



270 High Performance Recycling in Emerging Economies.

Informal Inclusion and Resource Efficiency on the Path to a Circular Economy

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1. Why is High Performance Recycling possible in rich countries, but an embarrassment source of conflict, and a bad joke in Emerging Economies ? (it's the circles!)

High-income Countries 1984-2000

Urgent environmental concerns drive innovation in technology

Regionalisation of paid disposal creates financial crisis in cities

Recycling a low-cost alternative & environmental triumph

Innovations in source separation/ separate collection > high rates

Disposal prices get higher – stimulates more innovation/market development

Virtuous circle: high recovery, lower costs, system change

Municipal recycling became a broad standard; rates 50-75%,

Emerging Economies Anno 2017

Environmental concerns imported & not a priority for local authorities

Donors & finance ministries finance disposal/collection infrastructure

Recycling not interesting to cities unless it produces revenues

Informal collection captures 15-20% of highest-value recyclables

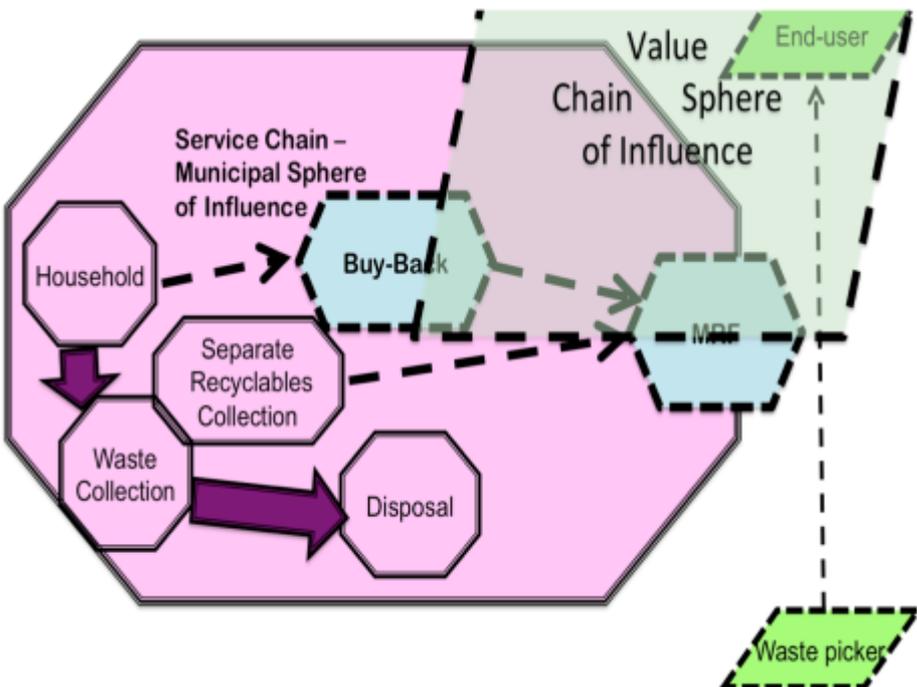
Disposal price “stuck” at \$10/tonne: is no incentive to develop recycling

Vicious circle: cities compete with informal recyclers, recovery declines

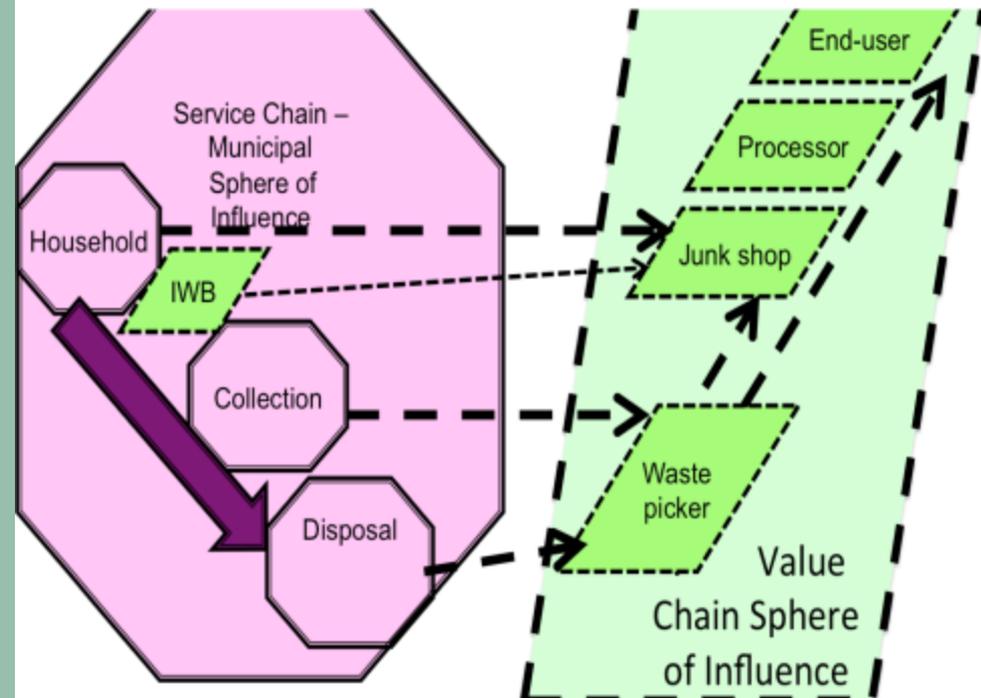
Municipal recycling symbolic or a joke, informal recyclers criminalised

2. North America/old EU vs Emerging Economies

Municipal Recycling framework



Value Chain Recycling Framework



3. Informal Integration – Key to emerging economy recycling

Intervention Type	Description
<i>Welfare-based interventions or social integration</i>	Improving the socio-economic status of individuals and families involved in informal recycling Based on the idea that waste pickers are poor, socially weak and have few options
<i>Rights-based interventions. also called social integration</i>	Support groups of waste pickers and their families to claim labour or citizenship rights Occupational recognition, building associations or unions that strengthen recyclers' positions Often includes providing identity cards or formal papers
<i>Technical integration or two-sided adaptation</i>	Based on agreements or contracts with service chain and/or facility-based integration Reduce police harassment; Legalise business relationships through formal registration of recycling businesses, payment of taxes, and compliance with zoning and traffic laws.
<i>Formalisation or one-sided compliance</i>	Capacity-based. Reduces illegal dimensions of activities such as trans-boundary movement of e-waste; increases compliance; limited paths for formalisation; not all informals can comply. The formal system will accept compliance with its rules and institutions.
<i>Professionalisation and business development</i>	Demand-driven support to informal recyclers for training, better health and safety procedures, and an overall improvement of informal recycling as micro- or family enterprises. Occupational recognition is the basis of the professionalisation agenda, which sees Activities strengthen knowledge, capacity, business skills, and access to materials and financing. Leverage access to (micro-) financing and better business.
<i>B2B Interventions and Value Chain Strengthening</i>	Concentrate on economic development and value creation through better business within the value chains, new markets, up- and downcycling, improved stability and predictability of prices; earning models. Infrastructure for transport, storage, better sorting and high-grading

Source: Scheinberg and Savain 2015, used by permission

4. Anchor Interventions in Value Chains

Work with “the middleman,” (s)he is the door to to value chain interventions (& contacts)

Stay away from high value materials – they are claimed.

Strengthen markets for materials that are not already being extracted and valorised

Create incentives for formalisation such as reporting and traceability in EPR systems

Put a price on avoiding disposal and pay it as a diversion credit when materials are sold

Conceptualise interventions as changing business as usual, not as time-bound projects

5. Service Chain interventions can support:

Price disposal by the tonne – based on real costs – and don't subsidise it for any stakeholders, even municipalities

Price collection by the household or connection – and reward recycling

Talk to informal recyclers about what their problems are

Solve their problems on the condition that they register and report their activities

Create paths for legalisation and formalisation

Remove obstacles and eliminate harassment

6. informal integration is key to resource efficiency & the circular economy in middle-income countries!

They know the markets, the value chain.

Their livelihoods depend on valorising materials.

Resource efficiency is their expertise – and they can identify problems, leaks, losses, and opportunities

Listen & learn – they know better than you!

Change is possible – if it works for them!

Thank-you for your attention!

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