy. The waste pickers demand to be recognized as full citizens, including in the realm of the economy. They claim to be workers and not social outsiders or a source of disturbance in the routine of urban life. According to documents and manifestos that are circulated in the events promoted by the national, state and municipal waste pickers' forums, waste picking must be recognized as one modality of solid waste management. As a consequence, the waste picker must be recognized as one of the providers of this service within municipal structures of waste management. This is the fundamental demand of waste pickers at the national and local levels of political bargaining. It incorporates the view of the waste picker as a formal worker and of waste picking as a formal component of solid waste management. Given this assumption, local governments should pay waste pickers for providing part of the service in municipal systems of waste management.

This demand assumes that the governments must accept that any solid waste management policy should incorporate waste picking and recycling as non-negotiable components. Presently, there is no broad consensus over these principles as starting points for the introduction of draft laws at each level of government. In this context, the law approved in Minas Gerais may be seen as a step that furthers the waste pickers' demand.

The description of the present economic conditions of waste picking in Minas Gerais helps in understanding the divergent opinions among the waste pickers about the meaning of the law: does it represent a success or is it somehow a diversion in the ongoing struggle for true empowerment of the waste picker as a specialized worker?

## Present Conditions of Waste Pickers' Organization

This group of informal workers is divided into two sub-groups, the independent workers and the organized workers (members of cooperatives or workers' associations).

Governmental programmes aiming at the betterment of living and working conditions of waste pickers target the organized workers. The direct beneficiaries are cooperatives and workers' associations, never individuals as such.

The individual waste picker beneficiary of public policies/programmes is primarily identified as a street dweller, someone who is vulnerable and needs to be protected by the State. There are programmes aimed at helping street dwellers find places to live and at registering them in social assistance initiatives. Some of these programmes encourage the person to become a member in a waste pickers' cooperative or another kind of association based on the principles of the solidarity economy.

Despite ongoing financial and other support by governments and non-profit organizations, most cooperatives and workers' associations still lack basic administrative and organizational capabilities.

In a growing number of municipalities, cooperatives and workers' associations are signing contracts with the local government that invest them with total or part of the responsibility in the management of urban waste services. The local government provides trucks, warehousing space and equipment for preparing and compressing the recyclables for the market. The assumption behind the contracts is that the waste pickers are able to organize the service and adequately provide it. However, this capacity is not always fully present, which justifies arguments of governmental people at the local level who are in favor of incineration. Worth noting here is that this kind of cooperation has seldom been justified by its coherence with the ideals of sustainable development. The promotion of social inclusion by means of economic

inclusion is the reason most emphasized by governmental authorities and politicians who favor the provision of contracts.

The leaders who represent the waste pickers in local, state, and national movements come from organized waste picking. All of them have worked in picking, sorting of recyclable items, compressing, or preparation of items for selling and in the administration of the cooperative as a unit of production. They are knowledgeable about every phase of the picking and recycling process. When their fellow workers elect or appoint them as their representatives in different political events and decision-making processes, their connection with the routine work changes. While performing the representative role, they are absent from the daily tasks. They stop contributing directly to the work that generates income for the group.

In Minas Gerais, as a means of granting political support to the waste picker movement, it became common practice in governmental agencies and in non-governmental organizations to provide for a monthly salary for the “professional” leader (man or woman) through his/her participation in programmes financed either by the government or by non-governmental organizations. Since the 1990s, these programmes became a very important strategy of public support aimed at empowering the waste pickers as a category of specialized workers. The programmes are planned activities devised to improve waste pickers’ capacity both in the use of recycling technologies and in the management of the recycling process in cooperatives and in workers’ associations. The implementation of the planned activities utilizes a participatory methodology. This learning approach allows for the participation of waste pickers acting as instructors and tutors in workshops and special classes. This participation requires accomplishing activities detailed in the programme, within which the waste picker is incorporated as a salaried member. But this situation also allows plenty of time for each leader to take care of duties related to his/her representation role. The leader is free to return to the “line of production” anytime. When this happens, he/she must cease participation in governmental programmes as well as in those coordinated by non-governmental organizations.

According to waste pickers’ leaders who were interviewed, the assumption of the leadership role is generally connected with the mobilization of the group for collective action and the need to identify a spokesperson for the group in collective bargaining. In this context, anyone who is able to clearly formulate the demands of the group and is trustworthy is designated as the group’s representative in dealings with external actors, the government, or other. The “mandate” given to the leaders may be revoked by the assembly of members if trust is broken.

This kind of relationship is not simple. The person who assumes the role of leader ceases for a time to be a full co-worker in the daily tasks of waste picking. There is no rule stating that the cooperative or association should guarantee a monthly payment for the member who assumes the role of representation. This role is generally time-consuming, including participation in meetings that last more than one day and are sometimes held in localities far from the cooperative’s or association’s territory. The leader does not lose close connection with the member-based work community, but he/she is forced to engage in a very different daily

routine that prevents, for example, division of the day into two parts: one dedicated to the waste picking routine, the other dedicated to the obligations derived from the representation role. This circumstance led governmental and non-governmental supporters of waste pickers to devise an alternative means of income for the leaders while they are away from the work routine. From this perspective, the representation could be seen as a “paid” function, but the person performing the function must enjoy the trust of his/her fellow workers to remain in the position.

Depending on the number of issues/bargaining processes that are part of the movements’ political agenda, the leaders divide among themselves the tasks relating to following different decision-making processes that may happen simultaneously. Because of the variety of bargaining arenas, the leaders are seldom together in every negotiation. To exchange information, they use weekly meetings for themselves and, periodic meetings with individual waste pickers’ cooperatives and workers’ associations. They also make use of the Internet to share relevant information, to ask for opinions, and to call assemblies. The only regular mass meeting of the whole group of waste pickers – organized or independent – is the annual Waste and Citizenship Festival, generally held in September.

Presently, there are three relevant collective bargaining processes ongoing in Minas Gerais. The first relates to the definition of the rules of implementation of the monetary incentive created by the Recycling Bonus Law approved. The second relates to provisions of a state law that will regulate the participation of private businesses in solid waste management within the state territory. Here, the waste pickers’ movement aims to prevent the inclusion of any provision granting full autonomy in planning to the private provider of the service that would allow for incineration and the exclusion of recycling. The third bargaining process relates to overcoming legal obstacles that presently prevent the installation in Belo Horizonte of an industrial plant for the production of raw materials made out of recyclables. Twenty-five cooperatives plan to work together in the operation of the plant. The initiative will allow waste pickers to move up in the economic chain from collecting and processing recyclables to the production of raw materials for industries.

The present case study deals only with the collective bargaining related to the recognition of waste picking as part of the management of the service of collecting solid waste in the state of Minas Gerais.

## Collective Bargaining: Defining the Economic Identity of Waste Picking

There is no doubt that presently in Brazil there prevails a very positive view of waste picking and its role in the economy. Waste pickers are no longer seen as outsiders, and their activity is recognized as a job. This development is clearly related to the growing acceptance among Brazilians of the ideals summed up in the concept "sustainable development". However, the individual waste picker may not be concerned about the wider political struggle concerning the options for the final destination of waste. Instead, the organized waste picker is concerned with waste picking both as a source of income and as part of public systems organized to manage solid waste.

In Brazil, this concern is presently translated into two demands: first, that a federal law includes waste picking as a permanent component of municipal systems of solid waste management; second, that waste picker organizations have a voice in the planning of state and municipal policies of solid waste management. The second demand is justified by the fear that the option for incineration may prevail without safeguards for recycling. This problem affects all waste pickers, organized or independent.

## The Bargaining Process

As noted above, the leaders of waste pickers at the national level favour state and local initiatives promoting waste pickers' demands whenever this strategy is advisable and possible. This has been the case in Minas Gerais since 2008, when the state government decided to implement a variety of policies aimed at the empowerment of social groups generally identified as "the poor". Among the poor were the waste pickers. However, when compared to most other groups of poor people, the waste pickers have already reached a higher level of economic and political organization. Many of them work in cooperatives and workers' associations. They debate their problems and formulate their demands in organized movements and forums. In Minas Gerais, since 2008, the state forum has become the most important political actor connecting waste pickers' cooperatives and associations with public authorities. With the support of a non-governmental organization, the INSEA, the forum began to use the annual Waste and Citizenship Festival to promote debates concerning the recognition of waste picking as a service provided within municipal systems of waste management. According to this view, waste pickers' cooperatives and associations must be paid for services provided to the state.

With the support of the Reference Center on Solid Waste (CMRR), a governmental agency, the idea of a state law gained supporters among governmental authorities and politicians. The bargaining process began in 2010 when the governor asked his party to present the proposal in the House of Representatives. The party accepted his proposal. This set in motion the bargaining over the provisions of the law in respect of waste pickers in Minas Gerais. Debates and consultations took place in meetings called by the Director of the CMRR during the first half of 2011. The participants were waste pickers' representatives, people from the INSEA, people from governmental agencies in charge of environment regulation and people from the CMRR. All these people already had ample information about the routines of waste picking and its connection to the market of recyclables.

During this period, the number of women representatives of waste pickers slightly exceeded the number of men (generally five women and four men). There are no written records of these meetings. Most of the time, they were called by people from the CMRR together with people from the INSEA. The meeting place was the CMRR premises, a very spacious and well equipped area in Belo Horizonte belonging to the state government.

The main issue in the debate was the nature of the recognition to be awarded to waste pickers as providers of service to the State. There were two contrasting positions. The position favoured by the waste pickers' representatives and their supporters from INSEA called for full recognition of waste picking as a service provided by specialized workers to the State. This principle would mean that permanent contracts binding local governments and waste pickers' associations should be mandatory. In opposing this view, the government argued for limited recognition of waste picking as service provided by waste pickers to the State. The state government accepted that the waste picker must be paid for the work he/she performs. But it argued that since the waste pickers are already paid in their commercial transactions in the recyclable market any extra



monetary gain coming from money transfers authorized by the State would be an incentive to waste pickers to continue to provide the service. This interpretation prevailed in the negotiations.

In the writing of the bill to be voted on by the House of Representatives, the decisive contribution came from the government representatives. The waste pickers' representatives therefore did not consider their own presence necessary or strategic in the legislative sessions during which the law was discussed (second half of 2011). They came to the conclusion that the government would not accept the radical proposition that the waste pickers' movements favoured. The law was approved on November 22, 2011, without opposition or any major debate in the House or in the press.

During the bargaining process, the waste pickers' leaders did not produce written records or reports. The information for the members of cooperatives and associations was transmitted through the usual means, that is, through local assemblies in cooperatives and internet messages. It is worth pointing out that this bargaining did not arouse any great enthusiasm or mobilization among the organized waste pickers. According to the leaders who were interviewed, many waste pickers still do not believe that the government will really "keep the promise" of reserving money every year for the monetary incentive. But the majority is happy about the possibility of getting more money without the need for extra work. The approved law became known among organized waste pickers by the name proposed by the government, the Recycling Bonus Law. It is a bonus because the payment comes as a reward for the commercialization of recyclables that has already generated income for the individual waste picker through commercial transactions.

The main points of the state law no. 19.823/2011 can be summarized as follows:

- it authorizes the state government to reserve a certain amount of money each year to be distributed among waste pickers' cooperatives and associations as payment for providing commercialization of recyclables;
- the amount reserved may vary, depending on the yearly priorities the government establishes for the state budget and the available monetary reserves in the state treasury;
- the recipients of the payment are cooperatives and workers' associations who will receive the money after every three months of work undertaken;
- to receive the bonus, the cooperative or association is required to demonstrate that it is in good standing in every legal and administrative aspect of its organization;
- the amount of money to be transferred every three months to each cooperative or association will be calculated according to rules to be determined by a permanent Coordinating Committee (see below); and
- the allocation of the money for each recipient will follow the general rule according to which 90 per cent will be distributed to waste pickers based on their monthly

commercialized production and ten per cent will be used to finance items or activities the assembly of members find relevant to improve the organization and administration of the cooperative or association.

The justification of the law reads as follows:

The institution of the recycling monetary incentive aims at promoting the reintroduction of recyclable materials in regular processes of production through the incentive to reduce the squandering of natural resources and energy, in the setting of a major priority, that is, the economic and social inclusion of waste pickers.

The phrasing reveals the wider political meaning of the law. The social purpose (social inclusion of waste pickers) is stressed as the major priority, rather than the ideal of sustainable development that includes recycling. Also, the law is not explicitly presented as an answer to the demand for recognition of the waste picker as provider of service to the state. Rather, the waste picker is presented as a worker who, by providing a service that public authorities must provide by force of law, deserves a bonus in addition to the payment obtained in commercial transactions not regulated by the state, that is, which are realized in the private realm.

## **Collective Bargaining Centered on Implementation of the Law**

The Recycling Bonus Law determined that implementation of the law should proceed according to rules approved by a Coordinating Committee. The establishment of this Committee and its responsibilities were defined in a governmental decree, signed by the state governor on June 4, 2012. In contrast to the law, the decree connected the monetary incentive with the state policy for the management of solid waste, designed in the State Law No. 18.031, approved in January, 2009. Taking into account the principles stated in this law, the decree presented the incentive as a means of minimizing discarded waste, thus contributing to reducing what in the decree was called “environmental pressure.” The priority of promoting socio-economic inclusion of waste pickers is not referred to in the decree. The main provisions of this document are detailed below.

1. It establishes the composition of the Coordinating Committee: one representative of the Secretaria Estadual do Meio Ambiente (Environmental Agency of the Government of Minas Gerais, or SEMAD); one representative of the Fundação Estadual do Meio Ambiente (Environmental Foundation of Minas Gerais, or FEAM, a governmental agency attached to the SEMAD and responsible for providing research data required for the formulation of environmental policies in the state); one representative of the CMRR, three state-wide representatives of the waste pickers; and one representative of the Ministério Público Estadual (Public Office for the Defense of Individual and Collective Rights of Minas Gerais, or MPE). This composition of members would place

the waste pickers in minority in any voting except that the MPE usually sides with the citizens, and many times against the government.

2. It details the responsibilities of the Committee as follows:
  - a) to define the rules for the implementation of the monetary incentive;
  - b) to validate the registration of every cooperative and association in the list of eligible recipients of the incentive;
  - c) to define procedures for monitoring the correctness of the use of the incentive by each cooperative and association; and
  - d) to create incentives for the functioning of a network for sharing information and experiences related to waste picking helping to bring together cooperatives and associations throughout Minas Gerais.

This Committee is also in charge of monitoring administration and managing procedures by means of which each cooperative or association will register the production and the commercial transactions of the individual waste pickers who are the final recipients of the monetary incentive.

The set of responsibilities assigned to the Committee indicates that it is a permanent governmental structure. It is presided over by the Director of the FEAM, who is also responsible for the calling of meetings, for recording the debates, and for making public the decisions to be enforced.

After its establishment in July 2011, the Committee defined its decision-making agenda and schedule of meetings. Since then, it has met three times a month. In these meetings, it has taken forward the bargaining process over the rules for the implementation of the monetary incentive in line with the first responsibility listed above.

## Bargaining the Rules and Regulating the Procedures for Implementation of the Monetary Incentive

The first rule was not a matter of dispute. It defined the procedure for the identification of cooperatives and workers' associations eligible for receiving the incentive. A public announcement about the incentive was made through mass media, which asked cooperatives and associations to request registration. In the first year (2012-2013), only cooperatives and associations within the metropolitan area of Belo Horizonte would be eligible (34

municipalities). The reason for this restriction was presented by government representatives. They emphasized the idea that the first year should be taken as a learning period for both the government and the waste pickers' associations. They also emphasized the fact that waste picking is not yet a widespread practice in the majority of the 853 municipalities of Minas Gerais. The waste pickers' representatives agreed with this temporary restriction.

The second rule gave rise to some dispute. It dealt with the period of time for which the cooperative or association would be granted good standing status within the government controlling agencies responsible for the registration of businesses and tax records. The waste pickers' representatives' proposal around implementation suggested that where problems were identified in the cooperative or association (for example, in relation to implementation of administrative procedures required for the daily registration of the individual production actually sold in the formal recyclables market or the regularizing of tax payments due to municipal, state, or federal governments), the payment of the monetary incentive would be approved before the full completion of the list of legal requirements. The waste pickers' representatives lost on this issue. The approved procedure repeated the requirements written in the law. However, the Committee agreed that the CMRR and the INSEA should provide assistance to cooperatives and associations in their efforts to overcome administrative problems and debts with fiscal authorities in the shortest period of time possible.

The next issue on the Committee's agenda was the definition of the unit of measurement and the criteria for the pricing of different kinds of recyclables. At this point in the deliberation, the Committee agreed that there were technical issues affecting the pricing that might be better evaluated if they had the help of professionals in recycling and recyclables. This led to the establishment of a task group in charge of presenting pricing criteria for the recyclables to be included in the list of items eligible to receive the monetary incentive. The group included the waste pickers' representatives and invited professionals who were not Committee members but were staff in governmental agencies. The professionals were an engineer from the CMRR staff, a statistician from the FEAM, and a lawyer from the staff of the SEMAD.

This group agreed on the use of the metric ton as reference unit for calculating the payment due for quantity. However, the pricing of different kinds of recyclables was an issue: should the pricing simply follow the market practices? Or should the pricing be used as a means of compensation for conditions that, in the eyes of waste pickers, appear as unfair when the amount of work required for picking and preparing specific kinds of recyclables is compared with the price paid in the market? The issue centered on the expected influence of the monetary incentive on the waste picker's behaviour. If the main justification for the bonus is to add social value to waste picking and to encourage waste pickers to remain in the job and to encourage street dwellers and unemployed people to join waste pickers' cooperatives and associations, then the list of recyclables eligible for the benefit and the respective price should follow the logic of the market. That is, the idea of using the monetary incentive to compensate for lower prices paid for specific recyclables in the market should be rejected.

In the debate, the waste pickers' representatives defined the basic assumption that, in their view, should guide the deliberation: the definition of recyclables in the list guiding the distribution of the monetary incentive must take into account what waste picking really is in the daily routine of waste pickers. This assumption led to the identification of the items that are collected and the conditions of access to them. Are they abundant or rare? Are they regularly or irregularly found? Do they have high or low value in the market?

During the meetings, the task group accepted the descriptions of the real experience of the waste pickers as the guideline for their recommendations to the Coordinating Committee. The waste pickers were thus the members who decided the composition of the list of recyclables defined as eligible for calculation of the individual share of the monetary incentive. The recyclables so defined are paper, plastic, glass, and scrap metal. Given this list, the waste pickers also favoured the rule for pricing allowing for compensation in the face of unfairness in the market. The result of this option was fixing higher prices for the two items less valued in the recycling market: scrap metal and glass. If measured in terms of metric tons, these two items require greater effort from waste pickers in the routine work of collection (it is worth mentioning that the separation of waste by kind is not a widespread practice among urban dwellers in Minas Gerais, thus making waste picking more work-intensive for the individual waste picker). The monetary bonus then adds a real incentive for picking less valued and more work-intensive recyclables. The Coordinating Committee approved the rules recommended by the task group.

After defining the basic operational rules required for the implementation of the law, the Committee is currently discussing procedures for monitoring the routine functioning of the monetary incentive. This routine involves interaction between governmental agencies, cooperatives, and workers' associations. The number of the latter is expected to grow in the coming years. In light of the expected evolution, the government representatives are mainly concerned with formal and bureaucratic procedures. The waste pickers' representatives are concerned with the uncertainty about the amount of money reserved for the incentive. They fear that it may even be stopped on the argument of budget restrictions. They propose procedures that strengthen the commitment of the state government to the protection of waste picking. They are also aware of the danger implicit in the legal autonomy granted to municipal governments to enter into contracts with private concerns, allowing them to plan the management of urban waste without the inclusion of recycling practices.

At the time of writing (November-December 2012), the Committee agenda includes deliberation on long-term planning. The issues under consideration are described below.

## **Organization and Management of Cooperatives and Associations**

The representatives of the government stress the need to improve the organizational and management skills of the people in charge of accounting, administration and supervision of the

different functions in the “line of production” (waste picking, sorting recyclables, preparing recyclables for marketing, the commercial transactions proper). The waste pickers’ representatives agree that some degree of professionalism is required to transform waste picking into a really competitive and lucrative economic activity. But they insist on calling attention to a strong individual motivation in the choice of waste picking as a source of income, that is, the amount of freedom it allows the individual. This freedom is obviously curtailed whenever waste picking is organized as a “line of production”. The waste pickers’ representatives insist that each cooperative or association must define and promote its own organizational project respecting decisions made in assemblies of members. According to this view, any monitoring rule designed to establish external control over the functioning of the work process must first be debated by the assembly of members. The waste pickers’ representatives are not free to agree with proposals discussed in the Committee without formal approval of the base members.

It is worth mentioning here that waste pickers’ leaders recognize that the role they play is not easy or simple. They note that there are cooperative or association leaders who are too authoritarian, who keep relevant information for themselves, who lose legitimacy but who continue to present themselves in different forums as representatives of base members. There are even some cases of leaders who are dishonest in their dealings with the collective money. Given their relationship with the leaders of cooperatives and associations who are entitled to speak for the assembly of members, the waste pickers’ representatives in the Committee are very careful when asked to discuss procedures that may interfere in the routine and practices of each cooperative or association.

## **The Completion of Organizational Requirements for Receiving the Monetary Incentive**

This point is related to procedures established in the Recycling Bonus Law as legal requirements that each cooperative or association must comply with in order to receive the monetary incentive. These procedures include the following:

- a) daily registration of the volume of production of the individual waste picker;
- b) daily registration of commercial transactions of recyclables traceable to individual waste pickers; and
- c) daily registration of individual production by kind of recyclable.

These registrations are part of the routine administration of the cooperative or association and require professional capabilities that are not generally found among waste pickers. When the law requires these procedures, it implies not only new people in the work process, but also new costs that may diminish individual monetary gain, even if only temporarily.

Since the law reserves ten per cent of the total amount due to the cooperative or association on the basis of the recorded commercial transactions, the waste pickers' representatives favour using part of the money to cover these new costs. Another proposal focuses on the use of part of the money to pay municipal, state, and federal taxes, and labour tributes, some of which are related to the cooperatives or associations as such and some of which are related to the individual worker. Both proposals are being discussed in cooperatives' and associations' assemblies at the time of writing. The Committee is acting mainly as a consultative body clarifying legal and administrative issues brought to their attention by the waste pickers' representatives.

The government representatives already know that the amount of money reserved for the monetary incentive in 2013 will be larger than the amount approved for 2012 (roughly US \$1.6 million in 2012, expected US \$ 2.3 million in 2013). It is expected that 59 cooperatives and associations in the metropolitan area of Belo Horizonte not included in the 2012 distribution will achieve legal good standing status in 2013, thus practically doubling the number of beneficiaries. The inclusion of cooperatives and workers' associations outside the metropolitan area will require a new process of registration. The Committee does not have yet a timetable for this procedure.

It was agreed that, in this first phase of implementation, that is, the second half of 2012, the three-month time span for calculating the distribution of the incentive among waste pickers will not be met because of challenges in setting up the system at the overall level as well as within individual associations and cooperatives. The 2012 monetary incentive will be paid in two installments to 61 cooperatives and associations in good standing, the first on December 20 and the second on January 30. As noted above, there are 59 cooperatives and associations preparing themselves for receiving the monetary incentive in 2013.

One item still pending in the agenda of the Coordinating Committee is the planning of the extension of the monetary incentive to all 853 municipalities organized in Minas Gerais. In this discussion, the government will be concerned about the need to increase the amount of money reserved yearly to fund the monetary incentive as the number of recipients grows. The waste pickers' leaders who participate in the Committee are meanwhile concerned with keeping the funding of the Recycling Bonus as a permanent monetary gain for all cooperatives and workers' associations in Minas Gerais.

## The Recycling Bonus Law: How it Affects Waste Pickers

As already mentioned, there are different opinions about the reach and meaning of this law. Depending on the aspect one chooses to highlight, the law is either deemed a real success in the betterment of waste pickers' working and living conditions or a setback in the struggle for full recognition of the waste picker as a provider of services to the state that must be acknowledged and regularly paid.

For those who speak for the government and for those who agree with the normative interpretation of workers' rights that prevailed, the law represents a real progress in the



empowerment of waste pickers. This group justifies its opinion on economic and cultural grounds. From the economic point of view, supporters of the law stress the value of the extra income that will increase the consumer power of the waste picker's family. From the cultural point of view, they insist that the law stimulates better working practices promoted by the workers themselves without intrusive outside interference. According to this view, it is unfair to say that the monetary incentive will promote "political accommodation" among waste pickers. For the supporters of the positive view, the movements that bring them together in the struggles for economic and social recognition will not be weakened in Minas Gerais simply because waste pickers living in the state are recognized as workers who merit extra payment for work done. It is irrelevant if this payment comes in the form of a bonus rather than in the form of direct payment.

Waste pickers' leaders are divided in their evaluation of the meaning of the law. There are those who consider the implementation of the monetary incentive to be another success in the list of achievements of the waste pickers' movement at the state level. There are others who see the law as a setback when the larger political background is taken into account.

The first group has in mind primarily the routine of the work of the waste picker. It is hard work for very low pay. Better living conditions for the waste picker and his/her family are usually related to the engagement of every family member in some productive activity. It is very common that the whole family participates in the picking, dividing work, and domestic tasks among themselves according to the family's needs. Waste pickers' leaders who applauded the passing of the law agree that the monetary incentive is a concrete gain in the individual income that does not have a negative influence on the waste picker's commitment to the movement's major cause. This cause is, as already explained above, the struggle for the recognition of waste picking as a permanent component of public systems of solid waste management and the waste picker as a provider of this service.

The second group prefers to call attention to the wider political context of the debate concerning available models for organizing solid waste management in urban areas. For people in this group, the future of waste picking in Minas Gerais will be decided at this level of decision making. They ask themselves: will political authorities favour incineration without restrictions or will they favour some model of waste management that preserves a place for recycling? To this group, the Recycling Bonus Law may be understood as a governmental strategy aiming at neutralizing waste pickers' opposition to the ongoing negotiations coordinated by the state government geared towards the formation of municipal consortiums for waste management. These negotiations bring together people from the state government, representatives of municipal governments, waste pickers' representatives, and representatives of the private sector specialized in solid waste management.

The state government is promoting municipal consortiums as an economic solution for the provision of efficient solid waste management in small and medium size towns. One issue in the negotiations is precisely the degree of autonomy to be granted to private companies in the

choice of solid waste management technologies that they will use. Some waste pickers' leaders fear that the preference for incineration might prevail. In this context, the mobilization of the whole group of waste pickers, organized and independent, is deemed strategic. The leaders who criticize the Recycling Bonus Law fear that the monetary incentive – for them a mere palliative for the low income derived from waste picking – might demobilize the waste pickers at a time when political mobilization is crucial to preserve the long-run future of waste picking in Minas Gerais.

In the short run, according to opinions of waste pickers and of the majority of waste pickers' leaders, the law brings positive gains in addition to the increase in income of the individual. New administrative practices will improve working conditions. The motivation for improving efficiency in the use of equipment and of techniques in every phase of the recycling process will increase. The “production line” will run more smoothly.

# Concluding Remarks

Summing up the characteristics of the collective bargaining leading to the passing of the Recycling Bonus Law, one may conclude the following:

1. There was no major mobilization of the full group of waste pickers;
2. The idea of conceding a monetary incentive to the marketing of recyclables was an adaptation of a different idea, defended by the waste pickers' movements, that is, the idea of payment for service provided by waste pickers to the State. This idea was mainly elaborated in the Brazilian social movement.

The waste pickers' leaders participated in every phase of the deliberative process, but the lead role in the definition of the final conception of the law was played by representatives of the government;

3. Given the fact that the first phase of the implementation took longer than expected to be completed (January-August 2012), as yet there have been no payments to cooperatives or workers' associations for provision of the service of marketing recyclables. Consequently, as yet, there are no data available for calculation of the financial impact of the monetary incentive on the individual and family income of waste pickers. It is worth mentioning that the production data already processed by CMRR staff (December 2012) indicate that the impact will be significant for most of the cooperatives and workers' associations that will receive the monetary incentive. Some of them will receive the equivalent of US \$100,000; and
4. During 2012, at least 59 cooperatives and workers' associations in the metropolitan area of Belo Horizonte introduced changes in their administrative and management practices in order to meet the legal requirements for receiving the monetary incentive. According to the members, the changes are a real gain for the working conditions of the whole group in addition to the expected increase of income resulting from the monetary incentive.

A very general conclusion is that for the individual waste picker, every advantage earned for the category of waste pickers in dealings with public authorities is a demonstration that collective bargaining must be supported even if he/she thinks that the actual burden of the political representation should fall on someone else's shoulders.

# Appendix I

## Interviews

Aparecido Gonçalves, José. Executive Director, Reference Center for Recyclables of Minas Gerais – CMRR. 26 November 2012.

do Rosário de Oliveira Carneiro, Maria. Legal Consultant, National Center for the Defense of Human Rights of Street Dwellers and Waste Pickers. 27 September 2012.

Gonçalves Amaral, Vanúzia. Director. Municipal Agency for Urban Waste Management/Recycling Division, City of Belo Horizonte. 25 September 2012.

Jader Costa, Júlio. Member of the Research Group on Solidarity Economy, Federal University of Minas Gerais. 28 September 2012.

Marcos Pereira da Silva, Luciano. Executive Director, Nenuca Institute for Sustainable Development, INSEA. 19 September 2012.

Pereira de Araújo Carvalho, Janice. CMRR technical staff. 26 November 2012.

Rodrigues Duarte Lima, Maria Madalena. Waste pickers' representative in the Coordinating Committee for the Implementation of the Recycling Bonus Law. 7 November 2012.

Warley Chagas, Gilberto. Waste pickers' representative in the Coordinating Committee for the Implementation of the Recycling Bonus Law. 10 October and 5 November 2012.

# Appendix II

## Documents

CMRR Reports: 2008, 2009, 2010 Waste and Citizenship Festivals.

Forum Estadual Lixo e Cidadania (State Waste and Citizenship Forum). 2011. *Manual para organização e negociação dos serviços – sistemas de coleta seletiva com a participação dos catadores*. Belo Horizonte: CMRR.

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Governo de Belo Horizonte/ Gabinete do Prefeito. 2011. Projeto de lei regulamentadora do serviço de limpeza urbana e de manejo de resíduos sólidos em Belo Horizonte. (Government of Belo Horizonte/ From the Mayor's Office. Proposal of bill regulating the management of urban waste and of recyclables in Belo Horizonte).

Minas Gerais. Law no. 19.823, approved on November 22, 2011. It authorizes the state government to reserve public revenue for the payment of a monetary incentive to waste pickers – Recycling Bonus Law.

Minas Gerais. Governmental Decree no. 45.975, signed on June 4, 2012. It defines procedures for the payment of the monetary incentive authorized by the state Law no. 19.823; it establishes the composition and responsibilities of the Coordinating Committee in charge of the implementation and monitoring of the Recycling Bonus Law.

# Appendix III

## Resources

Crivellari, H. Dias, S. Pena A de S. Informação e trabalho: uma leitura sobre os catadores de material reciclável a partir das bases públicas de dados. In: KEMP, V. H & CRIVELLARI, H. M.T. (org.). Catadores nacena urbana: construção de políticas socioambientais. Belo Horizonte: Autêntica Editora, 2008.

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Dias, Sonia. 2011. "Integrating Informal Workers into Selective Waste Collection: The Case of Belo Horizonte, Brazil." WIEGO Urban Policies Briefing Note, No. 6.







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About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO builds alliances with, and draws its membership from, three constituencies: membership-based organizations of informal workers, researchers and statisticians working on the informal economy, and professionals from development agencies interested in the informal economy. WIEGO

