Policy and institutional challenges for the informal sector inclusion in formal systems
Reality

- Municipalities modernizing
- Some actors might be excluded (usually the IS)
- New private investments but with positive results
- The roles change
Who is the informal sector?

- Entrepreneurs, experts in the art of segregation and re-use
- Local knowledge, innovative with the regional resources
- Livelihoods out of waste
- If committed, they can impact the local development
Policy and institutional framework needed for their social support, professionalisation and economic inclusion
1. Organisation

• There is no ("formal") organisation
• Through organisation they become economic actors, they can get stable transactions, create interests' agreements and social protection (associations/cooperatives)

Policies should recognise the need for institutional development (capacity development)
2. Move higher in the value chain

Collect for him/herself

Store
Process
Transform

National Policies should consider MF loans for storage capacity, environmentally sound process and materials transformation
3. Knowledge, experience & technology

Lack of:
Knowledge
Experience
Technology

Business models
Strategic development plans

The **policies** should include means ($) to face the transaction costs for the development of the process
4. Inclusion on 3R schemes

Collection for recycling/re-use

Reduction
Re-use
Recycling schemes participation

The **3R schemes** should recognise the advantage to include the informal sector participation.
5. Laws and public policies for their inclusion

No status
Stigmatised
Criminalised

Recognised as a profession
Recognised added value

The policies created should recognise the contribution of the sector to sustainability.
6. Acceptance of diverse collection systems

Policies shouldn’t monopolise the services just to one contractor
WVF

http://youtu.be/TB0fAvQh0Kg
What type of support was provided?

Municipality:
- Assuming their responsibility for the local development
- Acknowledge the existance of WP; their contribution to sustainability
- Provision of equipment, infrastructure and services
- Making visible amounts of materials recuperated
What type of support was provided?

Intermediate organisation provided:

- Training in: organisational, business, safety, waste management issues and others
- Bridged the informal sector with the formal system (municipality)
- Funded the transaction costs for the local development process
Asia
Comments?

Lilliana Abarca
labarca@waste.nl