International Labour Organisation

Study of Scrap Collectors, Scrap Traders and Recycling Enterprises in Pune 2001
VIEWS ON THE INFORMAL SECTOR

Whether to promote the informal sector as the provider of employment?

OR

Whether to extend regulation and social protection thereby reducing its capacity to provide jobs and incomes?
<table>
<thead>
<tr>
<th>Data Collection</th>
<th>Sample size</th>
<th>% of Pop.</th>
<th>Baseline Data Source</th>
<th>Stratification</th>
</tr>
</thead>
<tbody>
<tr>
<td>75 % Researchers</td>
<td>252</td>
<td>5.5</td>
<td>Union registration</td>
<td>Category Gender Location</td>
</tr>
<tr>
<td>75 % Researchers</td>
<td>72</td>
<td>20</td>
<td>SNDT</td>
<td>Category Commodity Location</td>
</tr>
<tr>
<td>100 % Researchers</td>
<td>17</td>
<td>Source Pune Scrap</td>
<td>MCCIA Yellow pages Directories</td>
<td>Commodity</td>
</tr>
</tbody>
</table>
Itinerant Buyers
Male  1018
Female  562
Total  1580

Wastepickers
Female  2781
Male  233
Total  3014

SCRAP COLLECTORS
Every other scrap collector is under 35 years of age.

9 out of 10 wastepickers are women,
2 out of 3 itinerant buyers are men.

25 per cent of the women between the ages of 19 and 35 are widowed or deserted.

9 out of 10 women are illiterate,
5 out of 10 men are illiterate.

PERSONAL PROFILE OF SCRAP COLLECTORS
Every scrap collector is a Matang, Mahar or Neo-Buddhist

Every third household is woman headed

One in every two households has up to 5 members
Push factor: 40% faced caste oppression in the native village; the drought of 1972 is a watershed in their migration.

2/3 migrated from Solapur or Marathwada.

Every other scrap collector is still involved in caste related cultural practices.
50% have photo-passes

50% have own water connection

10% live in undeclared slums

50% have own electric connection

Average size house 100 sq.ft.
Mean monthly PCI of scrap collectors is Rs.591

Mean monthly PCI: The Highest for wastepickers
The Lowest for bhangarwalas

The economic dependency load is the highest in Bhangarwala households
One in four scrap collectors’ households is below the urban poverty line

The incidence of poverty is highest among Bhangarwalas due to the higher economic dependency load

Distribution of income is unequal within each category of scrap collectors

The share in the income of the bottom 10% of households is around 3% and that for the top 10% is around 20%
8% women are the sole earners in their households
45% women contribute more than 50% to household income
This proportion is 40% in married women staying with their husbands
Two out of three deserted/separated women contribute more than 50% to the household income
One in three deserted/separated women contributes more than 90% to household income
Only 1 in 10 scrap collectors saves money in a bank

25% use the scrap collectors cooperative

50% choose not to be indebted at all
Wholesale Traders are ‘closer’ to other Traders and Reprocessors

Retail Traders are ‘closer’ to scrap collectors
Retailers are younger

Wholesalers belong to the higher castes

Wholesalers are more educated

Scrap Trade is largely dominated by males

½ the Traders live in slums
Child labour constitutes 3.2 per cent of the total labour in scrap collection.

The estimated number of child wastepickers in Pune is around 150. Most are girls. Older siblings who accompany wastepickers as child minders are a separate category. One in ten children of scrap collectors are out of school.
Majority of the scrap collectors source domestic scrap

4 out of 5 wastepickers collect scrap from garbage bins and from the streets

75% of scrap collectors walk for more than 5 hours to collect scrap

Majority work more than 8 hours per day
Most scrap collectors sort scrap outside the scrap trade establishment.

Wastepickers use only sacks. Only 1/5 uses a makeshift rake. 1 in 2 wastepickers transport scrap on the head. Female itinerant buyers use baskets. Male itinerant buyers use pushcarts. 28% use hired pushcarts. 50% of the itinerant buyers borrow working capital, mostly from the retail trader.
<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS</td>
<td>13 MT</td>
</tr>
<tr>
<td>WHITE</td>
<td>9 MT</td>
</tr>
<tr>
<td>PUSHTA1</td>
<td>8 MT</td>
</tr>
<tr>
<td>PUSHTA2</td>
<td>4 MT</td>
</tr>
<tr>
<td>MIX MEIN</td>
<td>13 MT</td>
</tr>
<tr>
<td>MEIN 1</td>
<td>5 MT</td>
</tr>
<tr>
<td>MILK BAG</td>
<td>2 MT</td>
</tr>
<tr>
<td>BHANGAR</td>
<td>3 MT</td>
</tr>
<tr>
<td>PATRA</td>
<td>3 MT</td>
</tr>
<tr>
<td>KADAK</td>
<td>1.5 MT</td>
</tr>
<tr>
<td>FUGA</td>
<td>3 MT</td>
</tr>
<tr>
<td>CABLE</td>
<td>1 MT</td>
</tr>
<tr>
<td>CHAPPAL</td>
<td>0.5 MT</td>
</tr>
<tr>
<td>GLASS</td>
<td>13 MT</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>79.00 MT</strong></td>
</tr>
</tbody>
</table>

- 50% of the total collection is of low value commodities such as RS, mix mein and glass.

* Excluding bottles & minor scrap items
TOTAL DAILY QUANTUM COLLECTED BY BHANGARWALAS *

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHITE (paper)</td>
<td>2</td>
</tr>
<tr>
<td>PUSHTA1</td>
<td>8</td>
</tr>
<tr>
<td>PUSHTA2</td>
<td>5</td>
</tr>
<tr>
<td>Corrugated Board</td>
<td></td>
</tr>
<tr>
<td>MILK BAG (LD Plastic)</td>
<td>0.8</td>
</tr>
<tr>
<td>BHANGAR (Ferrous metal)</td>
<td>16</td>
</tr>
<tr>
<td>PATRA (Tin)</td>
<td>8</td>
</tr>
<tr>
<td>KADAK (IM plastic)</td>
<td>0.7</td>
</tr>
<tr>
<td>FUGA (BM plastic)</td>
<td>3</td>
</tr>
<tr>
<td>CABLE</td>
<td>1</td>
</tr>
<tr>
<td>CHAPPAL</td>
<td>0.5</td>
</tr>
<tr>
<td>GLASS</td>
<td>5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50.00 MT</strong></td>
</tr>
</tbody>
</table>

* Excluding bottles & minor scrap items

- The prices of all commodities excluding glass, are above Rs.3.00 per kg
MEAN DAILY INCOME OF SCRAP COLLECTORS

- Dababatliwali Rs. 49
- Wastepicker Rs. 60
- Bhangarwala Rs. 75

Perquisites

- 30 % have been bitten by dogs
- 1/100 has ‘child care’ facilities
- Access to ‘paid’ drinking water
- Rest room?
- Every other scrap collectors gets Diwali bonus of Rs.250
  (less than 1 % of total annual income)
One in ten scrap collectors is accused of theft.

Every single one is acquitted

One in ten is harassed by security personnel or other citizens

One in ten is harassed by municipal staff

The Trade Union or scrap trader is approached for assistance
The municipalities save Rs. 89,10,891 per annum on account of wastepickers. Each wastepicker contributes Rs. 246 worth of free labour per month to the municipality. Total saving on account of all scrap collectors is Rs. 15,82,2750.
Wholesale traders specialise in specific commodities.

Stockists are retailers who also purchase scrap from other retailers.

Retailers are at the cutting-edge level in the trade.
The total value of the trade in Pune is Rs.185 million per annum.

The total earnings of scrap collectors in Pune amount to Rs.3.75 lakhs per day.

1% of the workforce is engaged in this sector.
The Recycling Pyramid

WHOLESALERS

RECYCLERS

STOCKISTS

RETAILERS

30

45

425

5400 ITWBs and AWPs
50% were established between 1986 and 1995.
Upward mobility from scrap collection to trade is very low.
Entry is easier at the lower level than at higher level.
4 out of 5 entered because it was the family business or had prior exposure to the trade.
• All trade establishments are privately owned and usually managed by the family
• Most are 100-200 sq.ft. in area
• Most are registered under the Shop Act
• All have minimal infrastructure
Most retailers use between Rs. 1000 and 3000 as working capital.
2/3 are self-funded.
Most retailers have 2-3 labourers.
90% of the labourers are male.
Gender disparity in tasks and wages.
Family labour is 1/3 of total labour.
Scrap Collectors see no alternative future for themselves outside this occupation.

Every Scrap Collector is aware of the existence of the Trade Union. One in three is not a member.
The wholesale market is oligopsonistic. Market power is highest in RS and lowest in bhangar.

Stockists have oligopsonistic powers. The prices are not sticky upwards.

The retail trade market is effectively competitive. No single trader has control over purchase prices.
### ESTIMATED DAILY QUANTUM OF SCRAP TRADE

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Traders’ Estimate MT</th>
<th>Survey Estimate MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed mein</td>
<td>25</td>
<td>14</td>
</tr>
<tr>
<td>1 No. Mein</td>
<td></td>
<td>05</td>
</tr>
<tr>
<td>RS</td>
<td>09</td>
<td>13</td>
</tr>
<tr>
<td>Glass</td>
<td>30</td>
<td>19</td>
</tr>
<tr>
<td>Bhangar</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Patra</td>
<td>05</td>
<td>14</td>
</tr>
<tr>
<td>Kraft</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>White record</td>
<td>05</td>
<td>11</td>
</tr>
<tr>
<td>‘Plastic’</td>
<td>01</td>
<td>15</td>
</tr>
<tr>
<td>Milk Bags</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>TOTAL</td>
<td>147*</td>
<td>140*</td>
</tr>
</tbody>
</table>

The survey estimate pertains to volume traded at the retail level.

The two estimates are similar in terms of total quantum traded but the commodity wise composition differs.

* Excluding bottles that are traded in units
### AVERAGE PURCHASE PRICES AT DIFFERENT LEVELS OF TRADING ACTIVITY (Rs./p.kg)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Category of trader</th>
<th>Trade margin at Wholesale level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retailer</td>
<td>Stockists</td>
</tr>
<tr>
<td>RS</td>
<td>0.89</td>
<td>1.10</td>
</tr>
<tr>
<td>MIX MEIN</td>
<td>2.02</td>
<td>2.30</td>
</tr>
<tr>
<td>WHITE</td>
<td>3.48</td>
<td>4.00</td>
</tr>
<tr>
<td>PUSHTA</td>
<td>3.34</td>
<td>4.15</td>
</tr>
<tr>
<td>PATRA</td>
<td>3.26</td>
<td>3.75</td>
</tr>
<tr>
<td>BHANGAR</td>
<td>5.02</td>
<td>5.42</td>
</tr>
<tr>
<td>GLASS</td>
<td>0.97</td>
<td>1.25</td>
</tr>
<tr>
<td>BEER*</td>
<td>1.95</td>
<td>2.15</td>
</tr>
</tbody>
</table>

* Price per piece

Retailer: Higher Trade Margin-Lower Volume
Stockists: Lower Trade Margin-Higher Volume
Wholesaler: Higher Trade Margin-Higher Volume
• Half the income is generated by scrap collectors, who constitute 76% of the total workers
• The remaining half is generated by traders
• 62% of the income earned is the rewards for the labour of scrap collectors and workers in the trade establishment
• Wholesaler’s earnings constitute 55% of the total earnings from the trade
The average earnings of scrap collectors and traders increase at decreasing rate with successive levels of economic activity.

Average earnings of hired workers in the trade is around Rs.2200 per month.

Three in four retailers earn less than the mean level of earnings.

Two in three stockists and wholesalers earn less than the mean level of earnings

Trade in bottles, bhangar, patra, kraft and fuga earns relatively higher than trade in RS and mix mein
SCARP FROM PUNE JOURNEYS TO

MALEGAON

NEW DELHI

KRAFT-WHITE

PLASTIC

Metal (Ferrous & Non Ferrous)

KARJAT, KHOPOLI, PUNE, AURANGABAD, SOLAPUR

GLASS

BOTTLES

PUNE, SATARA

PUNE, AURANGABAD

PUNE, BOMBAY, NASIK

PUNE, BOMBAY, SATARA
<table>
<thead>
<tr>
<th>Type</th>
<th>Glass</th>
<th>Bottles</th>
<th>Bhangar-Patra</th>
<th>Mixed Mein</th>
<th>Plastic</th>
<th>RS</th>
<th>Kraft-White</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process</td>
<td>Smelt Blow</td>
<td>Wash Fill</td>
<td>Smelt Cast</td>
<td>Clean Melt Granule</td>
<td>Sort Melt Granule</td>
<td>Pulp Roll Dry Press</td>
<td>Pulp Roll Dry Press</td>
</tr>
<tr>
<td>% scrap used</td>
<td>40</td>
<td>20-100</td>
<td>70</td>
<td>100</td>
<td>100</td>
<td>70-100</td>
<td>30-100</td>
</tr>
<tr>
<td>Product &amp; Market Segment</td>
<td>Contain ers</td>
<td>Bottles</td>
<td>Ingots</td>
<td>Granules</td>
<td>Granules</td>
<td>Grey Board</td>
<td>Newsprint Paper Mill Board Board Low</td>
</tr>
<tr>
<td></td>
<td>Mid-High</td>
<td>Low-High</td>
<td>Mid-High</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>
FACTORS AFFECTING RECYCLING OF SCRAP

• Increase in the manufacture of virgin plastic

• Imports of Paper and Plastic Scrap

• Government regulations on Plastic

• Withdrawal of concessions for utilisation of scrap

• Economic recession and low demand for products

• Replacement of Paper Packaging and Glass Containers by plastic
ORGANISATIONAL STATUS OF SCRAP COLLECTORS IN PUNE

Trade union registered in 1993 to establish collective identity

Registered scrap collectors 4594

Identity Cards issued by the Union endorsed by the Pune & Pimpri Chinchwad Municipal Corporations in recognition of the contribution of scrap collectors

Union is represented on the Apex Sanitation Committee of the PMC

Space for scrap co-operative provided gratis by PCMC

Medical Insurance Premium paid by Pune Municipal Corporation
REDRESSAL OF COMPLAINTS OF HARASSMENT AND ABUSE INCLUDING DOMESTIC VIOLENCE.

- Registered savings-credit co-operative of 1300 members.
- Group Insurance Scheme covering 800 members.
- Co-operative Retail Scrap Store.
- Lobbying for Legislative Protection.
Compulsory school enrolment of children

Annual community marriage celebration

Action against Child Marriage

Action against Child Labour

Educational Incentives for Children
Too many collectors too little scrap! Should entry be regulated?

Self-employed or Employed? Are they not unprotected manual workers?

Workers’ rights or welfare handouts?
Perspectives on legislative protection

Source segregation of garbage improves conditions of work! How can the wastepickers claims to scrap be protected?

Targeted PDS & urban BPL: ‘Targeting’ the urban poor to exclude them

Market intervention in the trade: High costs & high risks

Health Care & Education are the responsibility of the government! What happens when these are privatised?